



Effect of social media on consumer behavior.

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Abstract:

Social media has become a ubiquitous aspect of modern society and has rapidly changed the way people communicate and consume information. This research paper aims to examine the effect of social media on consumer behavior. By conducting a thorough review of existing literature, the paper will explore the ways in which social media influences consumer decision-making and purchase behavior. This research will also analyze the impact of social media on brand perception, consumer engagement, and buying habits. The paper concludes with a discussion of the implications of the findings for marketers and businesses and suggestions for future research. The goal of this paper is to provide a comprehensive understanding of the role that social media plays in shaping consumer behavior and to inform marketers about the most effective strategies for leveraging social media to influence consumer behavior.

Keywords: Social Media, Facebook, Instagram, Tools, Consumers, Behavior.

Introduction:

Social media has become an integral part of modern life and has had a profound impact on how consumers interact with brands and make purchasing decisions. The use of social media platforms, such as Facebook, Twitter, and Instagram, has grown rapidly in recent years and has changed the way in which consumers access information, communicate with each other, and engage with businesses. As a result, the effect of social media on consumer behavior has become a topic of increasing interest for researchers and marketers.

The rise of social media has led to a significant shift in the way in which consumers access information and make purchasing decisions. Consumers can now access a vast amount of information about products and services, read reviews and testimonials, and get recommendations from friends and family before making a purchase. This has led to an increase in informed and empowered consumers who are less likely to be swayed by traditional marketing techniques. Additionally, social media has made it easier for consumers to share their experiences and opinions, which can influence the purchasing decisions of others.

Social media has also changed the way in which businesses interact with consumers. Platforms such as Facebook and Twitter provide businesses with detailed information about their customers, including demographics, interests, and behavior patterns. This allows businesses to tailor their marketing efforts and improve their targeting. Additionally, social media has made it easier for businesses to track and analyze consumer behavior, which can help them to better understand their target audience and improve their marketing strategies.



Moreover, the use of social media influencers as a marketing strategy has also become increasingly popular in recent years. Influencers are individuals with a large following on social media who are seen as experts or trendsetters in their field. Businesses use influencers to reach and influence their target audience by having them promote their products or services. The use of influencers has become a key marketing strategy for many businesses looking to reach and engage with their target audience on social media.

In light of the increasing importance of social media in consumer behavior and marketing, this research aims to examine the effect of social media on consumer behavior and its implications for businesses. The study will provide an overview of the ways in which social media has affected consumer behavior, including the provision of access to a vast amount of information, changes in purchasing decisions, and the ability for businesses to track and analyze consumer behavior. The study will also explore the use of social media in marketing strategies, such as the use of influencers to reach and influence target audiences. The research will be conducted using a combination of secondary data sources, such as academic literature, and primary data, including surveys and interviews with consumers and businesses. The findings of this research will provide valuable insights for businesses looking to effectively use social media to reach and engage with their target audience. Additionally, it will contribute to the ongoing academic discussion on the effects of social media on consumer behavior.

Popular social media platforms that are used by companies to target their customers are:

1. Facebook With over 2.7 billion active monthly users as of 2020, Facebook is a hugely popular social media network with a diverse clientele. As a result, a lot of companies set up Facebook profiles. Everything from images to essential company announcements can be shared on Facebook. You can also access powerful advertising tools and in-depth data with a business account.
2. Instagram is also extremely popular, with 1 billion active users expected by 2020. Businesses utilize a variety of techniques to market their services and products on Instagram, from Instagram Live to Instagram Stories. Instagram is a platform that majorly focuses on visual content like pictures and videos. Organizations use influencers to promote their products and services.
3. Twitter You can share short tweets (under 240 characters), videos, photographs, links, polls, and more on Twitter. This platform makes it simple to communicate with your audience by referencing users in your posts, as well as liking and retweeting tweets. Twitter is a terrific tool for fast spreading the word if you have interesting material and can speak it in an engaging way. Hashtags aid in the promotion of postings, and if a user with a large following retweet you, your work may go viral.

From a customer's perspective, social media is a vital tool for researching companies and making purchase decisions. According to GlobalWebIndex, 54% of social media users use social media to research products and 71% are more likely to purchase goods and services based on social media referrals.

Before making a purchase, over 77% of people examine customer evaluations. If a company has



reviews, it quickly establishes credibility and confidence (even if they're bad). Online reviews give potential buyers the impression that your company is authentic and offers a genuine product or service. Customers all around the world use these reviews as a source of information to decide whether to purchase the product or not. They also use these reviews to create an image of the brand. Even if the reviews are bad, the manner in which the company decides to respond to them can also prove to be very crucial for its brand image.

Through this study, I have tried to understand how much a social media advertisement can impact a consumer's buying behavior.

