The Influence Of Social Media On Consumer Purchase Intention

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Abstract— In order to deliver better and appropriate products to the customers, marketers do a lot of research on consumer behaviour. Understanding consumer behaviour by companies results not only in identifying their potential customers but also helps in customer satisfaction, influencing potential customers, creating competitive advantage, making effective marketing strategies and increase in customer base. Development of social media has revolutionized the interaction and communication between companies, customers and other stakeholders. Customer can access product information, review, evaluate and compare alternatives on social media that affects their buying decisions. With the advent of social media marketing, marketers can communicate and serve their customers in more personalized manner as compare to mass media marketing. Purchase intention is a critical element which provide insight about consumer buying behaviour. Purchase intention may be governed by societal, emotional, logical, moral, psychological and economic factors. In this paper, we analyze how consumer purchase intention is influenced by social media and various factors affecting the consumer purchase intention on social media.

Index Terms— Consumer Buying Behaviour, Consumer Purchase Intention, Electronic Word of Mouth, Social Media, Social Media Marketing, Social Networks.

1 INTRODUCTION

Consumer buying behaviour is a combination of customer’s attitudes, intentions, preferences and decisions while purchasing a product or service. Learning about consumer buying behavior contributes in identification and prediction of buying behavior of customers in purchasing a product (Sharma, 2014). In depth analysis of consumer buying behavior helps companies to understand what product or service consumer is purchasing as well as the reason of that purchase (Kumar, 2004). Purchase intention is a critical factor in understanding consumer buying behaviour. Purchase intention is deliberate evaluation of consumer’s willingness to purchase a product or service (Ajzen, 1991). Basically, A consumer’s thinking regarding purchasing goods or service represents his purchase intention (Blackwell et al. 2001). According to Brown (2003), Actual buying rates are higher in consumers having intention to purchase, while actual buying rates goes down with consumers indicating no purchase intention. However, intention do not necessarily equate with actual purchasing. Researchers have found a positive correlation between purchase behavior and purchase intention (Morwitz, 1996). Therefore, Purchase intention is a strong characteristic of consumer interested in repetitive buying of goods (Nabil, 2010). Purchase intention represents customer retention and is influenced by extrinsic factors like brand image, customer satisfaction, product quality and many more (Hawa et al., 2014). Swinyard (1993) and Mcquitty et al. (2000) analyzed effect of purchase intention values and involvement in customer satisfaction. Sweeny et al. (1999) studied how customer satisfaction influenced purchase intention of a consumer. To investigate the relationship between product quality and purchase intention, an empirical analysis was presented by Parasuraman et al. (1996). The likelihood of a consumer purchasing a product or service to depends upon its attributes, features, quality and price. Regardless of outcome of customer’s past purchase experience, it has been found that the experience of purchasing remains in customer’s mindset for a long time (Keller, 2008). With the help of internet people can easily access their account on social media everywhere round the clock. Nowadays, people are highly active and engaged on social media platforms which force the companies to start looking at such technologies as an effective mechanism to interact more with their customers (Renu and Bansal, 2018). Social Media provides real time information and facilitates two way communications between retailer and consumers which allow retailers to serve their consumers more efficiently and effectively through better customer relationship management, extended product lines, cost effectiveness and customized offers (Basu and Buylige, 2003; Srinivasan et al., 2002). Adopting social media offers unique competitive advantage to online retailers over traditional retailers (Wolfinbarger and Gilly, 2003; Doherty and Ellis-Chadwick, 2009; Levenburg, 2005; Turban et al., 2015). Activities related to purchase decisions like information seeking, searching for bargains and expressing dissatisfaction about services by visiting retail store is matter of past now. As per Statista report 2019, there are about 351 million internet users in India who use social network sites via any device at least once per day and expected to grow 447 million in 2023.

