

## Impact of Social Media on Consumer Behaviour

Author- Anjum Tanwars

(Assistant Professor IITM)

### ABSTRACT

The era of bricks and mortar for the sale and purchase of products is slowly moving towards the concept of e-commerce. The consumers not only are moving towards the e-commerce construct for purchasing good/services but they are also going online to consult and form an opinion about various products/services. In this information age keeping oneself informed is becoming easy as all the information is available on a click of a mouse. The technology is growing rapidly and thus the consumers are getting more empowered with all the information available online. Social media is a technology where people from around the world connect with each other. The social media has no longer restricted itself to socializing with friends and family but has gone much above; people use products and give their honest opinions which influence the potential users to make a decision to buy or not to buy the products. Social media gives the consumers power to explore products that they are willing to purchase. They scrutinize the reviews available online and make a positive or negative opinion about the products in question. Social media has gone so big in influencing the potential consumers that the companies now have their own social handle to give the consumers the information they require and also to make information available easily. A new concept of bloggers has also popped right out where people dedicatedly use different products from various brands and provides their opinions on it. This

paper studies the impact of social media on the consumer decision-making process, the way social media is developing trust in consumers, the impact social media on the buying intentions of consumers. Benefits derived by the brands from social media, the effect of social media in reducing consumer dissonance.

Key Words: Bloggers, Consumer Decision making, Consumer Empowerment, Potential Consumers, Social Media.

### 1. INTRODUCTION

Information and technology are the two factors that are not only bringing a change in the world of e-commerce but also revolutionizing the way business are done online (Toomey and Wysocki). The social media has revolutionised the way marketers and the brands promote their products. Traditional marketing is dying a slow death. The social media has lost its perspective of being only a socializing medium; it is now viewed as a medium of reaching to masses, not only by the companies but by other users also anyone on social media can reach to masses and make their opinions heeded. The social media has changed the way the consumer's marketers interact (Hennig-Thurau et al., 2004). The information age has revolutionized how the consumers get informed about the goods/services. The consumers do not have to depend on just the information provided by the marketers in golden words. Through social media, the consumers have developed a new

medium to interact with each other which also helps them take decisions more easily and they receive first-hand information from the actual users which are more reliable and helpful as it is not glorified by the marketers (Kozinets, 1999). The process of sharing the experience on social media makes the consumers powerful enough to be able to influence the potential consumers and thus the brands have to take utmost care that the product provides the benefits they claim. The rise of information sharing through social media has given more power to the consumers than the brands in general. Though it is a major influencer but not the only one other factor also plays their relevant roles like income, need, motivation to buy, marketing strategy, ease of availability of products etc. (Lai & Turban 2008). The web 2.0 is a new rage and it is going to become one of the most sought after platforms for the brands to portray their products in good light. Not only are the companies like amazon, zomato and making my trip selling goods/services on-line but they also provide a forum for their customers to interact with others who are seeking to make a purchase. This makes the companies more reliable as the consumers are more likely to trust the reviews of the ones who have already used the product/service. Social media has taken populous dimensions in interacting with or giving information to those delving for the same. Forums, social networking sites (SNS) (Fue et al. 2009), and nowadays some people are becoming dedicated bloggers who try and test new products and review them for the potential users. This paper majorly discusses the impact of social media on consumer decision-making process, the first section discusses consumers and their decision-making process in general. The second section

discusses the social media and its types, the third section talks about social media and its impact on consumer behaviour, the fourth section reviews the impact of social media on brands, the final part discusses the increasing number of bloggers and reduction of dissonance in consumers through social media.

## 1.2 OBJECTIVES OF RESEARCH

- To obtain an insight into the impact of social media on consumer behaviour
- To study the impact of social media on various stages of decision-making process of consumers
- To study the development of trust into consumers by social media
- To study the effects of social media on consumer dissonance
- To study the changing scenario of social media and rise in number of bloggers

## 2. LITERATURE REVIEW

M. Nick Hajli (2013). The study has reviewed the trust factor existing within the consumers for the social media. It indicates that when the products are reviewed on social media the trust factor rises within the consumers about the correctness of the review. The study discusses how the social interaction has a positive impact on the consumers. The author emphasised how important it is for the e-vendors to communicate with its customers to keep them informed and to make them satisfied with the services so that the reviews are mostly positive and do not lowers the business level. It is on the similar lines as previous research (Wang et al. 2012), the study mainly focuses on the important role of consumer interaction with potential consumers. The author also

talks about the perceived usefulness for consumers by improving the quality of the website.

