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A Study on Influence of Social Media on Online Buying Decision with Special Reference to Management Students at Tiruchirapalli City

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Abstract

In this research paper, an attempt has been made to study the effectiveness of social media on online shopping decisions among the consumer. Effectiveness here denotes the impact of social media advertising on the purchase decision of the consumer. Anna University affiliated in Tiruchirappalli City-Tamilnadu.

The objective of the study is to identify which consumers are mostly influenced by online purchasing, reasons that trigger consumers to purchase online and types of social media that are mostly used by the consumer in Trichy.

Keywords: Consumer Buying Decision, Social Media, Effectiveness, Online Shopping.

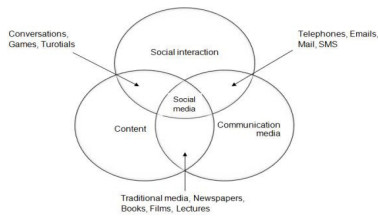
Introduction

By the few past decades, people's way of shopping has significantly improved with the aid of information and modern communication technologies, consumers are able to shop via the Internet using several Social media and different websites-(Toomey and Wysockiages)

In regards of the term Web 2.0, Tim O'Reilly, the founder of O'Reilly Media, has coined that "Web 2.0 is the business revolution in the computer industry caused by the move to the Internet as platform, and an attempt to understand the rules for success on that new platform." He has further provided a general business aspect in relations of Web 2.0 as the "harnessing of collective intelligence", in which Web 2.0 provides platforms and fills the Web with user-generated content where all individuals – the former audience are able to take part in instead of important decisions made by a few people. (O'Reilly 2006.) Alternatively, Web

2.0 is a platform whereby content and applications are continuously modified and exchanged by all users in a participatory and collaborative manner, and no longer merely created and published by individuals (Kaplan and Haenlein 2009).

There are still many on-going debates and discussions regarding social media's universal definition; as social media has been transforming and merging into the evolving development of New Media (Solis 2010). Regardless of what the standardized definition per se would be, many of the existing studies and articles have stated out the common core purpose of social media.



Dann and Dann (2011) have demonstrated how social media is formed based upon the interconnected elements – social interaction, content, and communication media. Social media has created a new landscape in supporting the socialization of information (Solis 2007), as a result it has facilitated and enhanced communication flow by making it easier and to more people, and to spread useful information with potentially vast online audiences (Smith and Zook 2011, 10), in which the conversation may be taken place on media locally but lead to a global impact.

Safko and Brake (2009, 6) have supported the concept proposed by Kaplan and Haenlein (2009), as they have referred social media to “activities, practices, and behaviors among communities of people who gather online to share information, knowledge, and opinions using conversational media”. Nonetheless, social media expedites the flow of communication by encouraging contributions and feedback from everyone who is interested and it is a two-way conversation when comparing to the traditional media because social media outlets are open up to feedback and participation (Mayfield 2008).

Types of Social Media

In the discussion regarding different categories of social media, five distinct types of social media outlets are focused on – 1) social networking sites, 2) social news, 3) media sharing, 4) blogs, and

5) microblogging. Each of these social media platforms has provided unique features and experiences to individuals and entities, for instance, marketers and consumers, in the social media sphere.

Social Media and Marketing

Social Media Marketing is an umbrella term that can be described as the utilization of social media platforms as marketing tools. According to Weinberg (2009), he refers social media marketing as leveraging the ‘social’ through the ‘media’ to ‘market’ businesses’ constituents; in other words, it is a process in empowering individuals to promote their websites, products, and/or services through online social channels, to interact with and to tap into a much larger community that may not have been available via traditional advertising channels.

It is no longer a striking fact that most of the advertisements via mass media are not as efficient as in the past, because by advertising through the mass, the message is generally reaching far more people than the potential customer intended to reach. Social web is where people with a common interest can gather to share thoughts, comments, and ideas; hence, instead of continuing as broadcasters, marketers should become aggregators of customer communities; that is, the Web should not be considered as a mere advertising channel, it is a place where marketers can listen and respond to communities, review contents, as well as promote a particular piece of content within the vast social sphere (community building).

What Makes Social Media Marketing Special?

Upon the insufficient advertising budget that companies oftentimes encounter via the traditional channels, social media marketing might be, particularly, easier and more effective for small and medium-sized companies to take maximum advantage of it. While social media marketing is an evolving technology with much potential, yet marketing's role still reminds the same – defining the target market, communicating with prospects, building loyalty, customer engagement and so on.

