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CONSUMERS ACTIVITIES**

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A Study on the Role of Social Media in Consumers Activities

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Abstract – Technology gives consumer the power to investigate products to label them and criticize them in equal measure, and more. Therefore many companies today have pages on social networks to complement the information held about products, held by the feedback of consumers about products and tend to relate more to a company after reading various reviews. The paper is related to the impact of social media on consumer behavior, therefore it has been made a quantitative research. The sample counted 116 respondents and from the statistical perspective, the conclusions were established in terms of the univariate and bivariate analysis. Following the analysis of the research variables we can make a consumer profile that uses social networks. Likewise, after doing the complex statistical analysis using SPSS and the analysis offered by the online platform the host of questionnaire, it can be seen how much it is influenced and the real impact of social media reflected in the behavior changes.

I. INTRODUCTION

In recent years the online environment is viewed by users from a new perspective, in a commercial way. Its development and the emergence of online stores have turned users into consumers. Also the most important role of social media has changed the way of how consumers and marketers communicate. (Hennig-Thurau et al., 2004) Informational society influences affects the consumer decision processes and product evaluations. Social media provides a new channel to acquire product information through peer communication, (Kozinets, 1999) Moreover, by using social media, consumers have the power to influence other buyers through reviews of products or services used. Consumers are also influenced by other psychosocial characteristics like: income, purchase motivation, company presentation, company or brand's presence on social networks, demographic variable (age, sex, disposable income etc.), workplace method of payment, type of stores (online or physical), etc. In this paper we study the influence of social networks on the decision to purchase in the online users. The first section presents a brief introduction to the chosen theme, followed by relevant information on literature review, where are presented previous specialized studies. The second part describes the research methodology and data analysis. Finally, we present conclusions, research limitations and some directions for future research study.

II. LITERATURE WORK

Internet and virtual communities have transformed consumers, societies, and corporations with wide

spread access to information, better social networking and enhanced communication abilities (Kucuk and Krishnamurthy, 2007). Therefore social networks are defined to be websites which link millions of users from all over the world with same interests, views and hobbies. Blogs, YouTube, MySpace, Facebook are examples of social media that are popular among all level of consumers. (Sin, et al., 2012) Users are using several online formats to communicate, (e.g., blogs, podcasts, social networks, bulletin boards, and wikis) to share ideas about a given product, service, or brand and contact other consumers, who are seen as more objective information sources. (Kozinets, 2002) The unique aspects of social media and its immense popularity have revolutionized marketing practices such as advertising and promotion (Hanna, Rohn and Crittenden, 2011) Social media has also influenced consumer behavior from information acquisition to post- purchase behavior such as dissatisfaction statements or behaviors about a product or a company. (Mangold and Faulds, 2009) In the last few years can be noticed a great influence of the companies on online networks. Social media websites provide an opportunity for businesses to engage and interact with potential consumers, encourage an increased sense of intimacy with consumers, and build all important relationships with potential consumers. (Mersey, et al., 2010) Organizations need to differentiate by the company or brand image through which to communicate distinctive advantages and positioning of the product. Many marketers believe that the organizations should aggressively promote only one advantage in the market concerned (Moise, 2011) and social networks

in the online environment allows them to appear more attractive to consumers. The much higher level of efficiency of social media compared to other traditional communication channels prompted industry leaders to state that companies must participate in Facebook, Twitter, Myspace, and others, in order to succeed in online environments (Kaplan and Haenlein, 2010). Thus, more managing others' strategy or follow others' directions (Williams and Williams, 2008) Corporate presence in social networks and granting likes by users or inclusion in circles, lead posting a variable number of both positive and negative messages. A study made in 2009 shows that large majorities of the top 100 companies according to Internet Retailer had a profile on Facebook (79%), Twitter (69%) or both (59%). (What's in a Retail email?, 2009). A study of Deloitte Touche' USA revealed that 62% of US consumers read consumer generated online reviews and 98% of them find these reviews reliable enough; 80% of these consumers said that reading these reviews has affected their buying intentions (Industry statistics). (Pookulangaran, et al., 2011) Communication of brand / company and users help create a favorable or less favorable image of other users who read information posted and consider them in the information or purchase. Interactivity with target brand in social media is perceived differently by consumers depending on the message they convey (Shin, 2008). The perceived risk of purchasing and how much money are willing to pay for a product also determines the user to think more about the quality and the utility of the product. (Ioanas, 2012) Previous research has indicated that even a small amount of negative information from a few postings can have substantial impacts on consumer attitudes (Schlosser, 2005). Palmer (1996) stated that individuals have an underlying need for an emotional bond with high-involvement products that they buy. Brand development and relationship development are complementary and substitutable strategies toward this bonding. The relationship between the brand and the consumer is very important for the company and strengthening it leads to loyalty. Consumers use social networks in daily life for various reasons. Most of them want to maintain relationships with relatives or colleagues/friends. Maintaining interpersonal connectivity between online users of a social media channel has benefits derived from establishing and maintaining contact with other people in a manner of giving social support, friendship, and intimacy. (Utpal et al., 2004) These allow users to connect with peers by adding them to networks of friends, which facilitates communication, particularly among peer groups (Ahuja and Galvin 2003). Online groups exert a noticeable influence on the behavior and consumer buying intent and implicitly on the purchase decision. For example, social media websites provide a public forum that gives individual consumers their own voice, as well access to product information that facilitates their purchase decisions (Kozinets et al., 2010).