Figure 1. Number of Social Network Users in India from 2015-2023 (in millions) [Statista Report (2019)]

Social Media has completely transformed the activities related to buying process. Consumers are searching products online through social media shows that there are number of benefits of having presence on Social Media that the marketers are lacking in the traditional Marketing (Renu and Bansal,

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The main purpose of this study is to analyze the Social Media influence on the consumer throughout their purchase decision making process, their attitudes towards the Social Media, so that companies are able to decide whether social media marketing strategies stand good for their business, or whether to continue with mass media marketing strategies. According to social media marketing industry reports (2018), there are a number of benefits of social media marketing with top two being: increasing exposure and increasing traffic. The use of social media in business has resulted in additional exposure and increase in online traffic, is agreed by 89% and 75% of marketers respectively.

Popular Social Media Channels by Marketers
In this digital world, there are number of social networking sites like Facebook, YouTube, Pinterest, LinkedIn, Google+, Instagram, Google+ and Twitter available for the individuals and have also been adopted worldwide for business purposes.

Facebook
Facebook founded by Mark Zuckerberg in February 2004, has 2.27 billion users as per reports by Statista (2018), out of which 294 million users are from India and this makes it most popular social networking site worldwide. Marketers can make their personalized profile or page on this popular website for their customers through which they can comments, post any query or information required regarding the product. Marketers can upload pictures and videos about products on their Facebook page, which helps to advertise their products worldwide.

Twitter
Twitter the most followed social networking website after Facebook, it was developed by Jack Dorsey in March 2006. As per Statista this social media site has more than 316 million active users. Users can communicate or interact through message called “tweets”, while messages are restricted to 140 characters to pass the information. With the help of this social media platform companies conducting e-commerce business, can send their product information to the customer, sell goods and services to generate revenue (McIntyre DA. 2009).

YouTube
YouTube was founded in February 2005 by three former PayPal employees: Steve Chen, Chad Hurley and Jawed Karim. It was later acquired by Google Inc. in November 2006. YouTube is most popular video based social media website over 1.8 billion users per month. It allows all users to upload, rate, share and comment videos. With the option of reviews and comments about the video, businesses are able to react or reply instantly to the customer’s comments and satisfy their customers which leads to customer loyalty.

Instagram
In 2010 Instagram was developed as a visual social media site by Kevin Systrom and is now owned by Facebook. It has more than 700 million active users out of them 71 million are from India as per Statista report (2018). This social network is a successful marketing platform that facilitate users with many interesting features like filtering and editing of videos and photos online. The Instagram is having 3.31% average users post engagement rate as compared to 0.07% of Twitter.

Pinterest
Ben Silbermann, Paul Sciarra and Evan Sharp has founded Pinterest. This rapidly growing social network has 250 million active users as of October 2018, which makes it a great online platform for companies especially retailers to promote their business online with Pinterest. Literature study of a fashion website shows, users visiting from Pinterest spent $180 compared to $85 spent from users coming from Facebook.

Google +
Internet giant Google owned online social network popularly knowns as Google+ is a key player in online marketing with more than 111 million users worldwide. Individuals can add their brands on Google Plus circle, share with their network and communicate with the content posted by retailers. It facilitates companies to build their page, post advertisements and product contents and interact with perspective customers online directly.

Blogs
A blog is a discussion or informal website. Customer produced mode of advertisement such as sponsored posts are becoming popular as well as controversial in online marketing. Blogs can be involved in promotion mix for advertisement of products and services on company’s own website.

