

# Impact of Social Media Marketing on Consumer Buying Behavior- Case of Australian Fashion Industry

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## Abstract:

*With the advent of technology, the consumers are becoming demand-oriented and social media is helping them in making purchase decisions by evaluating views available on social media. The study is based on examining the impact of social media marketing on consumer buying behavior for which the Australian Fashion industry has been considered. The current study involves the use of 300 Australian fashion industry customers that are surveyed with the help of Likert scale questionnaire. The findings indicate that social media marketing influences consumer buying behavior as social media marketing by retailers is preferred for grabbing customer attention and to keep them updated on retaining them.*

## Keywords

*Social media, marketing, consumer behavior*

## 1. Introduction

With the advancement in technology, the barriers to communication have been eliminated, thus, making everything just a single click away. The consumers are the asset of every organization and the objectives revolve around satisfying the needs of their intended target audiences for retaining them. With the use of technology, organizations are targeting their customers beyond the boundaries. By considering the importance of social media presence, the organizations are serving the needs of their customers by communicating with them virtually and promoting their products through social media (O'Cass and Choy 2008). According to Solomon *et al* (2012), social media is an online platform available to the customers and businesses to enhance communication with each other. With the increase in the use of social media as well as online communities, people can interact with each other and can have access to information. Marketing as defined by Kotler and Armstrong (2010) is the business of promoting and selling the products that are the end results result of extensive market research. Marketers of almost every industry are opting for the use of social media for staying connected and virtually expanding their business. Moreover, peer communication via social media which is regarded as the new form of customer socialization has deeply intensified the influence of social

media on the consumer intentions to purchase and also, the marketing strategies of firms.

The following study revolves around investigating the impact of social media on consumer behavior within the Australian fashion industry. The fashion industry is one of the fast-growing segments in which new styles; come and go. Fashion, fad, and style are distinguished among their categories. By definition, fashion is the adopted style within a particular time frame. On the other hand, the fad is the one that has the shortest lifestyle. It is basically the style which is opted by younger demographics for a short span of time. However, the fashion industry in Australia is growing and new styles keep coming in to satisfy the needs and wants of the target market. Almost every fashion brand within Australia is maintaining social media presence for catering customer needs. Brands like Lorna Jane, Spell Byron Bay, Alice McCall, Sass & Bide etc are the top fashion brands in Australia that consider the use of social media to keep their customer updated about the products and services offered by them.

The study analyses the use of social media in influencing the consumer behavior. The study is of great significance as it will help the marketers in knowing the social media importance and to what extent it shapes consumer behavior. There is no doubt, social media has offered ease to the businesses whether it is SMEs (Small and Medium Sized Enterprises) or MNCs (Multi-National Corporations) both are incorporating social media within their marketing strategy. One of the studies by Mangold and Faulds (2009) has proven social media as the hybrid element of the marketing mix. This also emphasizes on the fact that social media is now very crucial for the businesses to stay competitive.

Apart from the above discussion, the objectives of the study are to consider the extent to which Australian fashion brands are exploiting the social media usage for creating their strong market presence. The investigator will answer, "How social media helps fashion brands in Australia in shaping consumer behavior?"

## 2. Literature Review

With the continuous development of the technology and by the emergence of Web 2.0,

connections among the individuals have been expanded on the internet. This has allowed the businesses and their consumers to collaborate in an efficient manner. This thus has emerged with the help of social media which enables the customers to help generate online content and social interactions with each other on social media platforms. There are a number of social media platforms that are being considered by the marketers in order to serve a large number of customers which comprises of FaceBook, Instagram, and Twitter (Berthon et al. 2012). FaceBook is one such platform that has a maximum number of users which are increasing day by day. Instagram is another such platform that has enabled a two-way communication between the users and businesses are considering it. In addition to it, Twitter also holds immense significance when it comes to promoting the products and affecting the consumer decisions. For shaping consumer behavior, marketers target at such point that automatically persuades the buyers to consider their products. As Kim and Ko (2012) researched that consumers pass through a decision-making process which helps them in evaluating the alternatives available to them and then arrive at one particular decision. As per the view of Ioanãs and Stoica (2014), social media has allowed the consumers to compare and contrast among the products available to them. They can get feedback about the products they want to purchase and can post on different groups and communities on social media. With the help of which they get the feedback and came to know the pros and cons of the decision, they are likely to bare.

