

## Impact of Online Social Media on Consumer Decision Making: A Study in Dehradun



### Management

**KEYWORDS :** Consumer decision making, Social media, Online purchasing, Consumer buying process.

**Dr. Aruna Kumar Mishra**

Assistant Professor, IMS Unison University, Dehradun, India.

**Narendra Kumar**

Student(MBAfinal),Institute of Management Studies, Dehradun, India.

**Abhishek Sharma**

Student(MBAfinal),Institute of Management Studies, Dehradun, India.

### ABSTRACT

*Consumer decision making is a very complex process which every marketer want to understand and manipulate. In last few years the exponential growth of Internet and smart phones have opened up another media i.e. online social media for the consumers to share information. Many social media sites such as Facebook, Twitter etc. are popular now. Now consumers have access to all types of information about the products that are going to be launched in near future. There is no doubt that the opinion of peers and the other members of the society affect the purchasing decision of the consumer. It is important now for the marketers to understand how this emerging media affect the purchasing behavior of the consumer. This paper tries to analyze the impact of the online social media on consumer decision making process with emphasis on attitude.*

### 1. Introduction:

Emergence of social media sites have thrown up new challenges in front of the marketers. As social media is not controlled by any entity and is democratic people are sharing their opinions freely on these sites. Even different political parties are trying to use the social media for the purpose of influencing the voters. So there is no doubt about the potential of the social media but it is also bringing new issues for the marketers to tackle. As the social media has worldwide reach messages spread at lightning speed in social media and the marketers have to respond to it in real-time. The information on social media is immortal and it is important for the marketers to be very careful as it is impossible to take back any unintentional leak of information in the social media. Social media is also throwing up a lot of ethical and legal issues which need to be addressed.

### 2. Literature Review:

Dellarocas et.al.(2010) explored how a population's propensity to contribute post consumption online reviews for different products of the same category (motion pictures) relates to various indicators of those products' popularity. They discovered that, ceteris paribus, consumers prefer to post reviews for products that are less available and less successful in the market, at the same time, however, they are also more likely to contribute reviews for products that many other people have already commented on online. They proposed presence of these two opposite forces leads to a u-shaped relationship between a population's average propensity to review movie post consumption and that movie's box office revenues: moviegoers appear to be more likely to contribute reviews for very obscure movies but also for very high-grossing movies. Their findings suggest that online forum designers who wish to increase the contribution of user reviews for lesser-known products should make information about the volume of previously posted reviews a less-prominent feature of their sites.

Hanna, R. et. al. (2011) in their study found that social media platforms such as Facebook, Twitter, Digg, SCVNGR, YouTube, and numerous others have begun to revolutionize the state of marketing, advertising, and promotions. These social media have transformed the Internet from a platform for information, to a platform for influence. Because of the dramatic and global growth of social media such as Facebook and Twitter. Companies of all sizes from different industries now view social media marketing as a mandatory element of their marketing strategy. As per their view it is no longer enough to merely incorporate social media as standalone elements of a marketing plan. They also suggested companies need to consider both social and traditional media as part of an ecosystem whereby all elements work together toward a common objective: whether to launch and promote a new product or service; to communicate a new company initiative; or to simply further engage customers in a

rich, meaningful, and interactive dialogue.

Forbes Lukas P. and Eve M.(2013) studied the influence of social media on consumer behaviour by selecting sample of 249 consumer purchases. Their research analyzed the type of product purchased, the cost of the item, and numerous other product dimensions related to the purchase. The findings indicated that consumers are buying either very inexpensive, or very expensive items, and are doing so based on recommendations from people they would not consider "opinion influencers or leaders". They also discovered a slow shift from more traditional forms of social media like Facebook to quicker types of social media like Twitter. The respondents indicated their desire for information now, not even a day or two old, and their research indicates a shift towards that form of social media which is consistent with general themes of today's social media.

Ioană E. and Stoica I.(2014) studied the impact of social media on consumer behavior, they made a quantitative research with the help of 116 respondents. After the analysis of the collected information from the 116 subjects, they concluded that most consumers who buy online are young, between 25-29 years. They also found out 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. Among the reasons which most consumers prefer online transactions is convenience. It was also found out that most consumers are not exactly secretive regarding information posted by other clients.

### 3. Research Methodology:

For this study 150 samples were selected from Dehradun city out of whom majority are young i.e. 111 are below 25 years age. A structured questionnaire was used for this study containing 24 questions. Five point Likert scale was used to capture the response of the respondents. Convenient sampling technique was used for this study and SPSS-18 was used for the purpose of analyzing the collected data. The questionnaire was also tested for reliability and the Chronbach's alpha was found to be 0.771.

### 4. Objectives:

The main objective of the study is to find the impact of social media on consumer decision making.