Elisabeta Ioanăș, Ivona Stoica (2014). The data was collected from 116 subjects. The first hypothesis was that the majority of people who buy online fall between 25-29 years of age. The hypothesis was thus verified by 47% result favouring the number. The people buying goods online were found to be mostly young and majorly women out of which 97% had an account on the social networking site and before buying the products they made themselves informed beforehand about the products from various forums and blogs. According to the author the reviews and suggestions online are not relevant to the consumers as they read in a hurry and do not pay much attention to the social media reviews they are much attracted by the other information provided by advertisements and promotions as these types of promotions set the mind of the consumers and the reviews do not matter much. They are only influenced if they are buying a product which they are not sure about and which requires a lot of research to be done before buying.

Ghulam Rasool Madni(2014).

The author through his research certifies that the social media has the main role to play when it comes to influencing the consumers to buy the products online. The social media cannot be the only factor and other factors play equally important roles in influencing the consumers to make the final purchase. the author states that by continually providing complete and appropriate information about the product/services company can produce good relations with the users regularly using social media.

Muthiah, S. and Dr. Kannan, K.V.(2015)

The authors from their primary research profess that the social media is one major factor in influencing the consumer behaviour but out of various social media networks Facebook has the most influential power. The respondents were more inclined towards the reviews provided by the consumers on Facebook than any other site or network. Facebook also had much trust out of all other social media because it is one largest social media available in the current time period. The respondents read most of the reviews on Facebook than any other social media. The time spends by the consumer on social media is directly proportional to how much the social media affects the behaviour of the consumer to buy the products. The author also states that the influence of social media will be stronger in future as the social media in its developing stage and any change in social media will directly influence the buying pattern of the consumers. It is also observed that people are more likely to be influenced by their friends and family more than strangers on social media.

Mredu Goyal (2016). The report is based on the selection of restaurants on the basis of reviews on the social media and the reviews on the e-commerce websites like zomato, food panda, swiggy etc. In Jaipur region. Though social media was not a big rage in Jaipur a few years back but now people are looking into the reviews before going to any restaurant to make their experience worthwhile and not wasting their money and time. The social media marketing has become very important for the restaurant owners to reach to the masses and also attract the consumers towards it. Consumers are becoming

digitally active and thus searching for the best restaurants available near the area they stay. Here comes the role of social media as the restaurants having the best ratings are preferred against the ones having a low rating.

Ethel Lee (2013). The study talks about the behaviour of a consumer in the digital age. The vast amount of information available to the consumers on social media has led to increased number of consumers going online in search of information to be able to make a decision easily. It has also led the marketers to change their strategy in marketing the products according to the new mindset. The focus remains in explaining how, why and when are the consumer's influence by social media. The author makes some important suggestions about how the marketers should cater to the needs of the changing consumer behaviour in the digital market arena. The study also gives an insight to the marketers about the opportunities available on social media and how important it is to avail it. The research has made a significant impact on consumer buying behaviour and the changes social media had brought into the marketing strategies of various brands. The research is primarily based in Finland and the objective is to find the differences between marketing on social media and through mass media and to study consumer's susceptibility towards various means of marketing. The studies reveal that no matter through what means the consumers do take up research before making any purchase decision. The social media marketing is a process of communicating with the consumers directly and thus has more influence on the consumers. The report has explained the influence of social media on each level of a decision-making process.

## REPORT

### 3. CONSUMERS

#### 3.1 The consumer

There is a difference between consumers and customers. Consumers are the ones who purchase and consume the services offered by the seller on the other hand customers are the people who may or may not have the intention to consume the products however they are the purchaser who interacts with the sellers directly or indirectly. Consumers are the ones for whom the products are created and manufactured they actually consume/use the products (Sternthal and Craig 1982). It is the consumers who interact with each other through social media to make others aware of the actual image of the products. A clear and true picture is depicted in front of the potential consumers.

#### 3.2 The consumer decision-making process

Each and every consumer before making a purchase goes through a decision making process. The businesses face hindrances in making the message reach to the consumers/prospects as the consumers/prospects face problem in decision making until and unless the consumers are loyal to a single brand or the product is such that do not require much research or thinking. In this age of information, the consumers are flooded with the amount of information available and thus create more chaos and confusion among the prospects. The social media thus comes to the rescue when the prospects are made available with the information from actual consumers of the products and services. Social media has its role in all the stages of followed by the consumers in making decision.



FIGURE (1) Consumer Decision Making Process (Silverman 2001.)