### 2.1. Social media marketing

There are many researchers that use Web 2.0 and social media interchangeably. Schivinski and Dabrowski (2016) have presented their views by supporting the aspect that these two terms do relates to each other yet are not synonymous to one another, thus they differ in terms of their usage. The term social media was coined by Darrell Berry, who is the photographer, social media analyst who first used the term in 1994. As explained by Heinonen (2011), social media is basically the computer-mediated technologies which seek to facilitate sharing of ideas, information as well as career interest and other forms of expressions with the help of virtual communities and social media networks.

### 2.2. Consumer behavior

Consumer behavior as defined by Kotler and Armstrong (2010) is analyzing consumers and also the processes were chosen by them to consume, choose and dispose of the products and services. Marketers always strive to shape consumer behavior in their favor for getting their products recognized by the large base of customers. According to Cachon and Swinney (2011), consumers pass through a decision making process in order to make a selection among the available alternatives. The model below by Goel et al (2010),

explains the consumer decide which begins with the recognition of the need for which searching of the alternatives began. Moving onto another stage, consumers evaluate the available options and arrive at the decision by selecting the best alternative thus, ending with the evaluation of the purchase where the customer is either delighted or dissatisfied.

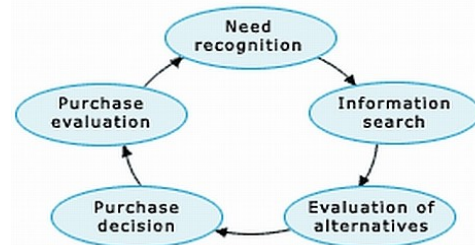


Figure : 1

The behaviors of the consumers are best described by the Theory of Reasoned Action (TRA) proposed by Icek Ajzen in the 1960s. The theory seeks to center on the significance of pre-existing consumer attitudes in their decision-making process. The TRA posits that the consumers act on a behavior which is entirely relied on their intention to receive an outcome. In such situations, consumers are the rational actors who seek to act in such manner that is in their best interest. As per this theory, consumers decide when they think there is equally specific results can be expected because they act accordingly which matches their needs and that is best for them (Madden et al. 1992). In contrast, as mentioned by Hansen et al. (2004), marketers can gain various insights into the results of TRA. The first thing to be considered is to associate the product with some positive results in order to let the consumers reflect on it, thus making the result more specific. The second aspect that marketers need to look at is the significance of moving customers via sales pipeline. Marketers must also consider long lag between the intentions and action completion which gives plenty of time to consumers to talk to them which is likely to question the outcome of purchase.

There are many theories that heavily focus on rational actions of the consumers but Hawkins Stern focused particularly on the idea of impulse behavior. He was of the view that sudden buying impulses seek to fit along the rational decisions of the consumers (Weinberg and Gottwald, 1982). Impulsive buying behavior is usually driven by the external stimuli which have no association with the traditional decision making. His theory relies on four categories including purely impulse purchases, suggested impulse purchases, planned impulse purchases and lastly reminded impulse buyers (Stern, 1962).

### 2.3. Types of Social Media

There are various types of social media including SNS (Social Networking Sites), blogs, media sharing and microblogging. In the view of Lange (2014), SNS is the available platforms where individuals can communicate with one another which includes network like FaceBook and MySpace. SNS, as defined by Naylor et al (2012), is basically the generic term used for sites that allow the users to interact with the ones having similar interests and background. On the other hand, blogs that are another type of social media is an online journal which is referred to as one of the types of CMS (content management system). Blogs are maintained by groups or individuals, they have featured commentary as well as ideas for a large group of audiences. In addition, blogs serve as the hubs for social media marketing tools including hyperlinks, videos, pictures etc.

In contrast is the microblogging that is a real-time information network. This is quite similar to blogs, however, is limited in size in terms of words for each post and thus encourages the faster communication mode. Similar to this, Chu and Kim (2011) explained media sharing sites like Flickr and YouTube are sites which allow individuals to consider sharing, uploading and storing multimedia files. This consists of videos, music, photos with other individuals.

#### 2.4. Effects of Social Media

Social media has various positive and negative influences on the individuals which are to be considered. The inclusion of social media in the world has brought numerous changes. Marketers can promote their products, consumers can compare and contrast among the options available to them and also, spread meaningful marketing insights (De Vries et al. 2012). On the other hand, Chen et al. (2011) stated social media also imposes negative influence on the consumers. Marketers can even manipulate the minds of the consumers through the ads posted on the social media fan pages. For consumers, social media serves as an important platform that enables the consumers to reconsider their decisions. The use of social media adds value to the brand as it is a new technology which enables the consumers to think that their brand is highly adaptive and also works on offering the ease to its customer base.