Social media offers opportunities to achieve communities, once the company has established its presence as a community participant worth following, eventually, others will be likely interested in what it

shares and pass to the relevant ones. Besides, in the phase of the new marketing era, bringing the brand to alive depends solely upon the engagement within communities; as a result, if a company is genuinely paying attention to the members of the community, a strong relationship can be built upon investing time in responding on feedbacks and concerns.

Mass media audience becomes more and more difficult to buy,' said Martin Sorrel (1996) of WPP. The fortunes of advertising have grown alongside the growth of mass media; however, this growth has stopped these years. (Smith and Zook 2011.) In fact, there are many sports brands in the marketplace that are taking social media marketing as a vital component in their businesses, in which they look at effective ways to gain a more detailed understanding of their social media fan base.

Nike has been putting more marketing muscle behind its digital initiatives, for instance by taking social media marketing in-house, claiming that online channels are more valuable to its business strategy than traditional advertising.

Social Media: The New Mindset

In order to gain a better position in the transition from the traditional marketing approach to social media marketing, marketers will have to, firstly, change their marketing mindset. Social media platforms have radically changed the approach of segmentation in implanting marketing strategy, instead of easily identified demographics, such as age, gender, or income are relatively less important, it groups people by what they do, think, like, and dislike, and more importantly by their behaviours, also known as behavioural targeting. Many marketing experts have always emphasized that since marketing via social media is rather about receiving and exchanging perceptions and ideas, which makes social media marketing no longer one dimensional but a two-way process engaging a brand and an audience as well as a creation of increasingly visualize contents.

Drury (2008) has argued that with social media, in particular, the content of advertising and branding must be provided as relevant value-added content that is more about a consumer, rather than brash product placement. When companies help their

customers through social media outlets, it is more likely to build a long-term relationship, which will, in turn, propel and leverage the brand awareness and growth (Young Entrepreneur Council 2012)

Besides, with social media, company is able to create the platform of true interactivity; the American Express' OPEN Forum is undoubtedly an outstanding case, which has surely surpassed customer expectations when it comes to putting a customer first; because instead of heavily promoting their traditional financial offerings on the community, the company has considered its consumers and their concerns and needs while providing information about their services. Social media platforms serve as a tool for consumers who may not have an outlet or support system to find one another; brands like Weight Watchers and Nike Women have demonstrated how valuable social networking sites can be for bridging people who are facing similar daily obstacles.

In the foregoing chapter about the course of information search and evaluation in decision-making process, it has been discussed that individuals are likely to seek information that is consistent to their initial thought, and keenly avoid those that encounter with it; as a result, social media in today's marketing provides linkages to connect individuals who share similar interests and backgrounds, in which, to consumers, these communities serve as a vital "tuning" mechanism in the selection of needed information among the overwhelming information.

Review of Literature

Ha, E. Y., & Lee, H. (2018)

Consumers use social media reviews from either organization (provider-driven reviews) or other consumers (consumer-driven reviews) to make decisions. Although these reviews are prevalent, there is only a basic understanding of when these reviews induce more favorable service perceptions and behavioral intention, and what drives such desirable outcomes.

Kizgin, H., Jamal, A., Dey, B. L., & Rana, N. P. (2018)

Social media has emerged as a significant and effective means of assisting and endorsing activities and communications among peers, consumers, and organizations that outdo the restrictions of time and space.

Nyangwe, S., & Buhalis, D. (2018)

It aims to uncover how the co-creation of brand value is being carried out between companies and consumers through social media. Findings suggest that past marketing and branding mantras of consistency and control are no longer relevant.

Lin, X., Featherman, M., Brooks, S. L., & Hajli, N. (2018)

For E-Commerce website designers and brand managers, our results highlight the importance of being gender aware when developing their web presence. While some sites may benefit from a gender-neutral design, others may benefit from a design based on results reported here.

Objective of the Study

This research is focusing on the buying decision perspective of consumers who use different Social sites to buy their preferred products. The study aims

To examine why consumers purchase using Social Media

To understand which type of consumers use Social Media and are influenced the most

To know which products most suitable for Social Media and to understand the most suitable Social Media for specific products and particular consumers.

Hypothesis

HO: There is no significant relationship between social media and consumer online buying decision

H1: There is a significant relationship between social media and consumer online buying decision

Methodology

Materials and Methods

The primary data was collected through a self - administrated questionnaire that was originally developed for this purpose. Data were collected from primary as well as secondary sources. A primary source of data collection is through questionnaires whereas secondary sources were journals, newspapers, national and international publications, internet, personal books, and libraries.

