Impact of Social Media on Consumer Behaviour

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Abstract

This research report provides a comprehensive review of literature related to social media and its impact on consumer behaviour. Social media has had a profound impact on the way consumers interact with brands, make purchase decisions, and share their experiences with others. The report highlights key findings related to the impact of social media on consumer behaviour, including brand awareness, purchase decisions, consumer engagement, and influencer marketing. The report concludes that marketers must understand the impact of social media on consumer behaviour to develop effective marketing strategies, and brands must engage with consumers on social media platforms to succeed in today's market.

3.1   INTRODUCTION

Technology and the internet connect people in different ways that allow them to share knowledge and information with each other. The most popular form of connectivity is through social media. Social media is a new form of communication which is changing the behaviour and expectations of people and the way organisations conduct business. Social media platforms provide a user-friendly tool for users to invite and converse with other.   This type of interaction has given voice to millions of consumers who now have the capacity to talk to each other and are able to share their experiences and opinions with a global audience at little or no cost.

The social web revolves around conversations and interactions within groups which act and react based on collective knowledge. Consumers have discovered the social web as a data source to learn about products and services and share their own personal experiences with the brand. This new source of information in conjunction with traditional media allows other potential consumers to consider these experiences before they themselves make an actual purchase.

This social engagement by consumers has significant impact on marketing activities as marketers need to be aware of the factors which affect the consumer's purchase decision. Marketers need to engage in online marketing strategies and influence consumer's purchase decisions through social media marketing. The literature review that follows discusses e-marketing (electronic marketing), social media and the role of social media marketing in the consumer's purchase decision journey.

3.2   ELECTRONIC MARKETING (E-MARKETING)

Sharper marketing focus is required to build and maintain customer loyalty in electronic market places. Brand image and brand identity must be built through mass media online communications therefore marketers need to ensure that there is effective dialogue from the brand to the consumers. This means that brand equity plays an important role in how information is learned, retrieved and communicated between consumers in online environments when making final purchase decisions.

Consumer markets are dynamic and as brand accessibility and brand associations may change over time, so too could consumer's purchasing behaviour change over time. Therefore, consumer focus is critical when developing marketing strategies in the technology driven world where technology has delivered the promise of anything, anywhere, anytime. Due to the accessibility of the internet, buyers and sellers are able to easily utilise communication channels by communicating, organising and exchanging information. Thus, the goal of marketing is to establish the brand and own the global and virtual market place, thereby giving the brand competitive advantage. The internet boom (and by implication e-marketing) has allowed firms to take advantage of promotional and advertising channels. The partnership of technology, the internet and marketing should assist marketers in exploring new and innovative ideas, test consumer's real-time reactions and establish the brand in online market places.

define e-marketing as electronic marketing; the application of marketing principals through electronic resources such as the internet. E-marketing is defined as using the internet and interactive technology applications to facilitate dialogue between buyers and sellers. Technology enables realistic

representations of products and the ability to interact and associate with them. Therefore e-marketing is a continuous form of marketing which occurs in real time in online environments. goes on to explain that in order to fully exploit the impact of e-marketing, e-marketing needs to be supported by the traditional 4P's of the marketing mix; product, promotion, place and price whilst taking into account social and relationship marketing. That the roles of the traditional marketing mix are very different in the physical marketing environment than that of the online marketing environment.

E-marketing focuses on human behaviour and the fact that the consumers are part of a network and that these consumers are constantly participating in network groups as they interact with each other over real-time. Thus, the online shopping experience has evolved into a social experience. That the traditional 4P's should now include people, processes and physical evidence (e.g., testimonies and referrals). E-marketing allows consumers to access product information any time via the internet, facilitate real-time conversation and feedback which ultimately facilitates customer relationship management. Therefore, the emphasis of a marketing plan needs to be on a highly interactive environment which pulls or attracts consumers, builds relationships with them, retains consumers and allows for ongoing personalised customer service.

Due to the boom of the digital age, marketers have a responsibility to provide consumers with security and privacy whilst ensuring that they provide personalisation and professional customer service. Thus e-marketing enables the exchange of information in digital environments where buyers and sellers are able to interact anywhere and at any time.