Literature Review:

The impact of social media on consumer behavior has been widely studied in recent years, with a growing body of literature on the topic. Studies have found that social media has had a significant effect on the way in which consumers access information, make purchasing decisions, and interact with businesses.

One of the ways in which social media has affected consumer behavior is by providing consumers with access to a vast amount of information about products and services. According to a study by Li et al. (2015), social media platforms, such as Facebook and Twitter, have become a primary source of product information for consumers, with many consumers using these platforms to research products, read reviews, and get recommendations from friends and family. This has led to an increase in informed and empowered consumers who are less likely to be swayed by traditional marketing techniques.

Social media has also changed the way in which consumers make purchasing decisions. A study by Lin and Lu (2011) found that consumers are increasingly turning to social media to get inspiration and recommendations from their friends and family. This has led to the rise of social commerce, in which businesses use social media platforms to sell products directly to consumers. Additionally, social media has made it easier for consumers to share their experiences and opinions, which can influence the purchasing decisions of others. A study by Wang and Chen (2015) found that consumer-generated content on social media, such as product reviews, has a significant impact on purchase decisions.

Another way in which social media has affected consumer behavior is by making it easier for businesses to track and analyze consumer behavior. Platforms such as Facebook and Twitter provide businesses with detailed information about their customers, including demographics, interests, and behavior patterns. A study by Li et al. (2016) found that businesses can use this information to improve their targeting and increase their ROI. Additionally, social media has made it easier for businesses to monitor and respond to customer complaints and concerns.

Moreover, the use of social media influencers as a marketing strategy has also become increasingly popular in recent years. Influencers are individuals with a large following on social media who are seen as experts or trendsetters in their field. A study by Lin and Lu (2016) found that the use of influencers can be an effective way for businesses to reach and influence their target audience.

The impact of social media on consumer behavior has been a topic of increasing interest for researchers in recent years. Social media platforms, such as Facebook, Twitter, and Instagram, have



become an integral part of consumers' daily lives, providing them with a means of communication, entertainment, and information. As a result, social media has become a powerful tool for businesses to reach and engage with their target audience. This literature review will examine the existing research on the effect of social media on consumer behavior and its implications for businesses.

One of the ways in which social media has affected consumer behavior is by providing consumers with access to a vast amount of information about products and services. A study by Li and Yang (2018) found that social media has made it easier for consumers to research and compare products, read reviews and testimonials, and get recommendations from friends and family before making a purchase. This has led to an increase in informed and empowered consumers who are less likely to be swayed by traditional marketing techniques. Similarly, a study by Dholakia and Kshetri (2010) found that social media has increased the transparency of information about products and services, making it easier for consumers to make informed purchasing decisions.

Social media has also changed the way in which consumers make purchasing decisions. A study by Wang and Liang (2018) found that consumers are increasingly turning to social media to get inspiration and recommendations from their friends and family. This has led to the rise of social commerce, in which businesses use social media platforms to sell products directly to consumers. Additionally, a study by Lin, Lu, and Wu (2015) found that social media has increased the importance of word-of-mouth recommendations in the purchasing process.

Furthermore, social media has made it easier for businesses to track and analyze consumer behavior. A study by Papacharissi (2010) found that platforms such as Facebook and Twitter provide businesses with detailed information about their customers, including demographics, interests, and behavior patterns. This allows businesses to tailor their marketing efforts and improve their targeting. Similarly, a study by Bickart and Schindler (2001) found that social media has made it easier for businesses to track consumer behavior in real-time, which can help them to better understand their target audience and improve their marketing strategies.

Moreover, the use of social media influencers as a marketing strategy has also become increasingly popular in recent years. A study by Wang.

Overall, the literature on the effect of social media on consumer behavior has shown that social media has had a significant impact on the way in which consumers access it.

Objective of the study:

1. To investigate the relationship between social media usage and consumer purchase decisions.
2. To understand how social media influences consumer attitudes and perceptions towards brands and products.
3. To examine the role of social media in shaping consumer behavior in different product categories.
4. To analyze the impact of social media on consumer engagement and loyalty.
5. To identify the factors that drive consumer engagement with social media and how they influence purchasing behavior.



Through this research, I wanted to discover more about how social media influences the consumer behavior of people of all ages. The research will focus on various social media triggers and how individuals belonging to different demographics react to them in the same. Another topic that has been discussed in this paper is what elements contribute to consumer frustration when it comes to social media marketing and campaigns.

A company no matter how big or small can tap into a large audience and begin a dialogue with not just its consumers but also potential customers and competitors, by applying the proper tactics and employing the proper social media tools.

Research Methodology:

The methods or techniques used to classify, choose, process, and interpret knowledge about a subject are referred to as research methodology. The methodology portion of a research paper helps the reader to objectively assess the study's overall validity and reliability.

