

“Impact of Social Media Advertisement on Consumer Buying Behavior: Evidence from Himachal Pradesh”

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Abstract: The usage of social media is increasing exponentially to satisfy the social needs of internet users; at the same time, it has also increased the opportunities for corporate to market their products and services in a personalized way. The past record shows that social media has contributed significantly in changing the perception of customers in buying process. Hence, the growing importance of social networking sites on the buying behavior of customers cannot be ignored. This paper is an attempt to examine the extent of social media in marketing or influencing buying decision of customers. The paper is based on descriptive research design & close ended questionnaire is used to collect the primary data from social media users.

Keywords: Social Media Marketing; Consumer Buying Behavior, Perception, Networking

Introduction

Social media is a computer-based innovation that encourages the sharing of thoughts, considerations, and data through online systems and communities. Social media is changing the way data is communicated to and from individuals around the world. The fast utilization of social media such as blogs and other social organizing destinations and media-sharing innovation is changing the way firms react to buyer needs and changing the way they react to their competitors. Social media give a virtual space for individuals to communicate through the Web, which too might be a critical specialist of socialization. Social media have incredibly changed the connections between customers and companies by permitting two-way communication (**Hoyer, and MacInnis, 2010, p389**). Social media such as; Facebook, Twitter, and YouTube are energetic apparatuses that encourage online connections is a moderately low-cost form of promoting and permits organizations to lock in coordinate and end-user contact (**Anwar, M. 2019**). Numerous clients spend their time on social media and computerized media for different purposes extending from data looking to acquiring merchandise and administration. The rise of social media stages has changed the way businesses work. Today we are living in the 21st century and people do not find time to come and interact with each other. Social media helps people connect themselves with social media sites through which now people can stay far and also stay connected (**Bajpai, Pandey & Shriwas, 2012**). Social media is very popular among the younger generations, but the middle and the older generations are also not untouched by the wave of social media. Over the past few years, social media has gained a lot of popularity,

result of this traditional media has experienced a decline in business and popularity (**Odhiambo,2012**). This paper centres on the discernment of clients towards social media and its promoting honours, it will also be accommodating in distinguishing the parameters on which organizations ought to favour social media promoting instead of conventional showcasing.

Literature Review

Chartered Institute of Marketing (2009), in their study reveals that effective social media promotion stimulates customer conversation and conveys the features and advantages of the product to convince customers to buy the brand. Effective promotions need to be outrageous, professional, and socially acceptable while also conveying value.

Xiang & Gretzel, (2010), suggested that social media content is intentionally crafted by customers in an attempt to educate and advise others about products, services, brands, and issues. Social media content is updated frequently and indexed favorably by search engines in a more frequent manner. Firms must compete for consumer-related content on social media that has significant and persuasive effect on brands.

Brandz (2010), explained that customers want to express their feelings about their purchases and feel good about what they buy. Consumers want a positive, engaging association with a brand in addition to quality and dependability. Social media platforms like Facebook, Twitter, YouTube, and blogs are essential components of multimedia campaigns in order to reach as many consumers as possible.

Bashar, Ahmad & Wasiq (2012) has done empirical research to understand the effectiveness of social as a marketing tool and an effort has been made to analyze the extent social media helps consumers in buying decision making. Results of paper suggested that the medium is growing very fast and holds huge potential but is still in its nascent stage in India. Thus, in order to gain a greater portion of business through this revolutionary medium and establish themselves as the innovative businesses of the future, it is now necessary for the companies to formulate and implement effective strategies.

Yadav (2012) has made an attempt to set up the significance of social networks as an advertising medium and estimated the existing advertising methods that are in trend via certain case studies and concluded that social websites aren't just a tool to interact with the different people but also medium to reach the prospective customers.

Vij & Sharma (2013) conducted a study on consumers' and marketers' experiences on social media in Punjab. Based on the results of the study and reviewed literature, the paper suggested the measures for effective Social Media Marketing strategies and how social media marketing content should be 'interesting', 'informative', 'interactive', and 'reliable'. Author suggested that customers' shifting tastes and preferences should be taken into account when marketers plan their social media campaigns.

Mirza Ashfaq Ahmad, Zahra Zahid (2014), studied the impact of social media marketing on brand equity and customer relationship management in terms of purchase intention in Gujrat, Wazirabad, and Gujranwala, Pakistan, and information from the respondents was gathered using a simple random sampling method. Structure equation modelling was used to assess the impact of purchase intention on social media marketing, two constructs of CRM (customer care, emotional attachment), and three constructs of Brand Equity (brand awareness, customer satisfaction, word-of-mouth). The findings of the study indicated that the most significant factor that influences purchase intention is customer relationship management. Results conclude that Social Media Marketing positively influences customer relationships and brand equity.

Nyagadza, B. (2020), study reveals that creating a solid customer connection through social media can develop loyalty and encourage people to recommend the business to other implicit customers. Building relationships with customers through social media sites like Facebook, Twitter, and Instagram is the goal of social media marketing which allows businesses to connect with prospective new customers of followers interested in their products or services.