2. STATEMENT OF PROBLEM
Social Media has brought new opportunities for companies to reach and interact with their current as well as potential customers. With the numerous option available to consumers and ever changing nature of market, its crucial for companies to get insight about customer purchase intention in order to realign their strategies and to live up to customer’s expectations.
3. LITERATURE REVIEW
In any study, literature review provides the most important aspects of the research as well as the basis for further scope and various dimensions of the improvements required in the studies done so far. In the domain of Social Media, many researchers have explored Social Media Marketing and its impact on consumer behavior. Some significant and accessible researches have been studies for the purpose of literature review. George E. Belch, Michael Belch (2003) in this study the author described the circumstances during the buying decision process. The consumer gathers and evaluate product related information before going to the next stage. This is the decision stage in which customer has to decide whether to purchase the product or not. The buying decision of a product and service depends on the reviews and recommendations of other shoppers. Constantindes, Romero and Boria (2008) in their research study “Social Media: A New Frontier for Retailers?” discussed the importance of Social media platform, as an important tool for strategic marketing. Researchers have come up with the use of new marketing tool “Social Media” for retailers that not only help in survival of their business but also provide them a competitive edge for future business growth. W. Glynn Mangolda, David J. Faulds (2009) stated that the social media is a newly discovered component of promotion mix. Firstly, with the help of social media companies and the customers able to communicate or interact with each other, which is not possible earlier. Second, customers are also able to communicate with each other. Now the organizations have no control over the contents of information, duration, frequency and the discussion between consumers on social media. In traditional marketing, customer’s conversation was fully controlled by the organization. Aderibigbe (2010) analyzed that invent of Internet and proliferation of social media platforms has a great influence on apparel industry. Marketers can reach and interact online with customers using social media platforms. Active users spread product information by ‘word of mouth’ through share, comment and like features available with social media platforms. C.M Sashi (2012) recommended that buying decision of a customer could be affected by social media activities through the fast spreading electronic word of mouth (EWM). Positive customer reviews have good impact on other customers also, which leads to purchase decision and generate revenue for the company. Xia Wang, Chunling, Yujie Wang (2012)in their study “Social Media Peer Communication and Impacts on Purchase Intentions: A Consumer Socialization Framework” confirmed that peer communication through social media affect the purchase decision of consumers. Author also stated that the purchase intention of customer about a product is mostly depends on the level of their engagement. Purchase intention play a major role since it encourages consumer buying decisions and leads to sales and profit to a company. Wei Jia Tan (2013) in this research the author analyzed the customer’s attitude regarding interactive advertising and its effect on their purchase intention. The study confirmed that there is a correlation between attitude towards advertisement and purchase intention to effectiveness of interactive advertising. Traditional advertisement might be used by the marketers, but interactive advertising should be an option. Barger, Pettier, Schultz (2016) proposed that posting and sharing information, comments and reviews about products leads to interaction among consumers resulting in customer engagement on social media. Online product reviews provide detailed description of product, rating about the products from the other users as well as viewers and motivate customers in the direction of future purchase. Customer engagement could create a purchase intention which leads to buying decision of product in future, ultimately generating profit for the company. Smith, Peregrina (2016), in “Social Network Marketing: A Segmentation Approach to Understanding Purchase Intention” stated that buying behavior is a response towards pre-purchasing inspiration and this inspiration gives the customer a sensation of buying a product or service. The inspirations before purchasing are therefore observed as the intention of buying a product and thus called the purchase intention. The author further defines purchase intention as “A consumer’s subjective judgment in the decision-making process after a general evaluation has identified a willingness to act towards a product or brand”.The main consideration of Sarina Asif, Tanuja Kaushik (2017) research: A study of consumer buying behaviour for branded apparels in Gurgaon city, was to analyze the factors affecting customer purchase decision. Customers have become brand conscious due to increasing awareness and entrance of newcomers in the market. Branded apparels are preferred more than non-branded apparels. Customers prefer to visit malls rather than showrooms and branded shops for shopping. Family, social media, peer review and celebrity endorsements are the most influencing factor in making purchase of branded apparels. Customers of all age groups preferred discount rather than any other promotional scheme. The objective of study by Duangruthai Voramontri, Leslie Klieb (2018) was to analyze the impact of social media on consumer’s buying decision process for complex purchases and evaluation of extent to which decisions are modified by the usage of social media. Finding revealed that social media influence the most in first and second stage of buying behaviour process (information search and search for alternative) but didn’t much helpful in boosting up in purchase decision stage, nor in the post purchase evaluation. Social media users like and enjoy the decision process as compared to others who opted any other information sources. Social media users feel satisfied and confident during their decision process, and information overload didn’t have any negative impact on consumer satisfaction. Traditional ways of shopping still exist and in this digital era, people still love to shop through physical stores.