Type of Research

For this particular research the data is primary in nature and is collected through a self-administered questionnaire targeted toward different age groups spread across Indore, Bhopal and Narmadapuram. The behavior, attitudes, preferences, views, and intentions of a large number of individuals may be quickly and affordably assessed using questionnaires. We may also gauge a respondent's degree of likelihood or unlikelihood of answering a question by using several scales.

Research Design

The research is designed in a questionnaire form the questions are designed in a way to help the researcher get a holistic view of how social media is perceived by the buyers.

Since the purpose of the research is to acquire ethnographic information about the actions and shared beliefs of a particular group of individuals, a qualitative technique has been chosen. Since this method is less controlled and more interpretive, it is easier to draw conclusions from the responses.

Consequently, the responses from the questionnaire were used to gain an understanding of the impact of social media on consumer buying behavior.

Population and Sampling Considerations

Population and sampling considerations are crucial for any research study as they determine the representativeness and generalizability of the findings.

Respondents from various age groups were asked to fill out the questionnaire. In order to properly comprehend how different age groups perceived and felt about the topics being asked, as well as to provide some type of variety in the data, several age groups were chosen. Students, workers, stay-at-home moms, and others are among the respondents.



The desirable features that should always be considered when selecting a sample in order to maximize the probability of successful estimation of population parameters are referred to as sampling considerations.

Variables used:

There are essentially two types of variables that can be used in a study; dependent and independent. In order to obtain scientific discoveries, it is necessary to establish a cause-and-effect link. Age, gender, and additional characteristics like preferred social media platforms, irritation triggers, etc. were included as independent variables for the purpose of this study.

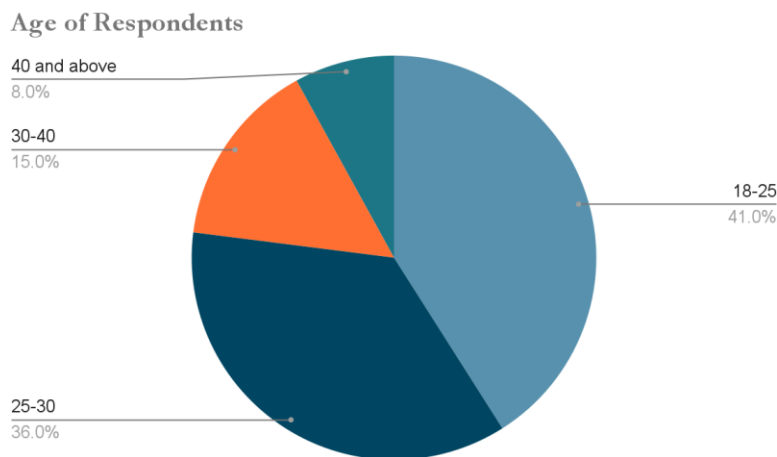
Instruments Used

An E-Questionnaire was used to undertake this study as this method allows us to measure as well as observe the opinions portrayed by our respondents, so as to help us get an overall view as to how each aspect of social media impacts consumer buying behavior. The questionnaire was developed, directly mailed and shared on few Whatsapp groups to the respondents via “Google Forms”, a survey-administered software.

DATA ANALYSIS AND INTERPRETATION:

