

# The Impact of Social Media on Consumer Behaviour

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## Abstract

*Thanks to technology, consumers can research things, label them, offer criticism in equal proportion, and do much more. As a result, a lot of businesses these days have social media pages to supplement the data they have about their products. These pages contain customer comments about their items, and people are more likely to relate to a business after reading multiple evaluations. Because the paper deals with how social media affects consumer behavior, it is a quantitative study. 116 respondents made up the sample, and the statistical analysis led to results about both univariate and bivariate analysis. Once the study factors have been analyzed, we can create a social network-based customer profile. Similarly, it is possible to observe the degree of effect and the true impact of social media on behavior changes following the completion of a sophisticated statistical analysis utilizing SPSS and the analysis provided by the web platform that hosted the questionnaire.*

## Introduction

Users now see the internet from a different angle, one that is more commercial in nature. Users are now consumers thanks to its growth and the rise of online retailers. Social media has also had a significant impact on how consumers and advertisers communicate. Hennig-Thurau and associates, 2004. The decision-making processes and product evaluations of consumers are influenced by the information society. Social media offers a fresh way to learn about products through conversations among peers. (Kozinets, 1999). Additionally, customers can influence other buyers by posting reviews of the goods and services they have utilized on social media. Other psychological factors that impact consumers include: income, the reason behind the purchase, the company's presentation, the brand's or company's social media presence, demographic variables (such as age, sex, and disposable income), the payment method used at work, the kind of store (online or brick-and-mortar), etc. In this essay, we investigate how social networks affect internet users' decision to buy. A succinct overview of the selected issue is given in the first section, which is then followed by pertinent data on the literature review, which includes prior specialist studies. The data analysis and research technique are covered in the second section. Lastly, we offer our findings, research limitations, and some recommendations for further investigation.

## Literature Review

Due to widespread information availability, improved social networking, and improved communication skills, the internet and virtual communities have completely changed consumers, societies, and businesses (Kucuk and Krishnamurthy, 2007). As a result, social networks are websites that connect millions of people worldwide who share similar interests, viewpoints, and pastimes. Social media sites like Facebook, YouTube, MySpace, and blogs are well-liked by users of all user levels. (Sin and others, 2012). People are communicating online using a variety of platforms, including as blogs, podcasts, social networks, message boards, and wikis. They do this to exchange views about a particular good, service, or brand and to get in touch with other customers, who are thought to be more reliable sources of information.

Social media's distinctive qualities and enormous appeal have transformed business strategies including promotion and advertising. (Crittenden, Hannan, and Rohn, 2011) Social media has also affected customer behavior, from information seeking to post-purchase actions like expressing unhappiness with a company or a product. (Fulds and Mangold, 2009). Over the past few years, companies have had a noticeable impact on internet networks. Social media platforms give businesses the chance to connect and communicate with prospective customers, foster a closer feeling of intimacy with them, and establish vital connections with them. (Mersey and others, 2010) Companies must set themselves apart through their corporate identity or brand image in order to convey the unique benefits and positioning of their products. According to many marketers, businesses should actively promote just one competitive advantage in the target market (Moise, 2011), and social media makes businesses seem more appealing to customers. The significantly higher degree of efficiency of social media compared to other traditional communication channels prompted business leaders to remark that organizations must participate in Facebook, Twitter, Myspace, and others, in order to flourish in online settings (Kaplan and Haenlein, 2010). Consequently, it is important to manage others' strategies and obey their instructions (Williams and Williams, 2008). Businesses who are present on social media and accept user likes and inclusion in circles provide a mixed bag of positive and negative content.

According to a 2009 analysis by Internet Retailer, the vast majority of the top 100 corporations have a Facebook profile (79%), a Twitter presence (69%), or both (59%). (Retail email: What Is It?, 2009). According to an Industry statistics survey conducted by Deloitte Touche USA, 62% of US consumers read online reviews left by other consumers, and 98% of them believe that these evaluations are trustworthy enough. Additionally, 80% of these consumers stated that reading these reviews had an impact on their decision to buy. (Pookulangaran and associates, 2011). When a brand or corporation communicates with its users, it can influence how other users see it when they read posted information and decide to buy from them or not. Customers' perceptions of target brand interaction on social media vary based on the message being sent (Shin, 2008). The user is also influenced to consider the product's quality and usefulness more depending on their willingness to pay and perceived risk of making a purchase. (Ionias, 2012). Prior studies have demonstrated that even a tiny quantity of unfavorable material from a few posts can significantly alter customer perceptions (Schlosser, 2005). Palmer (1996) asserted that people purchase high-involvement products because they have an underlying need for an emotional connection. Relationship and brand development are complementary and interchangeable approaches to this bonding. For a business, the consumer-brand relationship is crucial, and building it fosters customer loyalty.