Shopping has always been a social experience and social networking allows consumers to interact with individuals—many of whom are likely strangers when

we talk about online. Cultural aspects have an influence on consumers' usage of social networks and a great impact over the online purchase intentions. (Pookulangaran et al., 2011) Currently, e-commerce can be done through social media, and it enables to reach to more potential buyers. Due to the advantages of social media in connecting businesses directly to end-consumers, in a timely manner and at a low cost (Kaplan and Haenlein, 2010), has been seen that a great influence on customer perceptions and behaviors (Williams and Cothrell, 2000), and has been brought in the center of attention in different industries in the last few years.

III. RESEARCH METHODOLOGY

At first, use of the Internet in marketing research was only a new source of information. Now the research can be done directly, not just surveys, but qualitative research as in-depth interviews and focus groups. (Stoica, 2011) As time is changing and technology is constantly improving, companies need to stay in the game and use any new opportunity to improve sales, marketing and customer loyalty. Technology gives consumers the power to investigate products to label them and criticize them equally, and more. Therefore many companies today have pages on social networks to supplement information held about products. Consumers have the tendency to relate much more with a company after they read various reviews and comments of the consumers who have already purchased these products. Moreover, by using social media, consumers have the power to influence other buyers through reviews. For example, instead of buying a product that he knows very little, consumers have become new researchers. Before making a purchase, many consumers read what other people think about a particular product by logging in to an account on a social networking site. Social media users trust in what believe their friends, family and even strangers on these networks. Many online buyers consider the social sites as being valuable and a reliable source for researching products and services. This research tries to offer answers to some usual questions as: What is the role of social media versus the role of company websites where consumers researching products and services? Are the consumers appreciating the opportunity to link with an online brand? Is social media playing a role in purchasing decisions? Therefore, aims to study the impact of social media on consumers and the choices they make in the online environment. Research objectives The present research aims to observe whether social networks in any way influence their decisions whether or not consumers purchase from online.

IV. UNIVARIATE AND BIVARIATE ANALYSIS

The following comments were obtained from analysis and processing. The total sample is composed of 116 respondents, aged over 18 years. Received

responses were recorded and managed by the platform www.esurveyspro.com and graphs and tables have been automatically generated based on answers and share them. The questionnaire was uploaded on the host platform because the research developed is an online research. The opening question in the questionnaire aims if the respondents have a social network account. From 116 respondents, 111 (96%) confirmed that they have such an account, while only 5 (4%) of them have not yet created an account. For 49% of the respondents, social networks are important, while for 25% it has no particular importance, are not important or unimportant. However, they are particularly important to 15%. Among those who deems less important are 6% of respondents, closely followed by the 5% that they are less important. If we look at this question from the gender perspective of respondents, we see easily that social networks are more important for women, 76%, and only in a proportion of 24% for men. Also, they are still important for most women (82%), men considering that only 18% of them social networks are really important. When the respondents were asked to indicate which social networks of a given list they have an account, 37% of them said they have Facebook, YouTube 22% and 19% a LinkedIn account, 8 % access Tweeter, and only 5% have an account and Hi-5. The remaining social networks are not so accessed by respondents of this survey therefore they gathered percent lower than 3%.