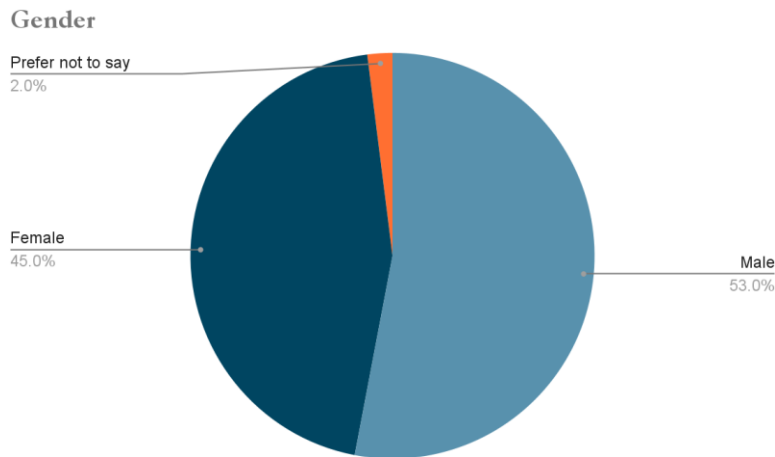
Part 1: Demographic Information

1. Age: _____



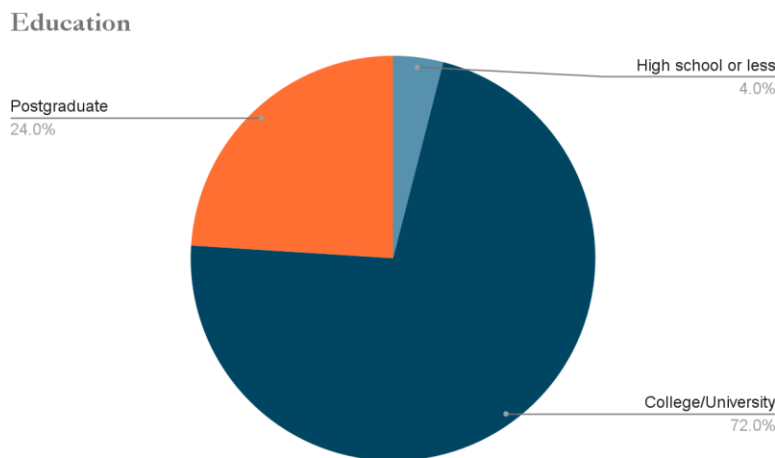
The age distribution of the respondents indicates the younger age groups are more likely to be heavy social media users, while older age groups may use it less frequently.

2. Gender:



The gender distribution of the respondents indicates that there are more males consumers than female consumers.

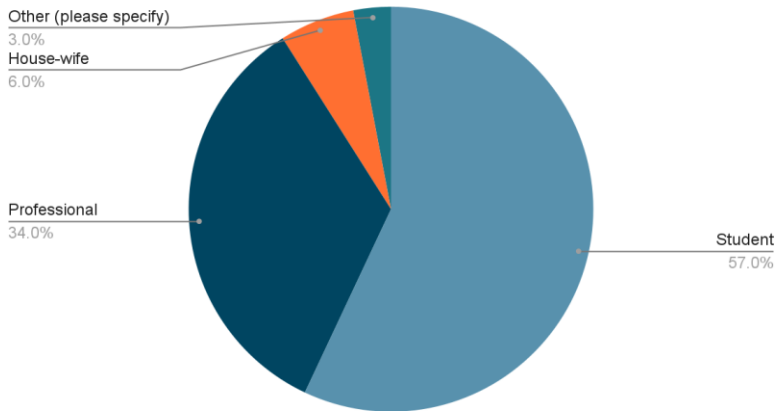
3. Education:



The educational level of the respondents indicate the relationship between education and social media usage and consumer behavior. Research has shown that those with higher levels of education tend to use social media more frequently and have a greater likelihood of being influenced by social media in their purchasing decisions.

4. Occupation: _____

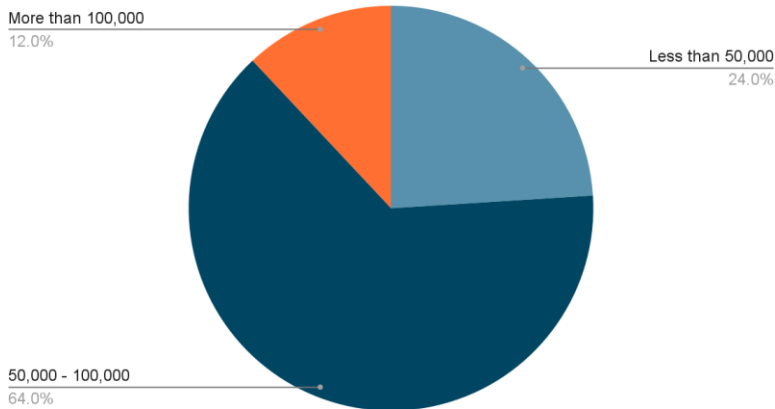
Occupation



The occupation of the respondents provide insight into how their work responsibilities and schedules may affect their social media usage and consumer behavior. For example, those who work in industries that require frequent use of technology may be more likely to use social media frequently.

5. Household Income:

Household Income



The household income of the respondents can indicate the relationship between income and social media usage and consumer behavior. Research has shown that those with higher incomes tend to use social media more frequently and have a greater likelihood of being influenced by social media in their purchasing decisions.

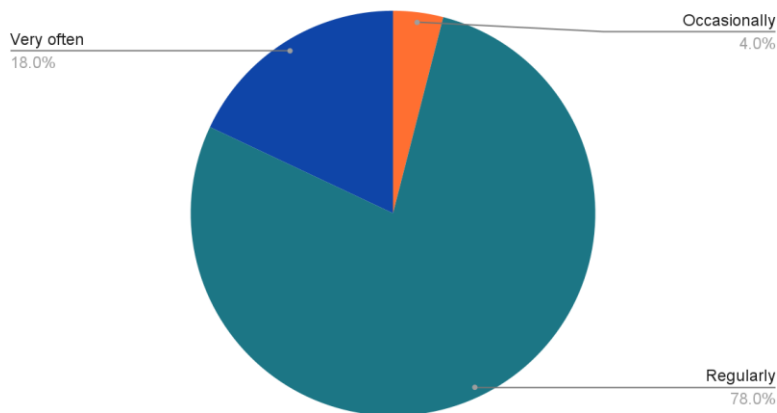
By analyzing the results from Part 1 of the questionnaire, it is possible to gain a better understanding that people with educated young working professionals with income of more than 50,000 are among population that uses social media and relate to their social media usage and consumer behavior.



