

Influence of Social Media Marketing on Buying Decision Making Process of Consumers

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Abstract

The help of various social media like Instagram, Facebook and Twitter gives multiple opportunities to consumers to make the ideal decision for purchasing any product. All of these social media sites play a vital role in influencing consumers' online shopping. Social media sites are flourishing a lot that also provide ideal information to the purchasers regarding the utility and features of the product. The primary goal of the paper is to understand the factors that influence consumers' online purchases. Also, this paper aims to understand the role of social media marketing in influencing consumers' buying behaviour towards online shopping. This paper seeks to comprehend the significance of social media marketing and its effects on consumers' buying behaviour who regularly use various social media sites to buy products. This paper also tries to examine the relationship between social media marketing activities, consumer buying behaviour, and consumer activities among various social media sites.

Keywords: social media marketing, social media sites, online shopping

Introduction

With the widespread use of the social media these days, social media platforms greatly influence customer purchasing decisions for different products. People worldwide use the Internet to communicate with one another or with organizations. They are now using multiple internet networking platforms such as Twitter, Instagram, LinkedIn, and Facebook to share their product experiences. Those experiences influence people and motivate them to purchase a particular product, so social media platforms play an crucial role in influencing consumer

purchasing decisions.

These days, social media advertising has become the most effective instrument for businesses to promote their items and influence individuals' purchasing decisions. It has replaced traditional marketing by giving businesses new ways of communicating with their targeted customers through social media platforms. The evolution of the Internet, particularly the invention of social media, has ushered in a new era of social interaction.

Because of the ease of access to the Internet, social media users increased to 36.1 million in 2018. Furthermore, the number of social network users in the country is expected to reach nearly 448 million by 2023. (Statistica 2020)

When used perfectly, social media can be a valuable tool for market capture. Following the evolution of the concept of social media, various businesses now use this tool to engage with customers. Social media marketing uses social media technology to connect with customers and increase sales and build brand loyalty. Some of the advantages of using social media as a marketing tool include that it is less expensive than other forms of media and allows you to connect with more people. It is also simple for consumers to gather information through social media, which increases brand awareness among customers and increases brand loyalty.

With the evolution of social media, consumers' opinions on goods and services are now heavily influenced by strangers in various digital spaces, influencing their decision to purchase a specific item in the offline space (Smith, 2009). This study investigates how multiple social media factors influence consumers' purchasing decisions. Because of its versatility and simplicity, the classical EBM model (Engel et al., 1990) is chosen to study the consumer purchasing process. This model included five stages of the consumer purchasing process: need recognition, information search, alternative evaluation, Purchase Decision, and post-purchase evaluation. A qualitative study was taken to determine the model's relevance in the context of social media and its use.

Literature Review

Aaker (1991, p.39) defines brand loyalty as a customer's attachment to a brand, which is demonstrated by the number of consecutive purchases made by the consumer in the marketplace to demonstrate his behavioural loyalty. Brand loyalty can be defined as the consumer's positive perception of a specific product. Consumer brand loyalty can be seen in their repeat purchases of the same brand, regardless of whether the product's price has increased or decreased.

(Moon, 2004) suggested that the consumer's data search on the Internet has a significant influence on purchasing the product via the Internet. If an item can be well assessed with only external information searched through the Internet, the customer does not need to use offline

channels to experience it before purchasing it. Because the Internet moderates the path from online search to online purchase, it directly impacts online purchases.

According to (V.Swaminathan), today's consumers aren't concerned about privacy or the security of electronic transactions because they believe marketers don't need more details about them to effectively market products on the Internet.

According to J. Grant and R. Stephen (2005), the brand name strongly influences apparel purchasing decisions. Branded products have such a strong influence on consumers that they are willing to pay a premium price for a specific clothing brand. This has also resulted in a strong emphasis that the product is deemed cool and respected by their peer group.

A product's life cycle stages are crucial in developing marketing strategies. The marketing plan of the related product is modified based on the life cycle stages: introduction, growth, maturity, and decline. Furthermore, the product's position in a competitive market impacted the marketing strategy. Principles of Marketing (Philip Kotler, 2009)

Dave Evans (2010) defines social media marketing as a web that strikes a balance between large brands with large budgets and small brands with small budgets, demonstrating that social business tools are affordable for every customer. Thus social media marketing remains competitive in today's global market.

According to Irem and Mesut (2012), consumers become more brand loyal to companies that run effective social media campaigns after considering the benefits, values, and advantages that they wish to offer to the consumers.

(Namita Rajput et al, 2012) discovered in their study that women are more aware of branded clothing than men and choose to purchase branded clothing on occasion. Because of the luxurious buying experience consumers receive, the culture of wearing branded clothing is shifting to the mall. Fitting, pricing, and the consumer's income level are important factors influencing females' purchasing decisions for branded clothing.

