

Role of Social Media in Customer Buying Behavior



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Abstract: Social media has become an inseparable part of human life. It allows customers and prospects to communicate directly about various products/services with their friends. This is just a replacement of word of mouth, which place a vital role and cheapest way of promoting product in traditional marketing. The other important and unique feature of social media is immediacy, which allows the customers to approach directly with the business people. Indeed it is helpful to both business people and customers as they can get the solutions with in no time unless it is a big damage. With the process, business people can maintain a sound relationship with the customers very easily as they are responding to their queries instantly. It is nothing but customer relationship management. It is another pivotal element in marketing. All these features will influence the customers a lot in making their purchase or buying decisions. Consumer behavior is the study of when, why, how, and where people do or do not buy product. It blends elements from psychology, sociology, social anthropology and economics. It attempts to understand the buyer decision making process, both individually and in groups. The customer buying or purchasing behavior is an evergreen marketing concept despite ample research has been done on the topic over last few decades. It would be an exaggeration, if we say without covering this concept no marketing text book will complete, that's the significance of this particular concept. One cannot imagine a marketing book without finding a concept of customer buying behavior. Usually a customer buying behavior will be influenced by a set of internal and external factors like social, economical or financial, cultural, demographic, psychological and of course personal factors. In this day and age, online marketing, social media marketing, digital marketing are buzz words and strongly influencing the customer behavior and in making purchase decisions subsequently.

Keywords: Social Media, Customer buying behavior, Purchase decisions, Word of mouth

I. INTRODUCTION

The way we do shopping has been changed. Even the way of doing business is also taking new dimensions to reach the targeted customers conveniently. Customers have changed their mind sets and they are no longer interested in buying products/services through stores and/or physical markets. The trend is changed; they just click on a brand image and purchase the product in a simplest way through online mode.

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In a nut shell, it can be concluded that social media marketing has changed the shape of the business and it has become indispensable part of marketing. Social media has modernized; in fact, It has transformed the way businesses are done. The two important and key factors behind this revolution are information and technology. It has distinct features like, a huge amount of data can be stored virtually with zero cost, ease of use and access and no technical qualifications are required to operate social media sites. Social media especially provide a platform to connect with n number of people. The aim of this research paper is to find out the impact social media marketing on customer buying process.

II. LITERATURE REVIEW

Mangold & Faulds (2009): This study reveals that social media will influence the customers significantly right from information acquisition to after sales behavior such as positive and negative word of mouths in expressing their perceived experiences.

Mersey, Malthouse, & Calder (2010): Social media marketing gives an opportunity for business people to interact with their present and future customers, establishes an instant relationship with them and in building loyalty.

Hanna, Rohm, & Crittenden (2011): The single and exceptional feature of social media is its huge popularity and user friendliness which helps the companies in promoting products very cheaply.

M. Nick Hajli (2013): In this study the author focuses on reviews and its trust via social media. He emphasized on the significance of social media interaction and its contribution to the growth of business.

Ivona Stoica, Elisabeta (2014): The study reveals that, customers will not pay much attention towards reviews as they read them in haste. Indeed they are much attracted with the features of the product/service displayed in advertising. This study also reveals that people who are buying goods online are mostly in between the age of 25-30. In his research work he found that customers bank on reviews only if they are not sure about the product which they are purchasing.

Ghulam Rasool Madni (2014): This study reveals that social media plays an important role when customers want to buy or purchase the products through online. However social media is not only the factor which influences them for final purchase there are other factors also, but by continuous exchange of information, companies can built a strong rapport with customers.

III. NEED FOR THE STUDY

The aim of the study is to conduct a survey in online mode regarding the factors, which influenced them to buy the products and also to know the satisfaction level among existing customers.



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In addition to that knowing the source of information and behavior patterns of customers, which leads them to arrive at a particular purchase decision.

IV. OBJECTIVES OF THE STUDY

The preliminary objective of this research paper is to study the impact of social media on customer buying behavior. In addition to prime objective, it also analyzes electronic word of mouth patterns and its credibility on customer purchase decisions.

V. RESEARCH DESIGN

Research design specifies the methods for collecting and analyzing the data

The research design gives the following: -

1. How the data is being collected
2. Which instrument is used to obtain the data
3. What the size of the sample would be.

In order to understand the impact of social media on customer buying behavior, a random sample of 100 customers is selected from social media sites. A questionnaire was administered to know the level of awareness among the customers about social media and its impact to arrive at a particular purchase decision.