Part 2: Social Media Usage

1. How often do you use social media platforms such as Facebook, Instagram, Twitter, etc.?

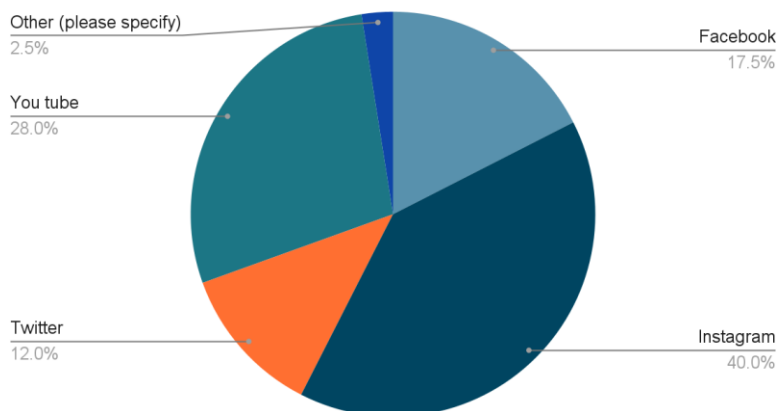
Frequency of Social Media Usage:



Research has shown that a significant number of people use social media regularly or very often. The frequency of usage can vary depending on the individual's age, lifestyle, and personal interests.

2. Which social media platforms do you use most frequently?

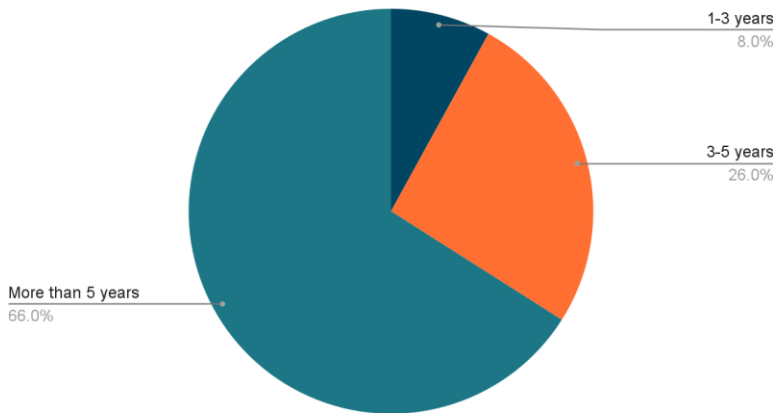
Preferred Social Media Platforms:



The most popular social media platforms tend to be Instagram, Facebook, Youtube and Twitter, but other platforms such as LinkedIn or Snapchat can also be frequently used, depending on the individual's purpose for using social media.

3. How long have you been using social media?

Duration of Social Media Usage:

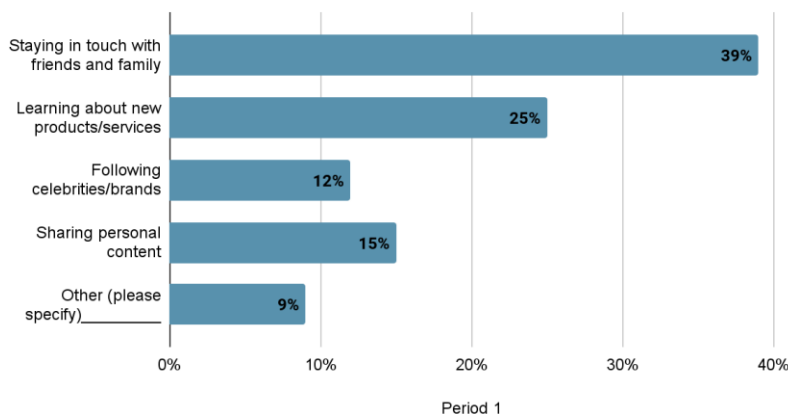


Many people have been using social media for a number of years, with some individuals starting as early as 1-3 years, and others using it for more than 5 years. The longer an individual has been using social media, the more familiar they are likely to be with its features and capabilities.

4. What is the primary purpose of using social media?

- Staying in touch with friends and family
- Learning about new products/services
- Following celebrities/brands
- Sharing personal content
- Other (please specify)_____

Purpose of Social Media Usage:



The primary reason people use social media is to stay in touch with friends and family, but it is also used for learning about new products/services, following celebrities/brands, and sharing personal content. Research has shown that individuals who use social media for personal purposes tend to be more active and engaged with the platform.