Social media marketing encompasses web and mobile technologies for marketing communication via social media sites such as Facebook, Twitter, blogs, and YouTube to grab the attention of global consumers (Kuhikar 2013). In today's confusing world, customers are seeking companies that are easily accessible. Social media sites are used as a marketing tool for this purpose, where the marketer promotes his item and shares data about the product/brand.

(Forbes,2013) demonstrates in his study that form can influence consumers' future purchases by encouraging their users to post about their items on numerous forms of social media as the consumers buy either very costly or very cheap items based on recommendations from people

they would not consider "opinion influencers or leaders." The company could offer discounts or incentives to consumers who recommend their product via social media if their suggestion leads to future purchases by their connected friends.

According to (Gil Appeal et al., 2019), the total number of social media users worldwide is expected to reach 3.29 billion by 2022, accounting for 42.3 per cent of the world's population. Social media is regarded as culturally significant because it has become the primary domain. Many customers receive huge amounts of data, share content and aspects of their lives, and learn about the world around them. However, social media is constantly evolving. As we know it today, social site is unique from a year ago, and social media in a year will most likely be different than it is now. As a result, the nature of social media is ever-changing, which leads to changes in consumer buying behaviour, as consumers rely on social media for information search concerning the intention to buy.

Social media is becoming an essential tool for most marketers to effectively engage their market and provides an opportunity for the company to learn about the customer preferences, key segments, and profiles. However, because the social media environment is uncontrolled, businesses do not have complete control over their content, necessitating adopting a robust social media strategy that manages the comments posted by consumers, whether positive or negative. (C.A. Odhiambo)

Research Methodology

The research is both analytical and descriptive. This study has made several attempts to analyze the effects of social media on consumer purchasing behaviour. This research relies on secondary data. Secondary data has been gathered through published books, journals, newspapers, websites, government records, and so on. The researcher used various awareness programmes on radio and television and online lectures during the preparation of these articles. Numerous published articles and books have been reviewed to understand the selected research problem thoroughly.

How social media influences 71% of consumer purchasing decisions

- Social media influences consumer purchase behavior owing to the increase in online shopping and the number of hours spent on social media.
- Social media influencers are four times more likely to spend money on purchases.
- Social media has a direct impact on purchase decisions in four ways.
- The customer journey has been truncated by social media and online shopping.
- The effects of social evidence or word-of-mouth have been amplified by social media.

- One of the most effective ways to reach your target audience is through social media influencer marketing.
- Stories and ephemeral content are a novel way to reach out to your target audience.
- Every social networking site is unique and can serve different purposes.

Nowadays, a substantial percentage of purchases are done online, and this figure is expected to grow considerably by 2020 as a result of the lockdown. Online retail is expected to grow exponentially as the number of internet users grows and technology companies create more ways to integrate the online world into shopping. Many consumers' buying decisions are made online, and where do folks spend the majority of their time online — on social media.

According to GlobalWebIndex, 54% of social media users study products and brands, and 71% are more likely to buy products and services based on social media referrals. I'm sure you've made a buying decision based on something you saw in your feed at least once, whether it was a post from a friend or perhaps an ad that swayed you.

It's difficult to say how so much social media influences customers' buying patterns in general, not just what they purchase. Social networks altered the way we promoted products and even provided new avenues for advertising. Let's take a look at some of the existing factors influencing clients.

How social media affects consumer purchase behavior

The reduced customer journey

The shortened customer journey is the first thing you think of when it comes to customers via social media. People used to learn about a good or service, see an ad on TV several times, and then go weekly shop and finally purchase the stuff the following week. This procedure can now take minutes.

According to a Deloitte report, 29% of social media users are more inclined to purchase the same day they use social networking sites. That is, once they see a product, they purely click on the link and buy it; no need for them to wait before going to the shops. Moreover, according to the same report, customers who are influenced by social media are four times more likely to spend money on items purchased.

The customer journey is now not only shorter but also more difficult. Users can now conduct product research more quickly thanks to social media. For example, if a consumer sees a product on Instagram, they can instantly search the hashtag to read other people's feedback and determine whether or not to purchase it.

Sixty-two percent of customers say they tell others about bad customer service life experiences. As a result, it's essential to monitor your internet presence and seek out social networking reviews. Remember that every social media review counts — and this ties in nicely for my next point.

The impact of social proof

To be sure, social proof is not a new idea: man is a social animal, and we've been suggesting each other for centuries. The issue is that these suggestions and counter-recommendations are now being heard by thousands of people.

Every time you tweet or post about this amazing café or the shampoo that worked wonders for your hair, your social media followers will see it and maybe be influenced to try it as well. The same is true for deleterious viewpoints and rants. As per Forbes, 81 percent of consumers' buying decisions are influenced by their friends' posts on social media.

