



A study on social media and its impact on consumer behavior

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ABSTRACT

Social media has revolutionaries the ways of communication and sharing information and interests. The rapid growth of social media and social networking sites, especially, in developing country like India is providing marketer a new avenue to contact customers. Though, organizations are increasing their spend in social media, it is difficult to measure a real return on investment. This paper attempts to assess the impact of usage of social media on purchase decision process. The paper examines the usage pattern and its influences the five stages of purchase process. The study finds that the social media is most widely used in information source for perceived convenience, effectiveness and perceived credibility. Also, the social media reviews and opinions affect the purchase decision process; however, tendency of share their experiences post purchase is surprisingly low.

I.INTRODUCTION

A key business component of social media is that it now allows consumers to evaluate product, make recommendations to contacts or friends, and link current purchases to future purchases through status updates and twitter feeds. In addition, the use of social media presents a valuable tool for firms in which a satisfied user of a product could recommend that product (good or service) to other potential users. In essence, the social media world is slowly taking the place of product reviews and panels found in

outlets such as “Consumer Digest” in previous generations. Where consumers once patronized trusted retails outlets and relied on employee experts in each department, today's consumers might often be relying on the recommendation and expert opinion of a friend or acquaintance found within their social media network. The companies are looking for taking advantage of increasing trend of customers relying on social media for their purchases. For social-savvy businesses in India, paid ads on the networks are becoming standard practice. Ernst & Young surveyed 48 companies in the country that have robust social presences and found that 83% of respondents used social media advertising this year. The greatest portion of this group (42%) used these ads to promote an online campaign or contest. The next most common use of social ads was general brand building.

OBJECTIVES

To understand the benefits of social media while buying the products.

SCOPE OF THE STUDY

- The study helps to identify the reason why consumer prefer to buy products through online
- Through the study we can identify that how social media change the consumer buying behavior

- The study helps to understand the Advantages and Disadvantages of social media.

LIMITATIONS OF THE STUDY

- The area of study is limited towards Erode District; hence the results may not be true comparison from other geographical area.
- Structured questionnaire are based on the data collection, it may have disadvantages of not being to probe deep into the respondents thoughts.
- The constraints of the sample respondents their convenient level of the timed may be cause and effort to deliver the opinion of the respondents.

REVIEW OF LITERATURE

The social media has aroused a lot of interest among researcher and academicians. As use of social media is increasing at phenomenal rate and companies showing tendencies of allocating increasing budget to social media to communicate and reach customers; the study of social media has been of a great importance to all the stakeholders.

Forbes and Vespoil(2013) investigates consumers who made a purchase of an item based on the recommendation of a peer or contact via social media results indicate that consumers are buying either very inexpensive, or very expensive items, and are doing so based on recommendations from people they would not consider “opinion influencers or leaders”. In addition, results indicate a slow shift from more traditional forms of social media like Face book to quicker types of social media like Twitter. Numerous respondents indicated their desire for information now, not even a day or two old, and this research indicates a shift towards that form of social media which is consistent with general themes of today's social media.

RESERCH METHODOLOGY

RESEARCH DESIGN

The present research starts with the problem definition, and in this case, it refers to a detailed

understanding of how social media is influencing purchase decision process of the social media users in the city of “Erode”.

DATA COLLECTION METHOD PRIMARY DATA

The primary data has been collected directly from the social media through questionnaire method.

SECONDARY DATA

These are data which are already collected and used by someone preciously. In this research review of literature, details of the industry are collected from the internet.

SAMPLING SIZE AND TECHNIQUE SIZE OF THE SAMPLE

Population Size is infinite and sample size is (150).

SAMPLE DESIGN

The sampling technique used is convenience sampling method. Convenience sampling (also known as Availability Sampling) is a specific type of non-probability sampling method that relies on data collection from population members who are conveniently available to participate in study.

QUESTIONNAIRE

The questions are arranged logical sequence. The questionnaire consists of a variety of questions presented to the employees for the response. Multiple choice questions, rating scale questions were used in constructing the questionnaire.

STATISTICAL TOOLS USED

To analyze and interpret collected data the following statistical tools were used.

HENRY GARRETT RANKING

Garrett’s ranking technique to find out the most significant factor which influences the respondent, Garrett’s ranking technique was used. As per this method, respondents have been asked to assign the rank for all factors and the outcomes of such ranking have been converted into score value with the help of the following formula:

Percent position = $100 (R_{ij} - 0.5) / N_j$

Where R_{ij} = Rank given for the i th variable by j th respondents

N_j = Number of variable ranked by j th respondents.