**STAGE 1 – PROBLEM RECOGNITION**

The problem recognition is a stage where the consumers encounter a state of deficiency, there is a difference between the actual and desired stage. The problems can be recognised by making available the information of the products and talking about the benefits and how the product is capable of resolving a particular problem. Social media triggers the need in individuals by making available the information about various products and services. The prospects also incline towards the products which they find have helped a lot of people achieve a particular state where the consumers want to be. The social handles of various companies keep uploading the pictures of its new launches and thus triggering the needs of the individuals.

**STAGE2 – INFORMATION SEARCH**

Once the problem has been recognised by an individual he/she starts searching for the best option available to satisfy the need. Instantaneous decisions are very rare after recognition the problem, thus the prospect makes sure all the information is

collected and scrutinized well before making the purchase. Social media is an important platform for people who seek information about a product/service. There are various channels for which information is available to prospects there are blogs, the social handle of the company, people reviewing products/services on their social platform.

**STAGE3–ALTERNATIVES EVALUATION**

The information once collected and processed the alternatives from a large number of options is narrowed down. The alternatives which do not meet the requirement are eliminated. The narrowed down alternatives are again evaluated o various grounds to reach to the best possible alternative. Social media play an important role as the reviews, the ratings of the product, word of mouth by other consumers really help people come down to a conclusion.

**STAGE4 – PURCHASE DECISION**

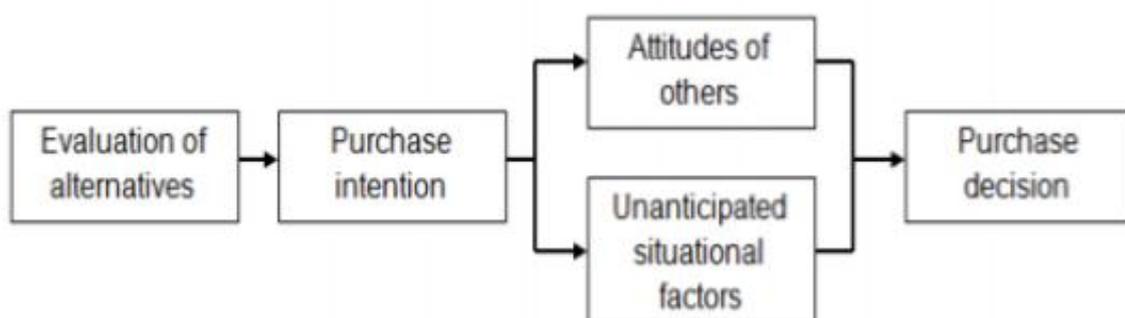


FIGURE (2) – PURCHASE DECISION

When the consumers are evaluating the alternatives they form preferences towards a particular product but still resist taking the final decision. There are two factors which hinder the process of purchase intention to become purchase decision. They are Attitudes of others and situational factors. An attitude of others is an important factor as it the attitude of others positive or negative towards the choice made. The attitude of others can be viewed by going online and searching for the reviews and ratings of the product by other consumers. Social media puts forward a perfect platform where the attitude towards the product can be measured from the perspective of other consumers this may result in readjusting the choices made (Kotler and Keller 2009,172). There may

be situational factors too that influence purchase like other urgent purchase may put the current purchase on halt.

STAGE4 – POST PURCHASE DECISION

Once the products are consumed, there is an after an experience that consumer's face which may or may not matches the experience anticipated during the research. The experience can be bad or good which may further lead to dissatisfaction or satisfaction of the consumers. When the consumer faces dissonance toward the purchase, the choice is devaluated and the consumer restarts the process of information search. They search various sources which make them clear about the decision of purchase (Sternthal and Craig 1982).

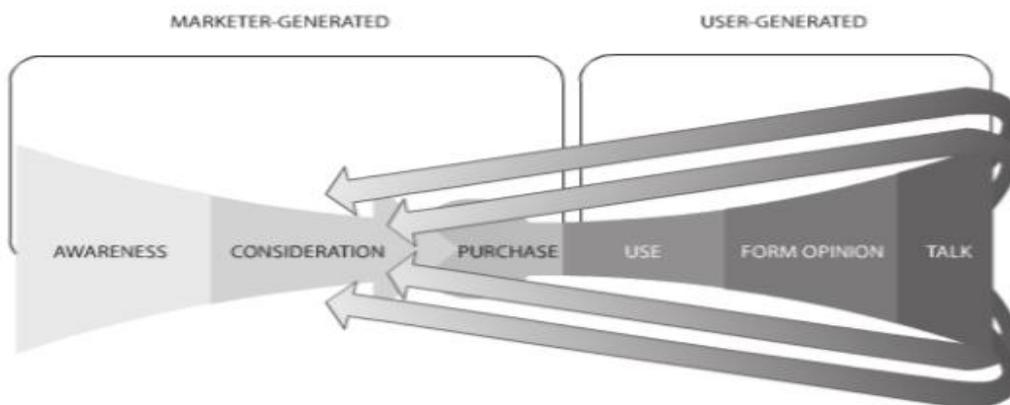


Figure 3. Purchase validation tool (Evans 2008)