Furthermore, people seek recommendations on social networks (and brands unfortunately often ignore them). According to this Awario study, only 9% of brand conversations are answers to client queries; nevertheless, depending on the industry, more than 100 people may seek advice on social networks in a single month.

As previously stated, social proof has the greatest influence on your friends and acquaintances. However, a growing number of people on social media follow influencers as well as their friends. This is where public figure endorsement comes in.

Influencers' influence on consumer purchasing decisions

Influencers are social media users who have a large and loyal following that often reveals similar interests. Their views are naturally seen by a larger population who confide in them.

According to a study conducted by the Influencer Marketing Hub, nearly half of Twitter users have purchased as a direct consequence of an influencer's Tweet.

Micro-Influencers are incredibly useful at persuading their viewers because they are usually experts in a particular niche, making them a natural source of suggestions for that topic. Finding influencer marketing in your niche — Instagram bloggers, vloggers, TikTokers, or Facebook group admin staff — is a great way to reach your target viewers if you sell a niche market.

With 84 percent of millennials simply stating user-generated content from random people has at least some influence on how they spend their money, Gen Z and Millennials are more likely to be affected.

The impact of stories on consumer purchasing decisions

Ephemeral content is a unique concept, but it is quickly gaining popularity among social media users and companies alike. Although Snapchat was the first to use Tales as a format, Instagram made popular it and now has over 500 million daily active users.

Instagram Stories content is generally more raw and unfiltered, allowing brands to project a more genuine image. It allows businesses to take people behind scenes and demonstrate how they function their work culture and the team behind the product lines. All of this contributes to a real connection to a brand.

So these are the components that are special to social media that affect consumer actions today. However, as you are probably aware, each social media platform is unique. Brands frequently wanted to know which social media platform they should prioritize. Let's look at a few of the most popular services and see what makes them unique.

The most widely used social media platforms

Facebook

Despite scandals and controversies in recent years, Facebook is an online the world's largest social media framework (with nearly 1.7 billion users).

Because of the network's magnitude, you'll be able to make calls there, but keep in mind that Facebook isn't as common as it once was. According to Edison Research's Eternal Dial study from early 2019, 62 percent of U.S. 12–34 year-olds use Facebook, down from 67 percent in 2018 and 79 percent in 2017. This reduction is especially notable given that utilization among the 35–54 and 55+ age organizations has remained stable or even continued to increase.

Nonetheless, according to Business Insider, Facebook accounts for 50% of total social referrals and 64% of total social revenue.

According to DigitasLBI Commercial activity, Facebook influenced more than half of consumers' online and offline buyers in 2015.

Recently, the business has attempted to repair its reputation by trying to introduce greater control over advertising and data management.

Instagram

Instagram is an excellent platform for brands because it provides various methods to showcase your goods, including photos, videos, Stories, galleries, filters, and more. What's great about the console is that it appeals to people of all ages and from all nations. A business account is followed by 80% of Instagram users. Instagram is the finest way for brands to

reach out to teens in the United States, according to 73% of them.

Furthermore, the system enables shopping by including shopping bags and cash register options in the posts. Every month, 130 million Instagram accounts click on a shopper's post to learn more about products.

TikTok

TikTok is a comparatively recent platform, but its rapid growth has made it an essential element of brand recognition for social media users, particularly Generation Z.

TikTok now has 800 million active users worldwide, with 41% of these customers aged 16 to 24. TikTok is the place to be if you want to reach a new crowd.

TikTok's algorithm, which curates your feed based on your interests, is also fantastic for niche and product lines. It makes it easier for you to gain new followers because the algorithm will place your content in the feeds of your target audience.

Furthermore, TikTok recently introduced a new way for brands to promote on the app, giving them more opportunities to attract customers.

Twitter

As per Hubspot, many people discover innovative brands on Twitter.

It's a great place to ask for suggestions because of its speed and ability to link with almost anyone. As per SproutSocial, 53% of consumers recommend companies or products in tweets, and 48% purchase those goods or services.

YouTube

There is some debate about whether YouTube is a social network or more of a streaming or content platform. Nonetheless, it is one of the most popular services accessible.

People are increasingly using the framework to look up customer reviews. Remember that 80 percent of people who said they started watching a YouTube video about a product they wanted to buy said they did so at the beginning of their buying process.

If you're willing to put in the effort, content creation for YouTube can be a highly rewarding task. Consider the BonAppetit channel, which is associated with the magazine of the same name. When the total flow of the magazine does not exceed 1,600,000 copies per year, it has nearly 6 million subscribers and much more than 1,3 billion views.

Conclusion

As you can see, the information and our daily Internet experience show that social media

impacts purchasing choices. Many factors can explain the role of social media on customer purchase decisions, including social proof, social media penetration, and the accessibility of internet retail.

However, making your strong brand out on social media is becoming increasingly more difficult. Focusing on the right platform, developing creative social campaigns, and utilizing cutting-edge innovations will assist you in this endeavor.

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