The virtual market place is the communication playground of mass markets therefore market segmentation (as in the case of traditional marketing strategy) is critical to successful online marketing strategies which satisfy the consumer's personal needs rather than the collective needs of all consumers. Through research, identified competitive advantages of internet marketing to be distribution, transactions and communications channels. Due to mass online markets, identified that the challenge for marketers is to accurately segment their customers by preferences and demographics, taking into account market size, customer profiles, competitive situations and future trends. This will allow them to respond quickly to market changes thereby giving the organisation direct contact with the consumer.
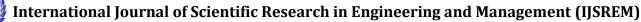
The revolution of the internet has altered the traditional forms of advertising and communication media. Two-way communication is growing rapidly in online environments. The total web-based experience is the attraction for online consumers due to the vast amount of information available at any given time. The massive global network fuelled by the growth of the internet, has radically transformed the way organisations conduct business and the way humans behave in an online society. Given the vast amount of information on the web, it is no surprise that consumers view search engines as important online tools. The internet is a complex market place and offers the potential for growth, development and a virtual revolution in the way society approaches business and communicates with each other.

Social media as explained by Evans is changing the way information is communicated to and from people around the world. The rapid use of social media such as blogs and other social networking sites and media-sharing technology is changing the way firms respond to consumer's needs and wants

and changing the way they respond to their competitors. Marketers now have the opportunity to engage in broader and more innovative forms of online mass media communications by using the social media marketing tools.

3.3 THE INTERNET AND WORD OF MOUTH

Virtual worlds are the medium for formal and informal collaboration between consumers and organisations and the virtual business environment is a critical determinant of competitiveness. Today's consumer is a proactive buyer and online consumers can provide marketers with valuable cultural and marketing information. In order to understand consumer behaviour in the virtual world, it is important to understand how consumers make purchase decisions.

Critical to understanding consumer decisions is that fact the internet has evolved into an information economy impacting on social, economic, business and political life where consumers are engaged in ongoing interaction. Consumers are influenced in their online product choices by online recommendations by millions of other user's experiences and motivations. Messages are continuously filtered, uploaded in electronic market places and spread amongst users who in turn filter and forward these messages to peers and other personal user groups thereby creating connectivity.

Connectivity refers to a consumer's access and ability to participate in online communications life through WOM; electronic word of mouth which is more effective than previous conventional sources of recommendations. WOM is an online consumer dominated channel of marketing and has significant influence on the consumer's information search, evaluation of alternatives and final decision to purchase a product. The popularity of the internet has revolutionised

WOM into a network with the birth of social media. The growth of social media (and by association WOM) has enabled consumers to interact with each other in the virtual world and to share their perceptions and opinions of brand value.

WOM allows consumers to interact with each other and share their opinions, experiences and research on consumer products and services in online environments. Thus, social media is rapidly changing WOM marketing, broadening communication channels and facilitating effective dialogue between marketers and consumers. This builds and encourages consumer-brand engagement in an online consumer community. WOM (through social media) refers to informal connectivity and interactivity amongst individuals regarding products and/or services in online environments and is a faster means of communication. Formal and informal collaboration is particular evident on social media platforms. Thus, the internet provides marketers with the opportunity to provide consumers with richer and more tailored information over the internet and it further helps marketers to improve on personalisation strategies.

WOM is increasingly manifesting itself through social media as a form of social participation in online environments and has great impact on product judgement, criticism and praise. This means that consumers now have the ability to affect other consumer's final purchase decisions. The most popular form of marketing via the internet is social media marketing. Due to the growth of social media and consumer's desire for social interaction and concern for other consumers marketers need to focus on the element of online interactivity as most business activities now centres on human and technical interaction.

3.4 SOCIAL MEDIA

Social media are dynamic tools that facilitate online relationships. Social media involves natural and general conversation between people about a topic of mutual interest. It is about sharing information and sometimes involves decision making. Social media involves several social online channels (or networking sites) and are subject to change over time; it is participative and the audience (consumers) are part of the creative process which generates real time content or real time conversations. Mayfield explains that social media is online or electronic media which facilitates

participation, openness, conversation, community and connectedness amongst online users. The core of social media as explained in fact that users can have individual profiles and personal images, users are able to communicate their thoughts, feelings, interests (music, hobbies, preferences) and link to affiliated profiles (friends or professional fan pages). Social media thus facilitates the exchange of information via email, chat rooms, blogs, discussion forums, digital audio, images and movies).

Social media should be viewed as marketing tools and resources as it presents marketers with the opportunity to access valuable information which affects relationship building and maintaining the feedback loop to consumers. Social media marketing is a relatively low cost form of marketing and allows firms to engage in direct and end-user contact. Social media marketing is about passion, emotion and genuine expression towards a brand. It builds the relationship between the consumer and the brand and facilitates dialogue, slow revelations and finally respect for the brand. WOM had strong impact on new customer acquisition. Thus, consumers have now evolved from traditional buyers to opinion leaders who are able to influence other consumers through their expectations, opinions, knowledge and associations.