#### 2.5. Social media and its impact on consumer behavior

Social media has a great influence on consumer behavior as it shapes the way consumers tend to act. Moreover, marketers work towards shaping positive consumer behavior in order to sell their products; they try their best to satisfy their needs so that positive word of mouth can be spread through social media. The fashion brands are more inclined towards the usage of social media as this industry is experiencing continuous changes and new styles are updating with the passage of time. Companies are taking measures to create brands

awareness, engaging their customers as well as driving traffic to spread the positive feedback regarding their products and services. Similar to this, a study by Schivinski & Dabrowski (2016) has proven that social media do affect the online consumer behavior. The study has supported the fact that user-generated social media communication seeks to have a positive effect on the brand equity and also on brand attitude. On the other hand, a research study by Chen et al. (2011), states social media offers an unparalleled platform for the consumers for publicizing their views in order to make product purchases which thus, assists positive word of mouth. The researchers have examined the association among the consumer posting behavior and the marketing variables including product, quality, and price for exploring how such relationships have evolved as internet and review websites magnetized universal acceptance. Data from 2001 to 2008 by Chen et al. (2011) was analyzed which indicated that marketing variables and online posting by consumers were different at the early stages which thus gets matured due to the internet usage.

**H1:** There is a positive impact of social media marketing on consumer buying behavior

**H0:** There is a no impact of social media marketing on consumer buying behavior

### 3. Theoretical Framework



Figure : 2

### 4. Methodology

The methodology of the research study serves as the roadmap for accomplishing the set proportions of the study. However, for the study undertaken, use of deductive approach has been used in order to test the hypothetical statements via statistical tests. Moreover, the research is explanatory in nature as the variables are in the control and can be used to define the topic being examined. As mentioned by Saunders (2011), for conducting an in-depth study, the use of primary and secondary data is made because it helps in reviewing the prior studies in relation to the gathered data. The following research study has utilized the collection of primary and secondary data. Primary data is collected by the help of survey from 300 customers residing in Australia to know their views about the use of social media marketing for impacting consumer behavior for which fashion brands in Australia are examined. The positivism as the research philosophy has been utilized because the nature of the data collected is quantitative and a large sample size has been considered. For analyzing the results, the use of SPSS (Statistical Package for Social Sciences) has been made. 350

questionnaires were distributed and researcher gets 300 fully filled questionnaires so the findings are based on sample size of 300.

**Demographic Profile**

Gender	
Male	60%
Female	40%
Age	
28-37	60%
38-47	20%
48-57	20%
Employment Experience	
0-2 years	21%
2-4 Years	1%
5-8 years	58%
More than 8 Years	20%

Table : 1

**4.1. Response Rate**

The response rate for the study is calculated as under:

$$\frac{\text{Number of questionnaires Returned}}{\text{Number of Questionnaires Distributed}} * 100$$

$$= \frac{300}{350} * 100 = 85.71\%$$

**5. Results**

**Reliability Statistics**

Cronbach's Alpha	N of Items
.668	10

Table : 2

In order to test the reliability of the data set, the table below depicts Cronbach's alpha as 0.864, which is greater than 0.50. This means data collected is highly reliable and thus, the researcher can proceed further.

**Correlations**

		SocialMediaMarketing	ConsumerBuyingBehaviour
SocialMediaMarketing	Pearson Correlation	1	.355**
	Sig. (2-tailed)		.000
	N	300	300
ConsumerBuyingBehaviour	Pearson Correlation	.355**	1
	Sig. (2-tailed)	.000	
	N	300	300

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Table : 3

Table 1 above is the explanation of the correlation test that is helpful in measuring the relationship between the variables of the study. The standard rule to know the association among the variables, their extent relies on Pearson correlation value. If the value lies between 0.2-0.4, the association among variables is moderate, less than 0.2 illustrates weak relationship, however, greater than 0.4 explains strong

correlation among variables of the study. The table shows Pearson correlation value which is 0.355 for the research study. This pinpoints that there is a relationship which is moderate in nature. This shows that social media is correlating with consumer buying behavior. This thus proves that the social media marketing by the end of Australian fashion companies seeks to affect the way consumers make their purchase. The relationship has been proven which thus, highlights that they have a significant relationship with each other at a significant interval of 0.01 because 99% confidence interval (CI) is used.

**5.1. Impact of social media marketing on consumer behavior**

For affirming the impact of social media marketing on consumer behavior, the regression test is used as it helps in explaining the impacts independent variable has on the dependent variable.