Objectives

- i.To study the perception of customers towards social media marketing practices used by marketers.
- ii.To examine the influence of social media on consumers buying behavior.

Hypothesis

H01: There is no significant relationship between awareness and preference of brands that are promoted on social media sites.

H02: Social media does not influence the buying behavior of consumers.

Research Methodology

To analyze the behavior of customers towards Social Media Marketing descriptive research design was used. Primary data was collected with the help of close ended questionnaire. Our target population involves 150 Internet users of social media selected through convenience sampling from three districts of Himachal Pradesh. The data collected was analyzed with the help of various statistical tools. Apart from Descriptive Statistical tools, multiple regression analysis was used to know the impact of social media advertisements in influencing customers purchasing decision. Multiple regression analysis was used to assess the influence of social media marketing on customers purchasing patterns. Four input factors- Attraction, Avoidance, Active engagement, and Affiliation- were used in the multiple regression analysis as independent variables, while consumer purchasing behavior was used as the dependent variable.

Results and Discussion

The demographic profile of the respondents refers to the key background characteristics of the individuals who participated in the study. It provides an overview of their gender, age, education, and income, which helps to understand the composition of the sample and the context of their responses.

Table 1 depicts the demographic variables of the respondents according to their gender, education, age and monthly income. Out of total respondents; 57 percent are male & rest are female. Majority of respondents are graduate (48%) and 37 percent respondents belong to the age group of 25 to 35 years. Further, 38 percent of respondents have their monthly income in the range of ₹ 80,001 to ₹ 1,00,000, whereas, 28 percent respondents have monthly income between Rs. 20,001 to ₹ 30,000. Out of 150 respondents, 60 percent are male and 40 percent are female, indicating a higher representation of male respondents. In terms of educational qualifications, half of the respondents, 50 percent were graduates, while 20 percent each held postgraduate or professional degrees, and 10 percent had completed only intermediate education.

Distribution of the respondents on the basis of their age shows that 40 percent of them belong to the 25–35 years age group, whereas, 30 percent of respondents are in the age group 36–50 years. Further, 20 percent respondents are below 25 years of age, and 10 percent respondents have age between 51–60 years. This reflects a youthful and working-age sample. Regarding monthly income, 40 percent of the respondents earn between ₹80,001 – ₹1,00,000 per month, while 30 percent had an income between ₹40,001 – ₹80,000 per month. Overall, the sample respondents indicate that highly educated and working population with a moderate to high income provides a strong base for influencing their behavior and preferences in the study.

Table 1: Demographic Profile of the Respondents

| Demographic Variables | | Frequency | Percentage |
|-----------------------|-------------------|-----------|------------|
| Gender | Male | 90 | 60 |
| | Female | 60 | 40 |
| Education | Intermediate | 15 | 10 |
| | Graduate | 75 | 50 |
| | Post Graduate | 30 | 20 |
| | Professional | 30 | 20 |
| Age Group (in years) | Below 25 | 30 | 20 |
| | 25-35 | 60 | 40 |
| | 36-50 | 45 | 30 |
| | 51-60 | 15 | 10 |
| | Less Than ₹ 20000 | 15 | 10 |
| | ₹20001 – ₹40000 | 15 | 10 |

| | | | |
|------------------------------|-------------------|----|----|
| Monthly Income (in ₹) | ₹40001 – ₹80000 | 45 | 30 |
| | ₹80001 – ₹100000 | 60 | 40 |
| | More Than ₹100000 | 15 | 10 |

Source: Primary Data

Table 2: Perception Of Customers Towards Social Media Marketing Practices

| S. No. | Statements | Mean Score | Level of Agreement |
|--------|---|------------|--------------------|
| 1 | Advertisements through social media are more interesting than traditional advertising. | 3.8 | Agree |
| 2 | Social media advertisements are more interactive than traditional advertising. | 4.4 | Strongly Agree |
| 3 | Social media advertising is more informative than traditional advertising. | 3.8 | Agree |
| 4 | I refer to the opinion of experts on social media sites while considering any product or services. | 2.5 | Neutral |
| 5 | Organizations that use social media for marketing purpose are more innovative than others who are not using it. | 3.8 | Agree |
| 6 | I feel comfortable in sharing my information on social media sites. | 3.6 | Agree |

Source: Primary Data

Table 2 reveals that majority of the social media users strongly agree with the statement that advertisements through social media is more effective than traditional advertising, which shows that marketers should move their promotional efforts from traditional tools to social media tools. The more interaction with customers can motivate people to purchase more advertised brand. While comparing the social media advertising and traditional advertising on informative ground, result reveals that customers found social media advertising more informative than traditional advertising. Table further reveals that opinion of experts on social media sites have not too much impact on their purchasing decision. Further, respondents under study are found more comfortable in sharing their information on social media websites, hence, it can be said that advertising on social media websites, marketer get additional information which can help target customers in better way.