Social media is used by users for a variety of purposes on a daily basis. The majority of them desire to keep up their friendships, coworkers, and family ties. Establishing and keeping touch with others in a way that provides social support, friendship, and intimacy has advantages for maintaining interpersonal connectivity amongst online users of a social media channel. (Utpal and others,

2004) By adding them to friend networks, these enable users to interact with peers and promote communication, especially within peer groups (Ahuja and Galvin 2003). Online communities have a discernible impact on customer behavior, buying intent, and purchase decisions. Social media platforms, for instance, offer a public platform where individual customers may express themselves and have access to product information that helps them make purchases (Kozinets et al., 2010).

Social networking and shopping have always been social activities, and when we talk about online shopping, a lot of those people are probably strangers. Cultural factors have a significant impact on customers' intents to make online purchases as well as how they use social networks. The Pookulangaran group (2011) Nowadays, social media can be used for e-commerce, expanding the pool of possible customers. Social media has gained prominence in a number of industries in recent years due to its benefits for connecting businesses with end users directly, quickly, and affordably (Kaplan and Haenlein, 2010). It has also been shown to have a significant impact on customer perceptions and behaviors (Williams and Cothrell, 2000).

### **Research Methodology**

Initially, using the Internet for marketing research was just a novel way to get data. Direct research is now possible, in addition to surveys and qualitative research using focus groups and in-depth interviews. (2011, Stoica) Companies need to keep ahead of the curve and seize any chance to boost customer loyalty, revenue, and marketing as time and technology change. Thanks to technology, customers can research items, give them fair labels, evaluate them critically, and do much more. As a result, a lot of businesses nowadays have social media profiles to augment product information. Customers who have read the many evaluations and remarks left by customers who have already bought these products tend to relate to a firm much more. Additionally, customers can influence other purchases through their reviews on social media. For instance, buyers are now becoming new researchers rather than purchasing a product about which they know very little. Many shoppers check reviews online before deciding to buy a product by signing into an account on a social networking site. Users of social media place their trust in the opinions of friends, relatives, and even complete strangers on these platforms. Social media networks are seen by many internet shoppers as helpful resources for learning about goods and services.

This study attempts to provide answers to some common queries, such as: How important are company websites versus social media platforms for consumers to do product and service research? Do customers value the chance to connect with an online brand? Do decisions about what to buy become influenced by social media? Consequently, seeks to investigate how social media affects users' decisions and their behavior in online spaces.

### **The Goals of the Research**

The current study attempts to investigate if social networks have any influence on customers' decisions to make online purchases or not.

### **The Current Study has Six Goals in Mind**

1. Determining the level of customer confidence in making online purchases
2. Determining the type of customer that makes purchases online
3. Figuring out why customers make their online goods purchases
4. A study of consumer views on online comments from other consumers
5. Determining the product categories that customers purchase online; 6. Determining the highest amount that customers are willing to pay on the internet

We began with the hypothesis that all of the respondents were online shoppers, primarily young adults between the ages of 25 and 29, who cited convenience and paying less than the retail price as reasons for their purchases. This gave us more faith in the comments made by other online shoppers, and they expressed a preference for items in the electronics and appliance categories. Most of them eager to make online orders under 100 lei. The research was conducted online between April 10 and 19, 2013, and the questionnaire was hosted on the [www.esurveyspro.com](http://www.esurveyspro.com) platform. The snowball sampling approach was employed. 116 respondents were registered throughout this time period; each respondent recommended or accessed the post via their personal Facebook account feed. This is a non-probability sampling technique using a chain sampling approach. Using a questionnaire survey as the study instrument, participants were asked to answer 26 questions that were grouped to aid in testing the working hypotheses.

## Analysis

The analysis and processing yielded the following observations.

There are 116 respondents in all, who are older than 18 years old, in the sample. The website [www.esurveyspro.com](http://www.esurveyspro.com) was used to record and manage the replies that were received. Based on the answers, graphs and tables were automatically created and shared. The research designed is an internet research, hence the questionnaire was uploaded to the host platform.