Regarding the frequency with which respondents access social networks, 53% of them visit very often, 29% access often, while 8% said that they cannot access frequently but not rare, 5% rare and only 3% very rare. The Facebook account is accessed daily by 85% of respondents, every 2 days by 6% and weekly only by 4%. Another question in the survey refers to if they "usually prefer to buy products from the physical stores or online environment", the percentages were divided as follows: 57% of answers were given version "physical stores and online", and 41% said they prefer more physical stores. Among the loyal customers of online stores we count only 3% starting that they only prefer the online environment for making purchases. An analysis of respondents' preferences in terms of the typology of stores where consumers are making their shopping by gender, shows than men (67%) prefer more the online stores, while women are susceptible to both types of stores, whether physical or online (74%), and 87% of which moving towards physical stores. Another question in the questionnaire refers to the online feedback trust of the respondents and if they bought the products of a company posted/recommended on their Facebook page, most of them replied that they did not do such a thing (54%), 33% said they had purchased such products, while 13% did not remember having made such purchases. When it comes to reasons why respondents prefer buying online, the most important reason is convenience (42%), followed by the delivery mode -

directly to their homes - with courier companies (39%), and lack of queues (38%). The fact that in online to the consumers are offered the possibility to inform better about the characteristics of the products, and prices on different websites are an important reason for 24% of respondents. Lower prices practiced in online stores are the most important reason for 21%, and the last, is the wide range of products offered in the online environment. Respondents were asked to divide 100 points for five sources of information they use when they want to learn about a product, i.e. the company website, social networking page, page reviews/forums online news and wikis. The most used source of information is the website has been declared to the company, amounting 4020 points (35%), followed by page reviews/forums with 2416 points (21%), socializing page 2275 points (20%), online news 1961 points (17%), and the last used wikis sites, 928 points (8%). To the question whether they before buying a product, ever check the available information about it on the official website or another information source, such other reviews posted by other consumers online, most of them who answered of this questionnaire admitted that yes, they check this information (39%), while only 33% check these things occasionally, and 26% sometimes. Among those who purchase without checking information are only 2% of respondents. Based on the data obtained from this research we wanted to see if the income influences in any way the consumer's attitude to the information they access and if they check before buying a particular product. Thus the answers have revealed that those who benefit from monthly income below 1000 lei monthly, have this behavior more predominant than others with higher incomes and check every time the information on a product, to find the best quality / price ratio and make the best choice. Also, the data analyzed showed that an increase of income among the consumers leads to a decrease of interest in the verification information about a product they want to purchase. If we look at the same issue from a gender perspective, women lead this time also, 80% of them check product information before purchasing, men are much more reluctant or indifferent to such activities. Percentage difference between women and men is one significant, with women about 3 times more than men on the ensuring accurate information about the many and varied sources online. Among the 116 respondents, the issues that they identify the best from the point of view of confidence in information obtained on social networks are: the highest level of confidence (14%) is obtained from information received from close friends, while the lowest level of confidence (39%) is given variant response "trust no matter what." Regarding the comments read on a page of a product on Facebook that is investigated and the power of those to influence on the final purchase, respondents stated that they are not affected either small or largely in their choices they make (46%). Instead, 20% are influenced in a minor

level by these comments, 17% are influenced largely, 16% only to a small extent. Only 3% said they were heavily influenced by the comments they read on Facebook. When it comes to the type of products they purchase online, the variation of responses is very high: 22% buy electronic products, 21% clothing, appliances 18%, 16% cosmetics and 13% shoes. They also buy from online shops books, from the online publishing, insurance, tickets to events, applications, accessories (below 1%). Women lead on the acquisition whatever product is. This is due to the disequilibrium among respondents, females are more numerous compared to the males. Among the preferred payment methods, the most used is the online payment (56%), followed by cash on delivery (35%). Payment by bank transfer, PayPal or other payment method is preferred in the proportion of 3% each. Regarding the amount of money spend on online in the last three months by the respondents, the top looks like this: most of them were spent under lei 100 (28%), 18% between 301-500 lei, 17% between 201-300 lei, 16% between 101-200 lei, 14% over 1000, and only 8% had spent between 501-1 000 lei. Of the 116 respondents, 78% were women, while only 22% were males. Regarding the respondents field of activity, 22% of them are still students, 18% work in marketing, 10% active in communication and PR, 9% work in IT. These percentages are followed closely by respondents working in finance / banks (7%), and those working in advertising and engineering, each with 4%. Almost half of respondents are aged between 25-29 (47%), followed by 21-24 years (20%), 30-35 years (16%), 18-20 years (11%), and only 6% of those aged over 36 years. Almost half of respondents are postgraduate 48%, while 25% finished high school and 24% are graduates. In equal measure, meaning 21 percent of each income the respondents are at opposite poles: fewer than 1000 and over 4000 lei. Next in the income rank are those who have 2 001 and 2 500 lei (16%) and 1 001-1 500 lei (14%). Area of residence of the respondents is dominated by the urban (95%), while the rural area is under-represented, accounting for only 5%.