VI. SOURCE OF DATA

There are two types of data collection methods i.e. Primary data collection method and Secondary data collection method.

Method of gathering primary data

Two types of methods of gathering primary information were used namely the survey method and the personal interview method.

A. Survey Method

A survey consists of gathering data by interviewing people. The advantage of a survey is that information is firsthand. Infant, it may be the only way to determine the opinions. The researcher in person did survey interview.

B. Personal Interview

Personal interviews are more flexible than any other type of interview because the researcher can probe more deeply if an answer is incomplete.

VII. DATA ANALYSIS

The data collected is modified and tabulated and the information is represented into table. Simple statistical tools like Mean, Percentages, Averages, Graphical tools and Chi-square Tests are used.

Table-1: Factors that influence customer buying behavior

| Factors | No. of respondents | % of respondents |
|-------------------------|--------------------|------------------|
| Print media/ newspapers | 6 | 6% |
| Internet/social media | 61 | 61% |
| Advertisement | 5 | 5% |
| Hoardings | 9 | 9% |
| e-Word of mouth | 19 | 19% |
| Total | 100 | 100% |

Interpretation: From the above table is very clear that customers will prefer social media is the best source, followed by e-word of mouth, hoardings, Print media or

news papers, advertisements and the reaming factors are nominal.

Table-2: Preference of various attributes by customers

| Attributes | No. of respondents | % of respondents |
|-------------------------|--------------------|------------------|
| Price | 61 | 61% |
| Design and Model | 26 | 26% |
| Comfort and maintenance | 13 | 13% |
| Total | 100 | 100% |

Interpretation: The above table interprets that 61% of respondents have opined that they see price first before

arriving at purchase decision followed by 26% about design and model and 13% about comfort and maintenance.

Table-3: Impact of various social media sites on customer buying behavior

| Types of Social Media | Level of agreeability | | | | Total |
|-----------------------|-----------------------|-----------|-----|-----|-------|
| | Excellent | Very good | air | oor | |
| Face book | 39 | 14 | 2 | 0 | 55 |
| YouTube | 18 | 4 | 2 | 1 | 25 |
| Twitter | 8 | 1 | 1 | 5 | 15 |
| Linked-in | 1 | 0 | 2 | 2 | 5 |
| Total | 66 | 19 | 7 | 8 | 100 |

Table-4: Test Result



| Calculated Value | Table Value | Degrees of Freedom (DOF) | Level of Significance (LOS) |
|------------------|-------------|--------------------------|-----------------------------|
| 16.91 | 12.12 | 9 | 0.05 |

Null Hypothesis (Ho): The two attributes viz. levels of agreeability and types of social media are independent. It means that all the respondents have the same level of agreeability on customer buying behavior.

Alternative Hypothesis (Ha): The two attributes viz. levels of agreeability and types of social media are dependent. It means that all the respondents do not have the same level of agreeability on customer buying behavior. Therefore it differs.

Analysis: Chi-square (χ^2) table value is 12.12 and Chi-square (χ^2) calculated value is 16.91. As Chi-square calculated value is lesser than Chi-square table value, reject null hypothesis and accept alternative hypothesis. It means that respondents do not have the same agreeability on impact of various social media sites.

VIII. SUGGESTIONS

As rightly said marketing starts from the customer and ends with the customer. In this day and age understanding the customer is the uttermost important thing for the marketers. There are several tools for that. Among those several factors, one of the important one is to understand the importance of social media. Now a day, every one is using social media. Hence without using this medium a marketer cannot be succeeded in his or business. Social media users can made decisions quickly compared to other sites because here they interact with many which helps them with processed data. Even the marketers can also keep an eye on customer reviews, opinions, feedback, their perceived experiences etc which in turn helps them to modify the changes in the coming products. Most of the customers are seeing price, design and model, comfort and maintenance while purchasing the products. Therefore a company must focus on the following parameters or areas to attract the customers or to win the choice of the customers.

IX. LIMITATIONS OF THE STUDY

1. The survey was conducted within the limited time period. As time changes, the preference levels of customers can also be changed. Therefore the suggestions are time bounded and are not universal.
2. While filling the information or telling the customers could not provide accurate information because their personal limitations.
3. Some of the customers were not interested to answer the questionnaire.
4. The survey is not 100% accurate because some customers were not revealing the correct information due to their low confidence level.

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