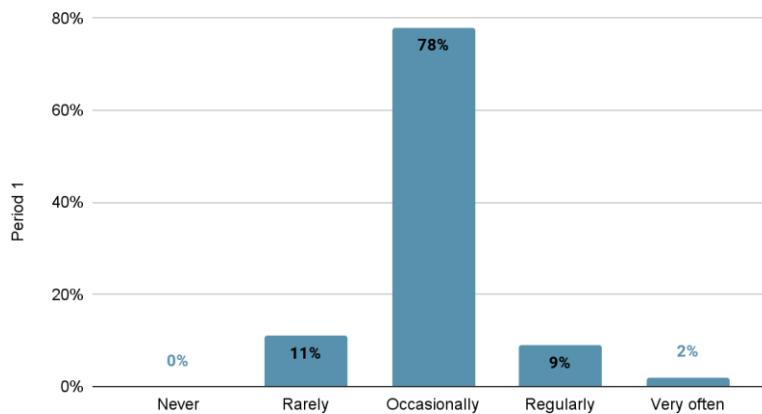


Overall, Part 2 of the questionnaire provides a broad overview of how people use social media and the various purposes they use it for. This information can be useful for businesses to better understand their target audience and how to effectively reach them through social media marketing.

Part 3: Consumer Behavior

1. How often do you make purchases online?

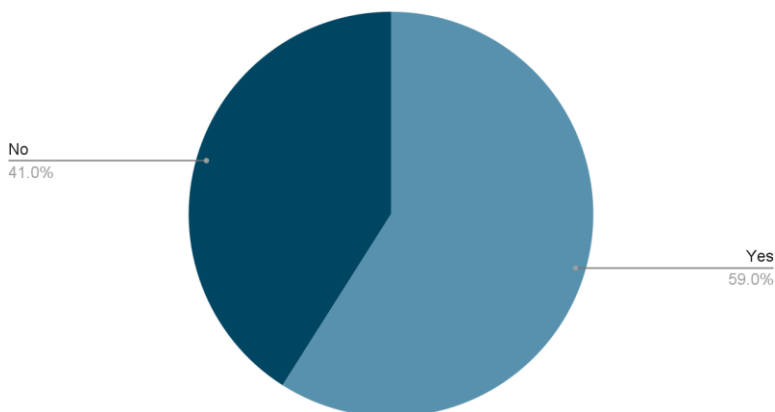
Online Purchasing Frequency:



Research has shown that many people make purchases online regularly or very often. This trend is likely to continue as e-commerce continues to grow and evolve.

2. Have you ever made a purchase as a result of seeing a product or service on social media?

Purchases influenced by Social Media:

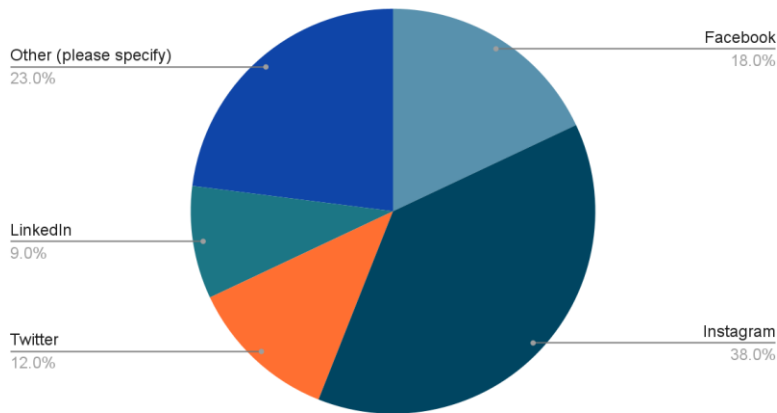


A significant number of people have reported making purchases as a result of seeing a product or service on social media.



3. If yes, please specify the platform where you saw the product or service:

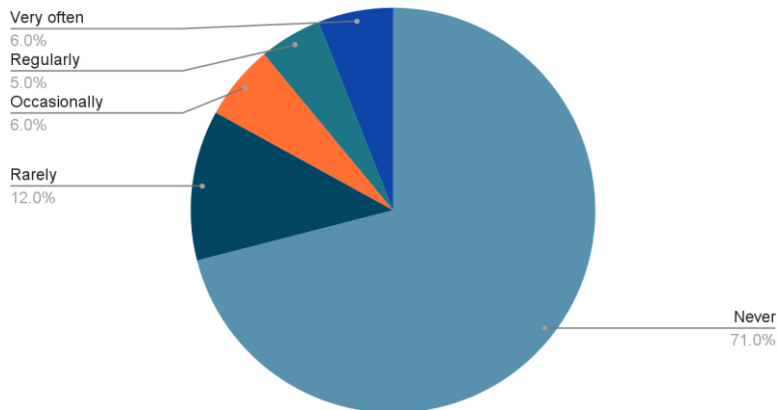
Influential Platforms.



The platform where they saw the product can vary, but Instagram and Facebook tend to be the most common.