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.355 <sup>a</sup>	.126	.123	.57310	.741

a. Predictors: (Constant), SocialMediaMarketing

b. Dependent Variable: ConsumerBuyingBehaviour

Table : 4

The table 2 above highlights the multiple linear regression model summaries. From the table, it is found that value of adjusted R<sup>2</sup> is 0.123 and R<sup>2</sup> as a value of 0.126. This shows that there is 12.6% is the overall variance in the dataset. In addition to it, Durbin Watson depicts D= 0.741 which means that there is a first order autocorrelation among the tested buying variables that are social media marketing and consumer buying behavior.

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.141	1	14.141	43.053	.000 <sup>b</sup>
	Residual	97.877	298	.328		
	Total	112.017	299			

a. Dependent Variable: ConsumerBuyingBehaviour

b. Predictors: (Constant), SocialMediaMarketing

Table : 5

The table above is the illustration of ANOVA which shows a degree of freedom that is 298 which is calculated as (N-1= 300-1=299). The F-value is 43.053 which is greater than 3.5 which also explain the relationship between the variables of the study. The sig value is also represented as 0.000 which is less than 0.05. According to Saunders (2011), for accepting the hypothesis, the significant value should be greater than 0.05 otherwise the hypothesis will be rejected if sig value exceeds 0.05.

Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.843	.138		13.327	.000
	SocialMediaMarketing	.354	.054	.355	6.561	.000

a. Dependent Variable: ConsumerBuyingBehaviour

Table : 6

The aforementioned table explains the coefficient along with their associated values with the help of which regression model will be created. The table shows that variables are significant and thus the alternate hypothesis of the study is accepted resulting in the rejection of null hypotheses. Beta values of the independent variable are mentioned that is 0.354 along with the existing standard error in the regression model that is 0.054. However, the entire regression model has the error of about 0.138. The regression model designed for the current study is mentioned below:

$$Y = B_0 + B_1 + e$$

$$Y (\text{Consumer buying Behavior}) = B_0 + B_1 (\text{social media marketing}) + e$$

$$Y (\text{Consumer buying Behavior}) = B_0 (1.843) + B_1 (0.354) + e (0.138)$$

As per the above-mentioned regression model, it is to be concluded that any variation in the dependent variable (consumer buying behavior) will be due to the independent variable (social media marketing). There is 35.5% variation in consumer buying behavior which is due to social media marketing.

## 6. Discussion

The main purpose of the research paper was based on analyzing the impact of social media on consumer behavior. The study has found that social does affect the consumer behavior as consumers gain information from social media platforms like Facebook, Instagram, and Twitter to evaluate the options available to them. In addition to it, the research also found that consumers also rely on the views of their peers and family members to arrive on a purchasing decision as indicated in the review of the literature. The findings thus, have resulted in the acceptance of hypothesis which illustrates social media marketing from the end of Fashion brands in Australia utilize this modern technology to the fullest and as a result, affect consumer purchases. Similar to this, fashion brands in Australia considers marketing via FaceBook as they have fan page allocated to grab the customer attention. Consumer relies on such social media platforms as they are quite choosy and wants best in exchange for the amount being paid, so the views available on the social media often save the consumers from making purchases that do not fulfill their needs. As a result, research paper highlights the use of social media marketing and its extensive use by fashion

retailers in Australia and its influence on consumer behavior.

## 7. Conclusion

In this paper, the impact of the variables has been proven which has shown social media marketing plays a crucial role in affecting consumer behavior. The data for the study is collected with the help of survey as 300 customers from Australia were the part of the study. The results of the study were obtained by utilizing SPSS. The statistical tests including correlation and regression are included in the research paper that has proven positive relationship between the given variables and a strong impact on them. With the help of this, research objectives are accomplished which proves that fashion brands in Australia are considering Social media marketing in order to influence consumer behavior.

## Implications

The research can be practically implied by the managers as they can consider the increased impact of social media on consumers. Professionals of marketing will come to know regarding the importance of social media in affecting their customer base. The research paper, in addition, will add to the existing knowledge and concepts discussed in the paper.

## Limitations and Future Studies

The limitations of the research paper are highlighted in this section so the future researchers can overcome them if they plan to conduct the study on the same topic. The research which is based on analyzing the impact of social media marketing on consumer buying behavior is region-centric as the findings will help fashion retailers in Australia only. Moreover, the sample size was just 300 respondents which also is another limitation so, future researchers are advised to consider a larger sample size so that the objectives can be accomplished in a more comprehensive manner. The research cannot be generalized as the main focus is in Australia and also due to time constraint a limited sample was drawn. Only quantitative data is used and no interviews which support qualitative data is missing thus leading to lack of in-depth study.

For future researchers, they can consider a larger sample size and can conduct the study by relating with theories which support social media usage. Moreover, considering more than one region and industry would have resulted in an in-depth investigation

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