4. OBJECTIVE OF THE STUDY
- To identify the popular social media sites used by the marketers.
- To study the influence of social media on consumer buying decision making process.
- To identify factors affecting the consumer purchase intentions influenced by social media.

5. FACTORS AFFECTING CONSUMER PURCHASE INTENSIONS
According to literature survey, electronic word of mouth (e-WOM), interaction, entertainment, reward, trust and satisfaction are the factors which influence the consumer purchase intention on social media.
e-WOM is known about “like” or “share” the content on electronic platform and many researchers suggested e-WOM as a key to get success in online marketing. With the help of internet consumer can explore more options through collecting information about the product from other consumers and also works as an opportunity for other consumers by providing their experience about product through e-WOM (Hennig-Thurau, 2004). e-WOM direct other consumers about the qualities, usage, and services of a particular product or services and their sellers. This communication done directly between consumer to consumer or company to consume & not requiring any other means (Berger, 2014)

Interaction
Social media has emerged as latest marketing instrument that facilitates companies and customers with online anytime interaction (Boateng and Okoe, 2015). Social media provides two way communication pulling companies and customers together in an interactive way (Kaplan & Haenlein, 2010). Social media facilitates the interactive brand communication, and it makes it easier for consumers to create and share content. The social media has shifted the control of online conversation and contents from companies to consumers (Kontu and Vecchi, 2014).

Entertainment
Enjoyment plays a critical role during online purchase of products. Higher rates of customer’s perceived pleasure in an online purchase contribute to higher probability of online transactions (Dellaert, 2004). Searching desired products online is regarded as fun and enjoyment by consumers (Seock and Bailey, 2008). Logically, enjoyment leads to increase in willingness and ultimately to customer satisfaction in an online shopping (Ramayah and Ignatius, 2003). Humorous, emotional and educational social media contents by marketers are a better way to attract and entertain their customers (Azar et al, 2016, Barger et. al 2016).

Reward
Consumers are always keen to get economic benefits, that’s why reward is regarded as an important factor in customer engagement. Reward may include incentives, promotional benefits, price discount, special deals and monetary gain (Azar et al., 2016). Reward is one of customer motivation to use social media and get involved in electronic word of mouth (Gummerus et al, 2012). Brand’s Facebook page attracts consumers with intention to get rewards in any form (Tsai and Men, 2013). Reward triggers electronic word of mouth by customers on social media (Hennig-Thurau et al., 2004).

Trust
Trust is the foundation principle for communication and relation between people in online shopping. Social media users want to make purchase through trusted websites (Gundlach and Murphy, 1993). By inculcating the element of trust in communication, companies can interact and engage customers on social media; thus, influencing customers for online purchase. Trust has positive influence on customer purchase intention on social networks (Tan and Hong Boon, 2017). Cheng and Yee (2014) proposed that there is lack of literature demonstrating relationship between consumer purchase intention and trust on social networks, although it is evident from some researches that trust influenced consumer’s desire to online purchase.

Satisfaction
Grewal and Sharma (1991) proposed that identification of customer’s need and elements of customer satisfaction are the main factors of marketing and has a significant impact on entire sales process. At each stage of sales process, customer satisfaction is dependent on whether product and brand are up to customer expectation or not (Eggart and Ulaga, 2002).

6. RESEARCH METHODOLOGY AND HYPOTHESIS
First phase of the study: secondary research that includes identification of factors affecting consumer purchase intention on social media, for developing a model for proposed study. The second phase: primary research for analyzing influence of identified factors on consumer purchase intention on social media.