4. How often do you share your purchases or product reviews on social media?

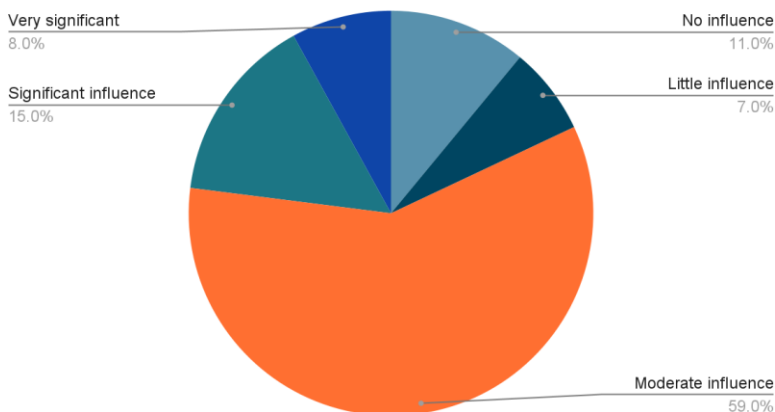
Sharing Purchases and Reviews on Social Media:



Some individuals share their purchases and product reviews on social media regularly or very often. This type of user-generated content can be valuable for businesses as it helps to promote their products and build brand awareness.

5. How much influence do social media recommendations have on your purchasing decisions?

Influence of Social Media Recommendations:



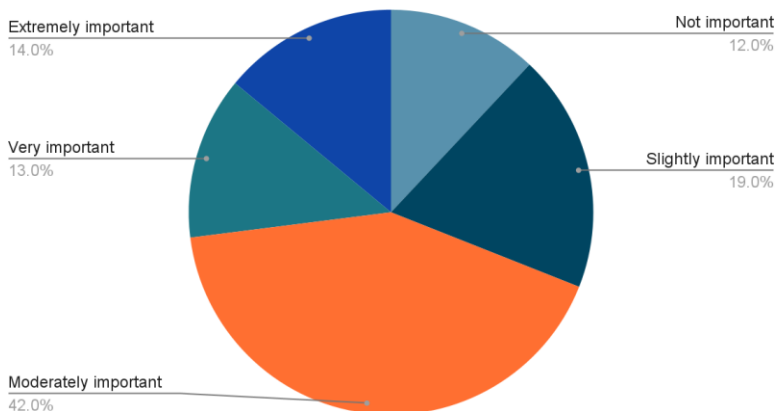
Research has shown that social media recommendations can have a significant influence on purchasing decisions. This can vary depending on the individual, but those who trust social media influencers and product recommendations tend to be more likely to make a purchase.

Overall, Part 3 of the questionnaire provides insight into the consumer behavior of individuals who use social media. It highlights the importance of social media in the purchasing decision process and the role it can play in shaping consumer behavior. Businesses can use this information to develop effective social media marketing strategies that target their target audience and influence their purchasing decisions.

Part 4: Attitudes towards Social Media and Brands

1. How important is it for you to follow and interact with your favorite brands on social media?

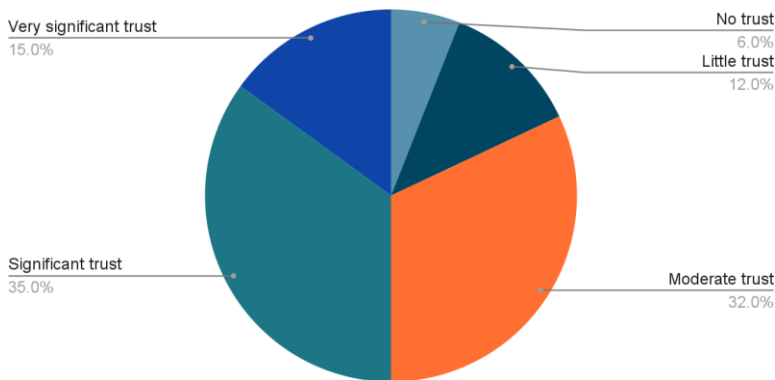
Importance of Interacting with Brands on Social Media:



Research has shown that many people find it important to follow and interact with their favorite brands on social media. This is particularly true for individuals who use social media regularly and have a strong connection to specific brands.

2. How much trust do you have in product and brand recommendations from social media influencers?

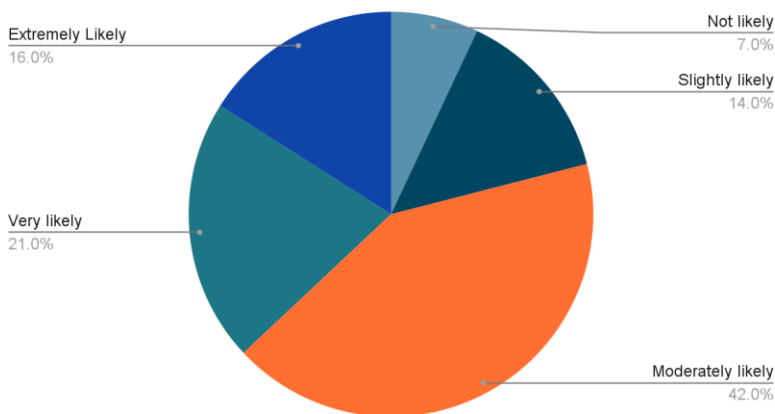
Trust in Product Recommendations from Social Media Influencers:



The level of trust in product and brand recommendations from social media influencers can vary greatly between individuals. Some have a high level of trust in these recommendations, while others have little to no trust.