Dissonance is the stage where the consumer is not sure about the purchase made. Purchase anxiety rules over the consumer which makes him/her search for more information leading to a clear picture of if the decision was right or wrong. Social media plays a major role in reducing the dissonance of the consumers. Consumer search for the reviews of people already using the product and compares

the own experience with the experience of others and thus forming an opinion about the product. It is a human tendency to look out for better opportunities and thing for a lower price, thus when the consumers look out for information on social media and find out the reviews to be surpassing the expectations of the consumer then the dissonance can be reduced. If the reviews about the product are nominal or really bad

and if the consumer finds out that there is a better product available for the same price or lower price the dissonance increases. The reviews of bloggers and other consumers play a significant role in deciding whether the dissonance is reduced. The reduced dissonance may also lead to the repurchase of the product.

#### 4. SOCIAL MEDIA

Social media is basically a concept for socialising the information (Solis 2007), through social media the information flow has enhanced and made the information available widely and easily (Smith and Zook 2011, 10). Social media is referred as "activities, practices, and behaviour among communities of people who gather online to share information, knowledge, and opinions using conversational media Kaplan and Haenlein (2009), social media helps in spreading the information instantly to the vast online audience. The information flow is much faster than any other media as it motivates the users to share opinions and beliefs on any particular topic. Social media, unlike other Medias, is a two-way process as the users can give feedback to the information provided and also can participate in conversations (Mayfield 2008). Social media able the users to create, edit, share, like, comment on content.

##### 4.1 Types of social media:-

Social Networking Sites (SNS) - SNS are the sites which enable people to connect with each other share media, beliefs, knowledge and information. Example- Facebook, Myspace etc.

Blogs- Blog is a content management system (CMS), it is maintained by individuals or group to share information and knowledge to a large audience (Safko

and Brake 2009). Online Multithreaded conversations are possible due to blogs. People have no restraints on what to write and thus have freedom to share whatever they want as a result they can lead to building or ruining the image of a person, brand or products.

Media-Sharing Sites- Media-sharing site is a platform for sharing videos, images, music and all other multimedia files. The users can make videos and share images about the products.

Microblogging- Microblogging is similar to blogging the difference is just that microblogging

Limits the size i.e the number of words is limited and the user has to fit the thoughts in those words. It is a very effective way of informing people in a concise and quick manner. Example –Twitter

#### 5. SOCIAL MEDIA AND ITS IMPACT ON CONSUMERS

Social media in recent times is playing a prominent role in impacting the sales, brand awareness and loyalty (Olenski 2012). As discussed in the decision-making process the impact of social media remains significant in the stages involving information search, alternative evaluation and post purchase evaluation. Social media though has complicated the decision-making process and extended the time taken by the consumers to buy the products. Consumers now take their own time to search for information to make a decision and do not only depend on the information provided by the advertisements online or offline. Constantinides and Fountain (2008) supports the theory of Kotler's (1994) which states that consumers are affected by the traditional media (Television,

Radio, newspaper, journals, etc.) and personal factors including values, society, attitude, perception, demographics etc. Constantinides and Fountain (2008) also adds that the consumers are affected by the social media also which include the online marketing mix( banners, social handles, company websites etc.) and the experiences shared by the people on social media.

### 5.1 SOCIAL MEDIA AND TRUST

Social media has revolutionised how marketers look into the picture of building trust into the consumers. The trust factor is governed by making the consumers interact with other consumers online Ba, S. & Pavlou, P.A. (2002). The advertisements and the promotion techniques do not lure the consumers anymore as the consumers do not trust the companies and have a perception that companies show a glorified image of their products/services to carrot them to buy the products. Social media is the best way to keep the buyers and sellers closer. The consumers can directly contact the seller if need be, and stay in touch with all the new launches and innovations by the brand. Social media provides a personal touch to the relationship between the seller and the consumer. Not only individuals own social accounts but brands also have their social handles on almost all prominent and reliable social Medias like Facebook, Instagram, Twitter and even Snapchat. This makes them connect with the worldwide consumers instantly and conveniently. As a platform social media helps the brands achieve goodwill and brand image which leads to higher profits. Some of the industries like beauty and cosmetics have had a full spin in the way the products are marketed. Brands like M.A.C, Maybelline, Colorbar, Lakme and