Research Tools and Techniques
Research Tools used for this study was scaled questionnaire, which includes the following types of scales and questions:
- Likert scale [Strongly Agree/Agree/ Not Sure/ Disagree/ Strongly Disagree].
- Closed ended questions.
- For analysis of data, SPSS 23.0 and advanced MS Excel applications were used to perform regression analysis.

Sample Design
Population: The population includes online consumer from Chandigarh region those are active on social media about their favourite products and services.
Sample Size: The sample size of 100 respondents was considered. Sample size was selected by random sampling from population of Chandigarh region.

Hypothesis
H1: Consumer purchase intention is influenced by various factors (rewards, interaction, entertainment, electronic word of mouth, trust and satisfaction) on social media.
H0: Consumer purchase intention is not influenced by various factors (rewards, interaction, entertainment, electronic word of mouth, trust and satisfaction) on social media.

7. RESULTS AND DISCUSSION
As evident from literature, there are various factors influencing consumer purchase intention on social media. From our first phase of the study, we identified six factors: rewards, interaction, entertainment, electronic word of mouth, trust and satisfaction. We will limit our analysis to these factors only. Authors have constructed a model to know the effect of these factors on consumer purchase intention on social media, which is as follows:
\[ Y = 0.52 \text{RWD} + 0.30 \text{INTR} + 0.45 \text{ENTR} + 0.65 \text{EWM} + 0.72 \text{TRUST} + 0.52 \text{STS} \]
Where RWD represents rewards, INTR denotes interaction, ENTR signifies entertainment, EWM represents electronic word of mouth, TRUST denoted trust, STS signifies satisfaction and Y represents purchase intention of consumer on social media.

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Regression analysis and Anova were applied and statistical values are calculated. From Table 1 Anova is calculated, significance of value is 4.8322 which is very high. It shows that there is a significant impact of all the factors on consumer purchase intention. Table 2 shows the regression coefficient. Reward has a positive value of 0.18929558 for regression coefficient, which shows that there is a positive relation between consumer purchase intention and rewards. As seen from Table 2 the value of t-Stat is 1.673317, which shows that when reward is given to consumer there is a positive change in consumer purchase intention on social media.

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<th>TABLE 1: ANOVA CALCULATIONS</th>
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In the same way, interaction has a positive value of 0.180034509 for regression coefficient, which shows that there is a positive relation between consumer purchase intention and interaction. As seen from Table 2 the value of t-Stat is 1.580889, which shows that interaction has a positive change in consumer purchase intention on social media. By analyzing data from Table 2 we found that entertainment, electronic word of mouth, trust and satisfaction also has positive value for regression coefficient and t-Stat, which shows a positive relation between these factors and consumer purchase intention. From the above interpretation, it is clear that all these factors have positive effect on consumer purchase intention on social media, while trust has maximum effect and satisfaction has lowest effect on consumer purchase intention.

8. CONCLUSION AND RECOMMENDATIONS

Social Media provide two-way communication, customer reviews and easy access of information about the products. It also facilitates the customers with several social networks to evaluate and compare alternatives. Now a days, customers have become more attentive towards relevancy as well as authenticity of the advertising content and the customer’s recommendations are given more preferences over company generated product recommendations. Purchase intention is a critical factor to get understanding about consumers buying behaviour. In this study we have analyzed the influence of purchase intention on consumer buying behaviour on social media. From our study, we conclude that rewards, interaction, entertainment, electronic word of mouth, customer’s reviews, trust and satisfaction are the factors having positive influence on purchase intention on consumer buying behaviour through social media, while trust has maximum influence and satisfaction has lowest influence on consumer purchase intention. With social networks, marketers can communicate and serve their customers in more personalized manner as compare to mass media marketing. Marketers can exploit social media by providing rewards, entertainment, customer’s review and satisfaction, to understand the buying behaviour of consumers. But on the other hand, through social media companies are directly dealing with the customers and if the customer found product, posts or social networking activities of the brand irrelevant then there are high possibilities of losing the customer.

REFERENCES