Sample Size

The research design used for the study is descriptive. 150 students from management studies users of online shopping sites have been selected for the present study by adopting a random sampling technique. Questions asked respondents to rate their degree of agreement using a 5-point Likert scale and other questions relying upon their acceptance of factors. In order to study the factors affecting the online shopping decisions of consumers, exploratory factor analysis has been employed. In order to examine, the influence of factors affecting online shopping behavior on online purchasing decisions of consumers. The study was carried out in Tiruchirappalli city, south India, Primary –stage sampling units were the students of management study.

Sampling Technique

Judgmental sampling was used. An initial set of respondents were selected on the basis of judgmental sampling. Subsequently, additional units were obtained on the basis of information given by initial sample units and then further referrals were taken from those selected in the sample. In this way, the sample was grown by adding more and more referral-based respondents until it reached the limiting number.

Analysis and Interpretation

IBM SPSS Statistic version 20.0 was used for analysis. Cronbach’s alpha test was used for checking the reliability of the data which is collected. Kaiser-Meyer-Olkin test for sampling adequacy and Barlett’s test for sphericity is done. Factor analysis is done to identify the dimensions that act as a base for several variables that were collected. There may be one or more factors based on the nature of the study and the total variables included in the study. Varimax rotation is used in factor analysis in order to produce factors that are characterized by large loading on relatively few variables. Multiple regressions are used in the analysis since there are more independent variables and one dependent variable.

Tools Used

Using IBM SPSS Statistic version 20.0 the following tools were administered in this study 1) Reliability Test 2) percentage method 3)Factor Analysis 4) Correlation 5)Multiple regression.

Reliability Test

Table Reliability Statistics

Cronbach's Alpha	N of Items
.501	22

To check the reliability and consistency of the data, a reliability test has been made and the obtained coefficient alpha value (Cronbach's alpha) was 0.501, and the data has satisfactory reliability. Cronbach's alpha value above 0.5 can be used as a reasonable value for reliability.

Factor Analysis

KMO and Bartlett's Test

Table

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.520
Bartlett's Test of Sphericity	Approx. Chi-Square	1.213
	Df	231
	Sig.	.000

Inference

The KMO test is to analyze the appropriateness of factor analysis. Values between 0.5 and 1.0 show that the factor analysis is appropriate and the value obtained was 0.520 which shows that the Kaiser – Meyer – Olkin measure of sampling adequacy is appropriate. Bartlett's Test of Sphericity is to examine the hypothesis by correlation of variables in the Chi-

Percentage Analysis

Table Age

		Frequency	Percentage
Valid	18-21	55	36.7
	21-24	95	63.3
	Total	150	100

Table Gender

		Frequency	Percentage
Valid	Male	69	46
	Female	81	54
	Total	150	100

Inference

The percentage analysis table 2 reveals that 36.7 % of the respondents are above the age of 21 to 24 and 63.3% of the respondents are between the ages of 18-21. Table 3 reveals that 54% of the respondents are female.

Square and correlation matrix of determinants. The value obtained in Bartlett's Test of Sphericity Chi-Square is 1.213. This shows that all the statements were correlated and factor analysis is appropriate for the study.

Table Rotated Component Matrix

	Component							
	1	2	3	4	5	6	7	8
Social Media Site Helps To Find The Product And Service Info								
Purchase From Online E-Commerce Website	0.551							
Often Purchase From Online E-Commerce Website					0.526			
Read Review Of E-Commerce Website Before Making A Purchase		0.569						
Review Influence You To Continue	0.686							
Social Media Triggers You To Purchase A Product/Service	0.502							
Ever Clicked On Facebook Advert								
It Is Important For E-Commerce Websites To Have Social Media Presence								
Advertisements On Mass Media Attractive	0.559							
Suggested Online Shopping Experience To Anyone		0.501						
Information Search Simple Via Social Media Comparing To Mass Media								
Search For Alternative Website Information On Social Media Before Purchase			0.56					
Advertisements /Blogspots/Reviews On Social Media To Try New Products			0.604					
Social Media More Effective Platform To Draw Customer Attention Than Mass Media								
Higher Credibility Than Advertisements On Means On Mass Media			0.773					
Likely To Comment/Review To Friends We Are Social Media After A Purchase		0.615			0.67			
Change Your Perception Towards A Certain Brand After Positive Comment About It								
Feedback Of Social Media Affect Your Buying Behaviour	0.534							
Social Media Provides Effective Platform For Communicate With Each Other And Company								
Encourage To Give Opinion After A Purchase On Social Media								0.523
Higher Credibility On Social Media Than Mass Media				0.526				
Social Media Make Your Decision Simple				0.583				

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.

