Role of Social Media in Consumer Decision making Process

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Abstract: Consumer purchase decisions are affected by so many factors. Consumer first identifies their need and products and they like to collect information about those products from various sources. Social Media is one such source from where consumer collects information about the products and organizations. With the availability and accessibility of social media on our mobiles the process of collecting information has become easy. Now a day’s social media has started playing important role in the lives of people. People these days not only use social media to be in touch with family and friends but they too use social media to share their views not also use to share their experience with products and organizations. People like to read reviews of other people before taking any decision about going for the movies, before booking hotels, before going for dinner or before taking any purchase decisions. The study intends to find out the role of social media in consumer decision making process.

Key words: Social Media, Consumer, Decision Making, Accessibility

I. Introduction

Consumer decision process is very complex process and all organization tries to understand and study this process as organizations survival depends upon understanding this process. The consumer decision process is affected by so many factors and these factors are changing with the change in technology and change in environ and change consumer thinking & likings. Social media refers to computer generated apps with which people can quickly share their views and liking with everyone. With advent of PC social media started gaining importance in people lives. People has starting using social media and social networking sites not only for connecting friends & relatives but also sharing their views and information.

Now social media is available on mobile and web-based technologies has created highly interactive platforms through which individuals and communities share, co-create, discuss, and modify user-generated content. It introduces substantial and pervasive changes to communication between organizations, communities and individuals.

Types of Social Media

People still does not understand the complexity of this internet. In most people mind social media means Face book, Instagram, Twitter etc. People has yet to understand that social media is very wide and very complex domain. Social Media is mainly divided into 6 Categories.

1. Blogs- These are described as online journals where the blogger posts his or her daily activities or any other thoughts. Blog is generally used by all categories people who have passion for writing. There are more than 200,000,000 blogs.

2. Social Networks-Many people consider that social media is equivalent to social networks but the truth is different; these websites are truly more dynamic and attract more traffic. These social networks are various and numerous but, by far, Face book is number one, being a global movement and its evolution seems to break any limits of the online power of influence

3. Social Bookmarking- Social bookmarking is not very popular but it is a real help for the ones who understand how Social Bookmarking works. Social bookmarking is safe as these are hard to manipulate. One of the most important social bookmarking networks is Delicious which has a very simple method of tagging the bookmarks, easy to navigate and use

4. Media Sharing-Diverse the high speed internet speed has given people to use media sharing app like YouTube, flicker All around the you tube is being used by millions of people for sharing their ideas. Flicker is also recognized as a huge inspirational resource; almost 3000 images are uploaded every minute.

5. Micro blogging – Micro Blogging is a information network, which is similar to blogs, but there is word limit in each post and is a faster mode of communication. Micro blogging allows users to spread their short-texted
messages via instant messages, mobile phones, e-mails, or the Web. For instance, Twitter, launched in 2006, is one of the primal and leading micro blogs that currently has over 180 million users as of 2014 and handles over 1.8 billion search queries per day (Twitter 2013).

“Social media usage in India is increasing day by day and number of internet users in India will reached 627 million users by December 2019 India is a key market for social media giants. In India, the number of people actively using Social Media will be 168 million in 2019 and it is growing faster with the availability of cheaper broadband connection and internet enabled handsets at very low prices” (Report -The Economic Times.). Social media is changing the people’s interaction. Emotions like love, friendship, family bonding, intimacy and language and are finding various platforms and forms of expression. Social media has become very popular among people in very short span of time because of its people friendly technology. No other media has become so popular in such a short period of time as social media.

Top Social Networking Sites in India

Google+- Google+ is one of the top social networking site which has become popular. Google+ has integrated face book, Google products such as Google Ad Words and Google Maps has integrated with search engines. It also provide some pages to its users.

Twitter-Twitter allows companies to promote their products in short messages limited to 140 characters which appear on followers’ home pages. Messages can link to the product’s website, Face book profile, photos, and videos

Face book-Face book pages are far more detailed than Twitter accounts. They allow a product to provide videos, photos, and longer descriptions, and testimonials as other followers can comment on the product pages for others to see

LinkedIn-LinkedIn, a professional business-related networking site, allows companies to create professional profiles for themselves as well as their business to network and meet others.

Foursquare-Foursquare is a location based social networking website, where users can check into locations via their smart phones. Foursquare allows businesses to create a page or create a newclaim an existing venue.

YouTube-YouTube is another popular avenue; advertisements are done in a way to suit the target audience. In the advertisement on the YouTube marketers tries use such language which can influence consumers decision making preference..

Instagram- Instagram has now 1 billion users. The user engagement rate of Instagram is much higher than of Face book. “According to Scott Galloway, the founder of L2 and a professor of marketing at New York University’s Stern School of Business, latest studies estimate that 93 percent of prestige brands have an active presence on Instagram and include it in their marketing mix”.