The first inquiry in the survey is to determine whether the participants possess a social media account. Just 5 (4%) of the 116 respondents did not yet have an account, while 111 (96%) of them verified having one. Social networks are significant to 49% of respondents, although they are neither particularly important nor inconsequential to 25% of respondents. They are very significant to 15% of people, though. Six percent of respondents said they were less important, closely followed by five percent who said they were less important. When examining this question from the respondents' gender point of view, it is evident that social networks are more significant for women (76%), and just for males (24%). Furthermore, even though just 18% of males believe social networks are truly significant, the majority of women (82%), perceive them to be important. When asked which social networks from a specified list they had an account on, 37% of the respondents indicated they had Facebook, YouTube, LinkedIn, 22%, and 19%, 8% said they had access to Tweeter, and only 5% stated they had an account and Hi-5. Because survey participants do not use the other social networks as much, their percentage was less than 3%.

In terms of how frequently respondents access social media, 53% visit regularly, 29% visit frequently, 8% say they cannot access frequently but not seldom, 5% say they access rarely, and only 3% say they access extremely rarely. 85% of respondents check their Facebook accounts every day, 6% do so every two days, and 4% do so only once a week. The percentages were split as follows when it came to another poll question about whether respondents "usually prefer to buy products from the physical stores or online environment": Version "physical stores and online" was selected for 57% of responses, with 41% indicating that they preferred more physical stores. Just 3% of devoted online shoppers state that they exclusively prefer to make purchases in an online setting. Men (67%) prefer online stores more than women (74%), with 87% of respondents moving toward physical stores. This is according to an analysis of respondents' preferences regarding the typology of stores where consumers are making their purchases based on gender.

When asked if they had ever bought products from a company that was posted or recommended on Facebook, 54% of the respondents said they had never done so, 33% said they had, and 13% said they could not recall ever having done so. This question also asked about the respondents' trust in online reviews. Convenience (42%), followed by the delivery mode—direct to their homes—with courier firms (39%), and the absence of lines (38%), are the top reasons given by respondents

for preferring to shop online. For 24% of respondents, one of the main reasons is that shopping online allows them to learn more about the features of the products and compare costs across other websites. The last factor accounting for 21% of the total is the large selection of products available in the online environment; lower prices are the primary cause of this. Respondents were asked to assign a score of 100 points to five different sources of information that they use to research products: wikis, social media pages, company websites, online news sources, and page reviews and forums. The website, which has been reported to the firm as the most popular source of information, has received 4020 points (35%). Page reviews and forums have come in second with 2416 points (21%), social media pages have 2275 points (20%), online news has 1961 points (17%), and the final site utilized is wikis, with 928 points (8%). When asked if they ever check product information before making a purchase on the manufacturer's website or another website (e.g., customer reviews on the internet), the majority of respondents (39%) said they do so; only 33 percent said they check information occasionally, and 26 percent said they do so occasionally. Just 2% of respondents said they make purchases without verifying information.

We sought to determine whether income has any bearing on consumers' attitudes toward the information they access and whether they investigate products before making a purchase based on the data collected for this study. As a result, the responses have shown that people with monthly earnings under 1000 lei are more likely to exhibit this behavior than those with higher incomes. They also review product information frequently in order to determine the best value for the money and make the best decision. Additionally, the data analysis revealed that when consumers' income rises, their interest in finding out more information about a product they wish to buy decreases. When examining this matter from a gender standpoint, women lead the way as well—80% of them research products before making a purchase, whereas males are far less likely to do so or show no interest in doing so. Men and women differ significantly in terms of percentage; women are around three times more likely than men to ensure reliable information about the wide range of sources available online.

From the perspective of trust in information from social networks, the 116 respondents' top issues are as follows: information from close friends has the highest level of confidence (14%) and the variant response "trust no matter what" has the lowest level of confidence (39%). In response to a question on the impact of comments made on a product page on Facebook that is being researched and their ability to sway a final purchase decision, 46% of respondents said they are not very or significantly influenced. Rather, 20% are somewhat influenced by these remarks, 17% are greatly influenced, and 16% are only slightly influenced. Merely 3% of respondents claimed to have been greatly impacted by Facebook remarks they read. The results vary greatly when it comes to the kinds of things people buy online: 22% buy electronics, 21% buy clothes, 18% buy appliances, 16% buy cosmetics, and 13% buy shoes. In addition, they purchase books, magazines, insurance, event tickets, apps, and accessories (less than 1%). Regardless of the product, women take the lead in acquisition. Because there is an imbalance among the respondents—more women than men—this is the result.