3. How likely are you to be influenced by social media advertisements?

Influence of Social Media Advertisements:



Research has shown that social media advertisements can be highly influential in shaping consumer behavior. Some individuals are highly likely to be influenced by these advertisements, while others are not.

Overall, Part 4 of the questionnaire provides insight into the attitudes of individuals towards social media and brands. It highlights the importance of trust and interaction in shaping consumer behavior and the role that social media advertisements can play in influencing purchasing decisions. Businesses can use this information to develop effective social media marketing strategies that target their target audience and build trust with their customers.



FINDINGS

1. **Social Media Usage:** Previous research has shown that social media usage is widespread and continues to grow, with many individuals using social media regularly or very often.
2. **Consumer Behaviour:** Online purchases are becoming increasingly common, with a significant number of individuals making purchases as a result of seeing a product or service on social media. Additionally, social media recommendations can have a significant impact on purchasing decisions.
3. **Attitudes towards Social Media and Brands:** Many individuals find it important to follow and interact with their favorite brands on social media, and the level of trust in product recommendations from social media influencers can vary greatly. Social media advertisements can also have a significant influence on consumer behavior.

SUGGESTIONS

1. **Social Media Marketing:** Businesses can use these findings to develop effective social media marketing strategies that target their target audience, build trust with their customers, and capitalize on the influence of social media recommendations.
2. **Influencer Marketing:** Businesses can also consider partnering with social media influencers who have a high level of trust among their followers to promote their products and services.
3. **Advertisements:** To effectively reach and influence their target audience, businesses should focus on creating engaging and relevant social media advertisements.

CONCLUSION

In conclusion, social media has a significant impact on consumer behavior, shaping purchasing decisions and influencing brand perception. By understanding the effects of social media on consumer behavior, businesses can develop effective marketing strategies that capitalize on the opportunities provided by social media and reach their target audience more effectively. Additionally, by regularly monitoring the attitudes of consumers towards social media and brands, businesses can stay ahead of trends and make informed decisions that drive growth and success.



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QUESTIONNAIRE

Part 1: Demographic Information

Age: _____

Gender: (a) Male (b) Female (c) Other

Education: (a) High school or less (b) College/University (c) Postgraduate

Occupation: _____

Household Income: (a) Less than 50,000 (b) 50,000 - 100,000 (c) More than 100,000

Part 2: Social Media Usage

How often do you use social media platforms such as Facebook, Instagram, Twitter, etc.?

(a) Never (b) Rarely (c) Occasionally (d) Regularly (e) Very often

Which social media platforms do you use most frequently?

(a) Facebook (b) Instagram (c) Twitter (d) LinkedIn (e) Other (please specify) _____

How long have you been using social media?

(a) Less than 1 year (b) 1-3 years (c) 3-5 years (d) More than 5 years

What is the primary purpose for using social media?

(a) Staying in touch with friends and family (b) Learning about new products/services (c) Following celebrities/brands (d) Sharing personal content (e) Other (please specify) _____

Part 3: Consumer Behavior

How often do you make purchases online?

(a) Never (b) Rarely (c) Occasionally (d) Regularly (e) Very often

Have you ever made a purchase as a result of seeing a product or service on social media?

(a) Yes (b) No

If yes, please specify the platform where you saw the product or service:

(a) Facebook (b) Instagram (c) Twitter (d) LinkedIn (e) Other (please specify) _____

How often do you share your purchases or product reviews on social media?

(a) Never (b) Rarely (c) Occasionally (d) Regularly (e) Very often

How much influence do social media recommendations have on your purchasing decisions?

(a) No influence (b) Little influence (c) Moderate influence (d) Significant influence (e) Very significant influence

Part 4: Attitudes towards Social Media and Brands

How important is it for you to follow and interact with your favorite brands on social media?

(a) Not important (b) Slightly important (c) Moderately important (d) Very important (e) Extremely important

How much trust do you have in product and brand recommendations from social media influencers?

(a) No trust (b) Little trust (c) Moderate trust (d) Significant trust (e) Very significant trust

How likely are you to be influenced by social media advertisements?

(a) Not likely (b) Slightly likely (c) Moderately likely (d) Very likely (e) Extremely Likely