Table 3: Regression Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .560 ^R | .328 | .296 | .4320 |

Source: Primary Data

- a. Predictors: (constant), Affiliation, Attraction, Avoidance, Active Engagement
- b. Dependent variable: BB

On applying regression summary model as shown in Table 3, the R value are 0.560 and R Square are 0.328, which shows that Attraction, Avoidance, Active engagement, Affiliation, and Consumer Purchase Behavior are somewhat correlated. According to R square, independent variables in the dependent variables account for 31 percent of the variation, while unidentified factors account for the remaining 69 percent variation.

Table 4: ANOVA

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|-------------------|----------------|-----|-------------|-------|-------------------|
| Regression | 31.90 | 4 | 8.124 | 44.32 | .000 ^b |
| 1 Residual | 75.20 | 395 | .190 | | |
| Total | 107.10 | 399 | | | |

Source: Primary Data

- a. Dependent variable: BB
- b. Predictors: (constant), Affiliation, Attraction, Avoidance, Active Engagement

On applying ANOVA test as shown in Table 4 reveals that the f- value, (43.32), which is significant at 99 percent level of confidence. As a result, a significant relationship was established in the regression model between the independent variables of attraction, avoidance, active engagement, affiliation, and consumer purchasing behavior and the dependent variable of consumer buying behavior.

Table 5: Regression Coefficient

| Model | Unstandardized Coefficient | | Standardized coefficient | t | Sig. |
|--------------------------|----------------------------|------------|--------------------------|-------|------|
| | B | Std. Error | Beta | | |
| (Constant) | 1.782 | .153 | | 11.12 | .000 |
| 1 Avoidance | .051 | .029 | 0.61 | 1.42 | .162 |
| Attraction | .142 | .023 | 0.260 | 6.16 | .000 |
| Active Engagement | .181 | .022 | .330 | 7.64 | .000 |
| Affiliation | .152 | .021 | .280 | 6.89 | .000 |

Source: Primary Data

- a. Dependent Variable: BB

Regression coefficient of the “Avoidance” variable (Table 5) was 0.61 (standardized) and .051 (unstandardized), with a t-value of 1.42, and corresponding p-value of .162. Hence, it can be said that Avoidance has no significant impact on the consumers buying behavior. Regression coefficient of the “Attraction” variable was 0.260 (standardized) and 0.142 (unstandardized), with a t-value of 6.16, and corresponding p-value of 0.000. Hence,

it can be said that Attraction has a positive and significant impact on the consumer buying behavior. A consumer decision to buy a product is influenced by their attraction to it. Regression coefficient of the “Active Engagement” variable was 0.330 (standardized) and 0.181 (unstandardized), with a t-value of 7.64, and corresponding p-value of 0.000. Hence, it can be inferred that Active Engagement has a positive and significant impact on the consumers buying behavior. The level of each consumer’s participation in the purchasing process greatly influences the purchase decisions made for certain items. Similarly, Regression coefficient of the “Affiliation” variable was 0.280 (standardized) and 0.152 (unstandardized), with a t-value of 6.89, and corresponding p-value of 0.000. Hence, it can be said that Affiliation has a positive and significant impact on the consumer buying behavior. The Consumer Perceived Value (CPV) concept takes into account the emotional value as a component. According to the literature, a consumer’s emotional state will have a big impact on their buying decision.

Table 6: Relationship Between Brand Awareness & Brand Preference

| Factor | | Brand Awareness | | Total |
|------------------|-----|-----------------|----|-------|
| | | Yes | No | |
| Brand Preference | Yes | 70 | 30 | 100 |
| | No | 30 | 20 | 50 |
| Total | | 100 | 50 | 150 |

Source: Primary Data

Chi square (X^2) test

| X ² Test | | | |
|---------------------|-------------------|-----------------------|-----------------|
| Calculated value | Degree of freedom | Level of Significance | Tabulated value |
| 32.80 | 1 | 5% | 3.94 |

Source: Primary Data

It can be clearly inferred from the Table 6 that majority of customers who are aware about brand through social media, also purchase the same brand. The analysis provides enough evidence to reject the null Hypothesis. In other words, there is no significant relationship between awareness and preference of brands that are promoted on social media sites.

Conclusion

Social media platforms are being actively used in the study area by the customers as a tool for verifying their purchasing selections. Majority of respondents through social media are then found influenced by electronic word-of-mouth yet, the decisions of prospective clients is also influenced by the opinions and preferences of previous customers on social media sites. Online advertising has a substantial influence on social network users' purchasing decisions. Social media not only make customers aware about brands, but customers also prefer the

brands advertised through social media while making their final purchase. However, no significant relationship between awareness and preference of brands that are promoted on social media sites has been observed. Customers have positive perception towards social media marketing practices; and consider social media advertising more interesting, innovative as compared to traditional advertising.

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