Online payments account for 56% of all preferred payment methods, with cash on delivery coming in second (35%). It is preferred to make payments by bank transfer, PayPal, or another payment method in an amount equal to 3% of each. The breakdown of respondents' online spending in the last three months shows that: 28% spent less than 100 lei, 18% between 301 and 500 lei, 17% between 201-300 lei, 16% between 101 and 200 lei, 14% above 1000 lei, and just 8% between 501 and 1000 lei. Just 22% of the 116 respondents were men, and 78% of the respondents were women. In terms of the respondents' occupations, 22% are still in school, 18% are in marketing, 10% are involved in PR and communication, and 9% are in IT. The respondents who work in banking

and finance (7%), advertising (4%), and engineering (4%), all follow these numbers closely. The age range of the respondents is almost half (47%): 25–29 years old, followed by 21–24 years old (20%), 30–35 years old (16%), 18–20 years old (11%), and just 6% of those above the age of 36. Of the responders, 48% have completed postgraduate studies, 25% have completed high school, and 24% have graduated. In terms of equal measure, which represents 21% of each income, the respondents fall into opposing extremes, with less than 1000 and more than 4000 lei. Those with 2 001 and 2 500 lei (16%) and 1 001–1 500 lei (14%), respectively, are next in income order.

Ninety-five percent of the respondents reside in an urban location, whereas only five percent reside in a rural one.

## Conclusion

We may infer from the examination of the data gathered from the 116 participants that the majority of online shoppers are, in fact, young people, aged 25 to 29. This initial hypothesis can therefore be fully confirmed, as 47% of the individuals who make online purchases are in the 25–29 age range. We may create a consumer profile of internet shoppers using the information from this study. The majority of online shoppers are female, in their twenties, employed in a company, make over 2001 lei per month, and have at least one social media account. People typically research products before making an online purchase from forums, business websites, Facebook pages, or peer evaluations. Furthermore, the majority of consumers favor online purchases for a variety of reasons, including convenience (42%) and the ease with which the product can be delivered to one's home (39%). It is also possible to verify this idea.

Regarding the fourth hypothesis, the majority of consumers are not particularly secretive when it comes to information posted by other customers who have purchased the same product that they want to buy, but they are also not particularly apathetic about it either. They only view it as relevant information, and they read it quickly. Thus, there is some truth to this notion. Electronics and apparel are the things that the subjects buy the most online. Consequently, it can be claimed that the fourth hypothesis has some degree of verification. The previous hypothesis examined the total amount of money spent during the previous three months on the internet. The hypothesis is fully verifiable, and the amount below 100 lei can be supported. In summary, social networks have a part in shaping how users behave in virtual environments, especially when it comes to message exposure levels and the relationship that is formed between the diversity of information provided and the user who is about to make a purchase. From a business perspective, it makes sense for it to effectively reverse its mixed marketing strategies in order to increase sales, which in turn increases net turnover and market share. Depending on the size of the business and the goods and services it offers, it may employ niche marketing to sell distinctive goods or to meet the needs of a growing customer base.

Through refining the product's specifics or creating the concept of the entire product, the corporation builds stronger relationships with prospective customers who regularly monitor social media accounts. In the context of the current online marketing boom, price strategies are closely linked to product strategies and have a direct impact on the purchasing behavior of consumers. As Kotler noted, since the advent of marketing 3.0 (Kartajaya et al., 2010), price has become a more flexible component of the online marketing mix. The promotional price and the penetration price are the most often used techniques for determining prices that produce positive online outcomes, although they can also be changed by online bids. In terms of distribution strategies, businesses could decide to send informational items exclusively digitally in order to save money on transportation or the need to convert them into tangible formats. Companies may also store data on cloud servers, to which the buyer and the company would have perpetual, unrestricted access.

Interactive games, banners directing customers to the business website, and behavioral communication are examples of communication strategies that can be employed. Behavioral communication is the process of persuading an audience to adopt particular beliefs or behaviors through the posting of pertinent product information, short commercials, movies, links, etc. Potential research limitations include the questionnaire's distribution method, which suggests that only participants who were present in online media were asked to respond, and the fact that most responses came from urban areas, disadvantageously affecting rural ones. Furthermore, the study exhibited a gender imbalance in that there were three times as many women as men among the respondents.

In summary, it may be said that responders from rural and urban areas are not equally represented. Given that urban areas are inherently more cosmopolitan, up to date on the latest trends of all kinds, and have developed, evolving infrastructure, it would have been an intriguing area for future research to examine the extent of concentration of online products and services in rural areas. This might be the path that future research takes as a continuation of the scientific method to help and market their internet business as hard as they can in order to grow it. While consumers appear to be in favor of personalized marketing material, they tend to shy away from interacting with the companies that approach them (Vegheş, 2009). It may take longer to gather data in order to carry out this proposal, but more targeted and better information would undoubtedly be disseminated.

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