Inference

Sixteen values represent the total variance explained by each factor. Percentage of the total

variance attributed to each factor. One of the popular methods used in exploratory factor analysis is the Principal Component Analysis, where the total variance in the data is considered to determine the minimum number of factors that will account for maximum variance of data.

Correlation

Table

		Correlations				
		Exposure	Social Media Make Your Decision Simple	Problem Recognition	Search For Alternative	Evaluation
Exposure	Pearson Correlation	1				
	Sig. (2-Tailed)					
Social Media Make Your Decision Simple	Pearson Correlation	0.19	1			
	Sig. (2-Tailed)	0.02				
Problem Recognition	Pearson Correlation	-0.46	-0.18	1		
	Sig. (2-Tailed)	0.00	0.03			
Search For Alternative	Pearson Correlation	-0.29	0.02	0.39	1	
	Sig. (2-Tailed)	0.00	0.83	0.00		
Evaluation	Pearson Correlation	-0.49	-0.12	-0.14	-0.45	1
	Sig. (2-Tailed)	0.00	0.14	0.09	0.00	
Post Purchase Evaluation	Pearson Correlation	0.25	0.08	-0.68	-0.59	
	Sig. (2-Tailed)	0.00	0.31	0.00	0.00	
Correlation is significant at the 0.05 level						
Correlation is significant at the 0.01 level						

Inference

The above correlation table shows the inter correlation between the dimensions – Exposure to social media advertisement, Effectiveness of making purchasing decision simple, Impact problem recognition and search of alternatives and, post evaluation

Comparatively high-level positive correlation at 1% level of significance among the variable exists between Problem recognition and searching for alternatives to find the best way with Pearson value of 0.366, then between the level of exposure to social media and their post-purchase behaviour with a Pearson value of 0.25 and comparatively high negative correlation exist between problem recognition and

exposure at -0.14 and problem recognition and buying decision at -0.18.

Regression

Table

Model	R	Std. An error of the Estimate
1	.520a	.611

Inference

The model summary shows the R-value as 0.520 and this is the percentage variation in the overall impact of social media advertising towards the online buying decisions.

Table

ANOVA						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	20.11	4	5.02	13.45	0.00
	Residual	54.18	145	0.37		0.00
	Total	74.29	149			0.00

Inference

The above ANOVA table gives the F value to find the dependent variables associated with the Independent variables, the larger the F value more the variances. The F-ratio given under column F is 13.45 and the p-value, 0.000 is given under sig. column. Since the p-value is less than 0.01, it implies that the calculated regression coefficient is significant and

the variance in the independent variable contributes to the change in the dependent variable. Therefore, it is inferred that the variance in predictors (Constant variable), really contribute to the factors that have an overall influence of social media towards the customers buying decisions. (Dependent Variable).

Coefficients

Model		Unstandardized Coefficients	Std. Error	Standardized Coefficients	t	Sig.
				Beta		
1	(Constant)	0.79	0.13		0.98	0.02
	Search For Alternative	0.16	0.13	.289	14.36	0.00
	Post Purchase Behaviour	0.96	0.13	0.52	7.11	0.00
	Attitude	0.12	0.13	-0.09	-1.18	0.13
	Problem Recognition	0.13	0.13	0.21	12.21	0.00

Dependent variable: Higher credibility on social media to go for buying decision

Inference

From the above table, it is inferred that three variables contribute attributes that influence buying decision of the consumers through social media in search of alternatives with the beta value of 0.2890, problem recognition with the beta value of 0.219, post-purchase with the beta value of with the beta value of 0.52.

Conclusion

The objective of the study was to investigate the influence of social media on consumer online buying decisions in order to identify the extent of usage of social media among the people, to ensure consumers attitudes toward such strategy. Studying and analyzing consumers' behavior

towards using Social Media is an important issue because the purchasing can be a significant process for both consumers and businesses. This research supports businesses to understand their consumers' orientation, expectations, requirements and interests toward utilizing specific Social Media. What is more, businesses will understand what kind of information should be provided for a certain product. Also, businesses will recognize which SM is mostly used by consumers.

By this research, businesses and consumers understand the importance of Social Media. It wouldbe a better idea to recommend businesses about the best Social Media to be utilized so they can benefit from them to enhance the purchasing process and products to satisfy consumers' needs. Finally, consumers are encouraged to purchase particular products online using appropriate SocialMedia.

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