It is known that decision making is affected by the attitude of the consumer towards the product or brand. In the present study the impact of social media on the consumer attitude is studied. This paper also tries to figure out important issues related to social media.

In this context the present study tries to find out whether the impact of social media on consumer attitude is independent of age and profession or not?

Keeping the above things in mind the following hypothesis will be tested in the present study:

H1: Impact of social media on attitude towards products or brands is independent of profession.

H2: Impact of social media on attitude towards products or brands is independent of Age.

**5. Issues related to use of Social Media:**

The popularity of social media have also thrown up challenges related to various areas such as

- **Authenticity of content:** In recent times a lot of rumors were spread in different countries and different governments imposed temporary and permanent restrictions related to its use.
- **Security of personal data:** Social networking websites are collecting a lot of personal data whose security is a question mark. There were recent news about hacking of accounts in different social media websites.
- **Privacy issues:** Many photographs and contents of personal nature are being used by individuals and organizations for their commercial and other interest without taking the permission.
- **Violation of local law of the countries:** As social media don't have physical boundary it is used by different individuals of different countries and adhering to the laws of all the countries is a challenge for the social media websites.
- **Social impact on individual behavior:** Many users are becoming so addicted to social media that it also affects their social life.
- **Immortality of data in social media:** Data once leaked on social media intentionally or unintentionally will have multiple copies stored in different parts of the world and cannot be deleted permanently. So the companies and individuals need to be careful about the data they post on social media.

**6. Data Analysis and Findings:**

The responses from all the 150 respondents were analyzed and the output of the analysis by the SPSS 18 is provided in figure 1 and 2.

If we look into the figure 1 ANOVA table between the variable SM.HELP.ATTITUDE (Social media help in forming attitude towards products and brands) and the profession the F value is 1.031 and is significant so it can be concluded that impact of social media on the attitude of individuals in different profession is not same. If we look into the cross tabulation table in figure 1 between Profession and SM.HELP.ATTITUDE around 70% students said it had impact on their attitude. It can be said that students are more influenced by social media if we combine employed and self-employed into one category. So Hypothesis (H1) is rejected.

**Figure 1: ANOVA and Cross tabulation table for Profession as independent variable and SM.HELP.ATTITUDE as dependent variable:**

ANOVA					
SM.HELP.ATTITUDE					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.031	2	.515	1.031	.359
Within Groups	147.245	147	1.002		
Total	148.276	149			

  

CROSS							
		SM.HELP.ATTITUDE					Total
		STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	
PROFESSION	STUDENT	1	9	22	59	15	106
	EMPLOYED	1	5	7	22	5	40
	SELF-EMPLOYED	0	0	0	1	0	1
Total		2	14	29	82	20	150

Source: Tabulated from the field data collected

If we look into the figure 2 ANOVA table between the variable SM.HELP.ATTITUDE (Social media help in forming attitude towards products and brands) and the AGE the F value is 0.884 and is significant so it can be concluded that impact of social media on the attitude of individuals in different Age group is not same. If we look into the cross tabulation table in figure-2 between AGE and SM.HELP.ATTITUDE 68.48% students said Social media had impact on their attitude. As the samples in the age group above 35 is less compared to the below 25 and 25to35 group we cannot arrive at a conclusion for the two groups i.e. 35to45 and 45 above. But we can conclude that impact of social media on consumers is affected by the Age.

So Hypothesis (H2) is also rejected.

**Figure 2: ANOVA and Cross tabulation table for Age as independent variable and SM.HELP.ATTITUDE as dependent variable:**

ANOVA					
SM.HELP.ATTITUDE					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.125	3	.708	.884	.481
Within Groups	146.151	146	1.001		
Total	148.276	149			

  

CROSS							
		SM.HELP.ATTITUDE					Total
		STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	
AGE	BELOW 25	1	11	23	59	17	111
	25 TO 35	0	3	5	15	2	25
	35 TO 45	1	3	1	7	1	13
	45 AND ABOVE	0	0	0	1	0	1
Total		2	17	29	82	20	150

Source: Tabulated from the field data collected

**7. Conclusion and scope for future work:**

From the analysis of the results we can say that impact of social media on the consumer attitude towards a particular brand or product is not independent of age and profession. Previous studies also found out younger generation are more involved and influenced by social media which is confirmed by the present study. Students are more influenced compared to the consumers of other profession.

The use of social media is increasing day by day among the younger generation and their impacts need to be studied in detail with more research. Social Media is also throwing up different issues related to privacy violation, hacking of personal data and impact on the social behavior of individuals. Though people are getting closer and remain connected in the virtual world, day by day they are becoming less interactive in the real world. The marketers need to study these in detail about the link between the virtual world behavior and its impact on their real world actions. The major limitation of the study is that the samples in the higher age groups are less compared to the lower age group which can be studied in future research for better generalization of the findings.

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