V. CONCLUSION

After the analysis of the collected information from the 116 subjects, we can conclude the fact that most consumers who buy online are indeed young, between 25-29 years. As a result, this first hypothesis can be entirely verified, 47% of the subjects who buy online products are between 25-29 years. From this research we could do a consumer profile of the people who buy online. The consumers that usually buy from online are young, working in a company, with salary over 2001 lei monthly, most of them are females and has at least an account on social network. Before purchasing a product on online they usually inform themselves from forums, company's websites, Facebook accounts or peer reviews. Even more, among the reasons which most consumers prefer online transactions are convenience (42%) and the fact that the product is readily delivered home (39%). This hypothesis can

also be verified. Regarding the forth hypothesis, most consumers are not exactly secretive regarding information posted by other clients who had bought the same product which they wish to purchase, yet they are fairly indifferent, they only consider them to be relevant, they don't influence their purchasing habits and they read them in a hurry. Thus, this hypothesis is partially infirmed. The most purchased products online by the subjects are electronic products, followed by clothing. Thus, it can be said that the forth hypothesis can be partially verified. The last hypothesis tracked the amount of money spent online during the last three months. The sum below 100 lei can be backed up, and the hypothesis is entirely verifiable. To conclude, we can say that social networks have a role in influencing the behavior of consumers in the virtual environment, particularly when the degree of exposure of messages and the relation created between the variety of information given and the consumer who is about to make a purchase. If we look from a company's point of view, it should successfully back track mixed marketing policies in order to boost sales and, thus, the net turnover and market share. Based on the company's size and on the products and services which they promote, they may use niche marketing for unique products or to respond to the demand of an increasingly large consumer pool. By improving the details of the product or by developing the concept of a total product, the company strengthens the relationship between potential buyers who constantly follow social networks. Price strategies are in close relationship with strategies regarding the product and directly influence the behavior purchases to the buyer, and as Kotler said, at this given time, in the context of the online boom, the price is the most important part of the mix of online marketing, since the age of marketing 3.0 (Kartajaya, et al., 2010), the price ends up being a flexible piece. The most commonly applied methods regarding the price which give satisfying results online are the penetration price and the promotional price, but they can also be shaped through online bids. Regarding distribution policies, companies may end up shipping informational products solely by digital means, thus cutting shipping costs or conversion to physical formats. Another method used by companies could be to stock data in cloud servers where both the company and the buyer would have unlimited and permanent access. As communication strategies can be used communication through interactive games, banners that leads the consumer to the company website or behavioral communication (persuading the audience to adopt certain ideas or practices by posting relevant information about the product, short ads, movies, links, etc.). As potential limits of this research may be considered the method of dissemination of the questionnaire on the one hand, which implies the fact that responses were given only by people present in online media which participated voluntarily, and the concentration of responses in the urban area, the rural one being disadvantaged. Moreover, the research was to some extent unbalanced in terms of respondents' gender, with women three times more numerous than the

male representatives. Concluding, it can be stated that there is an imbalance between respondents from rural and urban areas. It would have been an interesting future direction of research, to observe to what extent is the concentration of online products and services in rural areas, given the fact that urban areas are always more cosmopolitan and in tune with new trends of any kind, and have a developed evolving infrastructure. This may be a future direction of research as a continuation of the scientific approach to support and promote their online business as intensely in order to develop it. Actually, consumers seem to agree on receiving personalized marketing information but they tilt to avoid engaging in interactive year relationship with the organizations approaching them (Vegheş, 2009), and to achieve this proposal probably it would take a longer time to collect information, but certainly a better dissemination, more specific would help much more.

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