Delicious, Digg and Reddit- Delicious, Digg and Reddit are popular social bookmarking sites used in social media promotion. They are heavily used by the social media marketers to promote their websites due to their ability to share links

Tumblr- Tumblr first launched ad products on May 29, 2012. Rather than relying on simple banner ads, Tumblr requires advertisers to create a Tumblr blog so the content of those blogs can be featured through the site. In one year, four native ad formats were created on web and mobile, and had more than 100 brands advertising on Tumblr with 500 cumulative sponsored posts.

Future of Social Media Marketing in India

Now a day’s Social Media has become necessity for people as well as for organizations. An organization can have a competitive advantage on their competitors if an organization understand its customers and their issue, the social media can help the organization in doing this. Moreover social media has a very low cost as comparison to other strategies. With social media and with very little creativity, an organization can easily reach out to their customers and build a successful brand.

Group buying and social commerce are the recent trends. Many e-commerce sites offer attractive discounts for a group of shoppers on their combined Purchases. Group buying brings together customers who would like to buy a product. The increase in volume lets these websites offer attractive discounts. Some of the websites that offer group buying are taggle.com, snapdeal.com. In a social commerce model, invitation-only shopping sites give discounts to consumers if they add their friends to the site. Businesses are able to take advantage in relationship building, achieving on-line and offline marketing objectives, and brand building etc.

II. Literature Review

Social media has becomes an important communication tool that people use to connect to other people or organization. People use social media to share their experiences, reviews, information, advice, warnings, tips and/or any kind of issues that are interesting to their “connection” or friends. That information is a helpful source, which may influence consumer’s decision-making. “The people use information on social media as the
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guideline for their future purchase or planning their future trip. Also, social media is used as advertising for the marketer. Marketers take this advantage and create marketing strategy, which in turn could help them gain more customers. The social media environment is very easy to apply and to reach the reach customer. (Patarawadee Sema, Johnson & Wales University, Feinstein Graduate School)

“The rapid adoption of online social networks (OSN) across different stakeholders raises several interesting questions on different facets of its dynamics. Properly governed and designed OSN can play an important role in supporting different types of decision making (DM), as they provide their participants/stakeholders various forms of support, ranging from the instrumental to the emotional and informational.” The synergy of these themes provides an innovative and unique perspective on the actual process of DM within OSN. Only online survey method is used to address the potential utilization of OSN as a support tool for the DM process. “The OSN support and empower users in their decision making process specifically in three key phases that include Intelligence, Design and Choice. Results also reveal that different types of users (observers, seekers and advisers) have significantly different participation styles, which in turn have an impact on the efficacy of the DM process (Valeriy Sadovyikh, David Sundaram, Selwyn Piramuthu)

“A naturalistic online information search exposes individuals to multiple sites and conflicting perspectives. In this study, evaluation is done on how the holistic stance of a web search toward a product influences purchasing decisions (Rod Roscoe, Carola Gribitus, Joseph, ‘Berlin, Irfan Kula)”. “The 20% of Face book users have used popular social medium to research products before buying and 42% have written online review about a product. Further analysis of social media users’ online behavior shows two distinct categories of online sharing: High shares which comprised 20% of online consumers were younger, loyal to brands, and had numerous electronic devices. Second one is low shares, which accounted for 80% of online consumers, were generally older, more concerned with quality than brand, and less likely to be loyal towards a brand (Drell, L. , Mashable)”. “Consumer online resale is becoming an increasingly common method of both buying and selling goods. When an item can be easily resold online, consumers’ subjective estimation of the value of that item changes in complex ways based on consumption cost and resale return. This in turn can affect consumers’ decisions to purchase new products consumers’ awareness of the resale value of an already possessed product can influence their decision to purchase a new product and when the product to be resold is the same type as the desired new item (e.g. an old idle mobile phone and a new mobile phone), the influence of resale awareness on purchase intention by notifying the consumers that there are future chances to resell is good, the awareness and expectation for an online resale could be prompted which in turns enhances the intention to purchase ne good(Shuling Liao, Hsunchi Chu, European Journal of marketing)”. “The emergence of Internet-based social media has made it possible for one person to communicate with hundreds or even thousands of other people about products and the companies that provide them. Thus, the impact of consumer-to-consumer communications has been greatly magnified in the marketplace. Social media is a hybrid element of the promotion mix because in a traditional sense it enables companies to talk to their customers, while in a nontraditional sense it enables customers to talk directly to one another. The content, timing, and frequency of the social media-based conversations occurring between consumers are outside managers’ direct control (David J Faulds, W. Glyns, Mangload)