many other recent brands finds it easier to attract all the ladies through their social platform by demonstrating numerous tutorials. The brands aggressively market their products on social media to lure as many consumers as possible. Social media marketing is an exchange of ideas and perceptions and thus it is a two-process between the marketer and the audience it is no longer just about marketers conveying their messages to the audience Evans, D. (2008). Nowadays there are dedicated bloggers who use the products and give their honest opinions about the products which help the brands to earn higher goodwill. One big example of a brand who markets its products only through social media and has gone from being a start-up to a well-known brand is Sugar Cosmetics. It only markets its products through social media and YouTube and is now in competition with well-known brands. So in simple words, we can conclude, those brands who believe in providing quality, innovative products to their customers are definitely profited by social media as they achieve enormous fame through word of mouth, positive reviews and brand image among the consumers no matter how big or small the brand is.

### 6. CONCEPT BLOG

The concept of blogging is not novel to the domain of the internet. Blogging is a process where people which knowledge who wants to share the same is driven towards writing about is and letting all others gain something or the other. Blogs need not only be restricted to literary knowledge only they may be written about life experience, current events, to opine self-point of view, everything and anything that one has and want to share with the world. The new tangent has recently added



to the blogging world and that is buying products using them and then writing about the experience. The best part of this type of blogging is making people aware of what is new and is worth each penny they are going to spend. YouTube has been emerging as one of the greatest tools for all solutions these days and thus there are YouTubers to provide for solutions. YouTubers too are video reviewing products and let the world know how the product actually works, does it really do what it says or not. Prospective buyers go online and view not one but numerous videos available online about the products while they are searching for the information about the products. Brands have started recognizing the efforts and now as PR activities, they send new launches to these YouTubers to review and let the world know about it. Other consumers who have already used it can give their opinions also in the comments and carry on a conversation with the prospects. So reviewing products has upped its game and it has all social Medias covered.

## 7. CONCLUSION

This paper has discussed various ways by which social media impacts the consumer decision-making process and hence behaviour in total. The trust created by social media is an important tool to influence the consumers. The consumers gravitate towards products which have higher positive reviews and the social media image of these brands also very positive. The trust developed in social media is because the consumers feel that the reviews are provided by those amongst them i.e. general public and are not sponsored, as sponsored reviews have higher tendencies to be rigged. As there is

trust among people for social media they get influence and have a higher probability to buy the product most raved about. The consumers have a decision-making process before making a purchase and thus it is very necessary to study what kind of influence does social media have in the decision-making process of the individuals. 3 out of 5 stages are highly influenced by the information provided by social media. These being information search, alternative evaluation and post-purchase. Social media is helpful to prospects seeking information about the products, there is abundant information available on social media about numerous products and thus by collecting information from various social media, the prospective buyer can narrow down the alternatives in mind. The alternative evaluation is possible through social media by reading the reviews about each alternative and selecting the best out of all the options based on how effective it has been for other consumers. The post-purchase evaluation sometimes leads to dissonance and consumers can reduce the dissonance by knowing how other consumers feel about the same product which will either boost the confidence of the consumer in the purchase and reduce dissonance or will lead to higher dissonance if found out that other consumers are also not happy with the buy. The dissonance shall be taken seriously by brands as it leads to the decision of repurchase. The brands through their social handle should keep on providing the information to reduce the dissonance of the consumer.

The brand has also been benefitted by social media as it keeps the buyers and sellers connected on a personal level. The brands nowadays aggressively market their



products on social media as they have accepted the fact that social media brings them goodwill and it is more effective and cheaper than marketing online. The brands should analyse all the levels of decision making involved and market the products accordingly on social media. Brand with a good quality product has more probabilities to gain from social media than who sell mediocre products. The concept of bloggers committed toward reviewing products and letting the world know about their experience has also popped right up during last decade. This is a win-win situation for both the consumers and the sellers. Hence we can conclude by saying that social media is a great influence on consumers these days.

## 8. SUGGESTIONS

Due to the limited time and scope of this research, various general issues are covered for the readers to understand the impact of social media on consumer behaviour but research can be undertaken on specific cases which prove the general theory and also research can be undertaken on how the marketers will incorporate the changing behaviour of the consumers. Shift from mass media marketing to social media marketing can also form give more in-depth perspective of social media

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