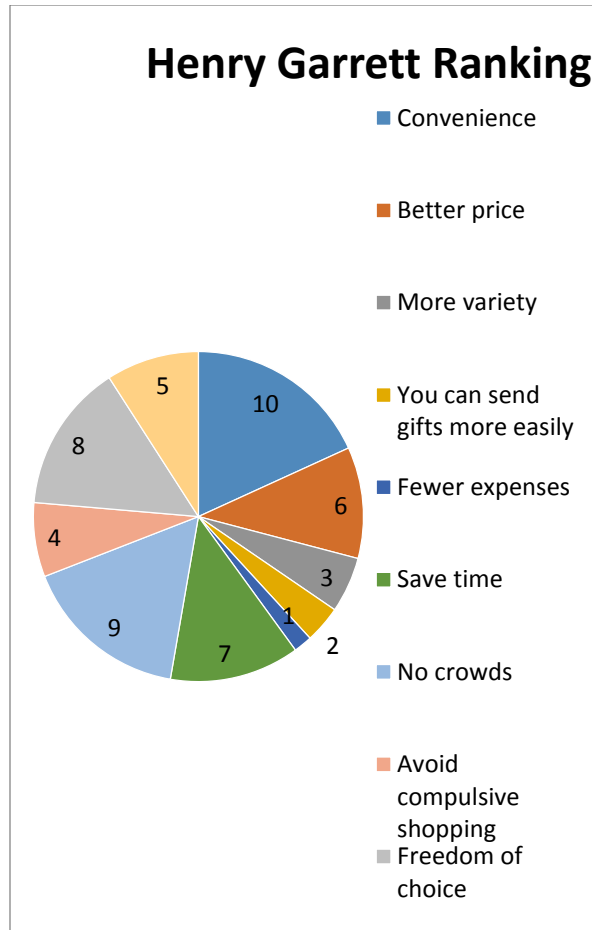
DEMOGRAPHIC FACTOR

Respondents Details		No. of Respondents	Percentage %
Gender	Male	123	82.0
	Female	27	18.0
	Total	150	100.0
Age Group (in Years)	Below 18	15	10.0
	20-30	63	42.0
	30-40	59	39.3
	40-50	13	8.7
	Total	150	100.0
Marital Status	Married	68	45.3
	Unmarried	82	54.7
	Total	150	100.0
Educational Qualification	School Level	22	14.7
	UG	73	48.7
	PG	55	36.7
	Total	150	100.0
Income Level	Below 10,000	16	10.7
	10,000-20,000	69	46.0
	20,000-30,000	57	38.0
	Above 30,000	8	5.3
	Total	150	100.0
Occupation	Self employe	38	25.3

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	Employed	82	54.7
	Employed	12	8.0
	Student	18	12.0
	Total	150	100.0

HENRY GARRETT RANKING

S.No	FACTORS	MEAN SCORE	TOTAL SCORE	RANK
1	Convenience	727	727	10
2	Better price	822	4110	6
3	More variety	861	6888	3
4	You can send gifts more easily	903	8127	2
5	Fewer expenses	945	9450	1
6	Save time	815	3260	7
7	No crowds	766	1532	9
8	Avoid compulsive shopping	850	5950	4
9	Freedom of choice	788	2364	8
10	Privacy	823	4938	5



FINDINGS

From the above table it is evident that “fewer expenses” ranked as no.1 with a total score of 9450, “You can send gifts more easily” is ranked as no.2 with a total score of 8127, “More variety” is ranked as no.3 with a total score of 6888, “Avoid compulsive shopping” is ranked as no.4 with a total score of 5950, “Privacy” is ranked as no.5 with a total score of 4938, “Better price” is ranked as no.6 with a total score of 4110, “Save time” is ranked as no.7 with a total score of 3260, “Freedom of choice” is ranked as no.8 with a total score of 2364, “No crowds” is ranked as no.9 with a total score of 1532, “Convenience” is ranked as no.10 with a total score of 727.

SUGGESTIONS

- Use social media for more frequent exposure, in order to attract their consumer attention and increase the brand awareness.

- Be more interactive; generate ideas from their consumers (making them feel part of the brand).
- Try to be influential through the crowd, making their products go viral in social media.
- Identify and manage the opinion leaders of the digital groups, stimulating them to positively talk about their products.
- Enable consumers to express their experiences (through reviews).
- Enable and facilitate online purchasing

CONCLUSION

The motive of the research was triggered by personal interest in how consumer behavior has changed in the Digital Age, in particular with social media. The amount of information available to us increases in each new day, as a result, we are overwhelmingly exposed and attained to different aspects of information via the Social Web.

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