III. Research Methodology

Research is a systematic inquiry aimed at providing information to solve problems (cooper and Schindler, 2002:14). Differing requirements of information, availability of time and need patterns have led to the developments of various types of research methods the need of any research method, however remains the same—to get information the reason behind the use of any method for research should justify the generation of optimum results. This study is based on primary data, which has been collected through questionnaire having statements to which respondents have to give their level of satisfaction ranging between 1-5 level and agreement ranging from strongly agrees to strongly disagree. Since it was not feasible to examine the entire universe the representative sample were selected from Delhi, Gurgaon & Noida. Respondents were asked to fill questionnaire personally,

Objectives of the study

The objectives of the study are –

• To find out Consumer’s behavior towards social media
• To determine various factors influencing purchase decision of consumers

Data analysis

To know the perception of customer towards organizations and role of markets in digitization of India they were asked to evaluate each factor first on statements ranging from strongly agree to strongly disagree and then they have to evaluate their believe with each factor on 1-5 scale. There are other questions also which will

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be evaluated on customer’s statements. The responses are analyzed by calculating the mean value and the results are presented in the subsequent discussion.

**Demographic Profile of Respondents**

**Table-1**

<table>
<thead>
<tr>
<th>Respondents Gender</th>
<th>Gender</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>215</td>
<td>55</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>175</td>
<td>45</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>390</td>
<td>100</td>
</tr>
</tbody>
</table>

**Age**

**Respondents Age Frequency**

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;20 yrs</td>
<td></td>
</tr>
<tr>
<td>20-25 yrs</td>
<td></td>
</tr>
<tr>
<td>25-30 yrs</td>
<td></td>
</tr>
</tbody>
</table>

**Income**

**Respondents monthly Income**

<table>
<thead>
<tr>
<th>Income</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>less than 50,000</td>
<td></td>
</tr>
</tbody>
</table>

**Education**

**Respondents Education Frequency**

<table>
<thead>
<tr>
<th>Education</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than Graduate</td>
<td></td>
</tr>
<tr>
<td>Graduate</td>
<td></td>
</tr>
</tbody>
</table>

**Average Time spent on Social Media in a week**

**Respondents %**

<table>
<thead>
<tr>
<th>Time spent</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>less than 1 hr</td>
<td></td>
</tr>
<tr>
<td>1 hour to 3 hour</td>
<td></td>
</tr>
<tr>
<td>3 hour to 6 hour</td>
<td></td>
</tr>
<tr>
<td>6 hour to 10</td>
<td></td>
</tr>
</tbody>
</table>
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% of Respondents Using Social media

![Bar chart showing the percentage of respondents using different types of social media sources.]

<table>
<thead>
<tr>
<th>Social Media Type</th>
<th>Respondents</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Networking</td>
<td>323</td>
<td>82.8</td>
</tr>
<tr>
<td>Blogs/forums</td>
<td>20</td>
<td>5</td>
</tr>
<tr>
<td>Social Bookmarking sites (Reddit, Diggs etc)</td>
<td>13</td>
<td>3</td>
</tr>
<tr>
<td>Photo/Video sharing website (YouTube, Flicker etc)</td>
<td>212</td>
<td>54</td>
</tr>
</tbody>
</table>

Usage of different sources of social media

<table>
<thead>
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<th>Source</th>
<th>Respondents</th>
<th>%</th>
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Comparison of Usage of various sources of Social Media

![Bar chart showing the percentage of respondents' agreement with the usage of different social media sources.]

Online Reviews of the products influencing purchase on social media

![Bar chart showing the percentage of respondents' agreement with online reviews influencing purchase.]

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Advertisements/blogs/FB Posts by various brands Influences purchase decisions

Consumers change the attitude towards the product/Service after reading positive/negative comments in social media

IV. Conclusion

1. Social Media is used by most of the users at stage of evaluation of alternatives of decision making process
2. User Reviews and friend’s recommendation are the most influencing factors on consumer purchase behavior and on Consumer decision making process
3. 67% of the consumers would change their attitude towards product/service after reading positive/negative reviews on social media
4. The most visited social media website is Social Networking sites SNS followed by Media sharing sites you tube etc.
5. Face book is the most widely used information source while Twitter is the least used.
6. Most of the respondents Search for information before buying
7. Consumers rely on information available on social media if they have uncertainties regarding a purchase because they believe it's credible
8. Social does trigger need of consumer in decision making process.
9. Social Media has the power to create a positive or negative brand image on consumer’s mind.
10. Advertisements on Social Media does play an important Role in purchasing decision as well as brand building of the product.

References

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[13]. Elliot, M.T. and Speck, P.S.(2005) Factors that affect attitude toward a retail website