Social media marketing thus represents communication opportunities and requires new and unconventional thinking to ensure that consumers experience brand orientation and product orientation. Therefore marketers should use social media as marketing tools to nurture brands in online environments and activate purchase intent. Social networking focuses on the human aspect and provides a forum for users to express themselves creatively. Therefore, social networks provide marketers with a means of understanding how people connect and interact with each other, and in particular the value of building relationships. Thus, social media has promoted consumer-to- consumer communication and has made it possible for consumers and brands to interact with each other thereby enabling connectivity. The significance of this growth in mass communication is that social media has allowed for increased situational awareness in terms of a changing environment thus social media marketing is playing an increasingly important role in marketing.

The Internet and social media have created a new online society for consumers. The age of the technology is making the market place more accessible to consumers therefore marketing is no longer a function of the business, it is a way of doing business and reaching the end customer. Social media marketing thus presents the opportunity for marketers to communicate the brand to consumers in untraditional and creative ways in real time and companies who integrate elements of social media into their marketing mix will have a greater opportunity to influence consumer's buying choices.

The easily accessible virtual market place allows marketers to influence consumers. Consumers in turn influence fellow consumers. Within hours and minutes people are able to access information on

social networking sites and communicate to connections all around the world on breaking news, natural disasters and other topics of interest. Therefore, knowledge management and information sharing through social media marketing has become crucial in how organisations conduct business activities. Internet communities, blogs and social networks have become a part of consumer's lifestyle. These characteristics facilitate connectivity, feedback and interaction between consumers. These characteristics further encourage sharing and commenting on information and allow consumers to make use of links, resources and other people. Social media has therefore made consumers active

members of the brand communities by giving them the opportunity and freedom to be heard in virtual worlds where perception and first impressions are critical influences.

Social media represents marketing opportunities which can connect firms directly with their customers. In the Social Media Marketing Report 2011, found that 90% of marketers indicated that social media was important to their business, 33% of marketers are forming metrics to measure social media as part of their return on investment (ROI), 58% use social media for up to six hours per week, 34% use social media for up to eleven hours per week, 70% of marketers want to learn more about Facebook. Further noted five popular social networking platforms; Facebook, LinkedIn, Blogs, Twitter and YouTube.

These social media platforms are defined as follows:

•   Facebook: This is a social network site which allows people to build personal web pages and connect to and communicate with friends;

•   LinkedIn: LinkedIn in most popularly known as the "grown up" social network. This social media platform allows users to build professional relationships in online environments;

•   Blogs: These are online journals which allow participants to share their thoughts via journal entries. Blogs often allow other users to comment on journal entries;

•   Twitter: This is a form of micro blogging where small amounts of content or updates are uploaded online through mobile networks; and

•   YouTube: This is a site that allows users to upload and share videos with fellow community members.

The popularity of social media marketing is due to the fact that social media is low cost and bias free and allows marketers to gain insight into markets.   The vast amount of available information allows marketers to mine social networking data and engage in consumer profiling which ultimately results in better and more effective market communication strategies. Consumers have become well aware of the power of social media and are therefore able to positively or negatively reinforce a brand. Loyal customers will act as a sales force, spreading a positive message about the brand through viral marketing and in particular online marketing such as social networking sites and blogs. Social media thus presents marketers with the opportunity to execute more emotional touch points in areas where consumers are able to connect with each other and share their experiences. These touch points are hugely emotional and offer marketers the opportunity to connect and engage with consumers correctly and generate exposure for the organisation's brands.

Reported that 88% of respondents agreed that social media generated exposure for their businesses, 72% noted that social media increased the flow of traffic onto their social networking sites and 43% correlated social media with increased sales. It is worthy to note that 62% of respondents reported that social media improved search rankings of their products. Social networking thus allows consumers to share ideas, collaborate, debate and discourse in online environments. It is thus be concluded that

consumers have influence and can facilitate the acceptance of a brand in virtual market places through social media.

3.5   SOCIAL MEDIA MARKETING

Social networking platforms allow users to connect with each other and typically attract a small group of first-time consumers. The greatest appeal of social media marketing is for the brand to make a strong impact on consumers and consumer groups.

The characteristics of social media marketing as follows:

•   Tone: social media is about honesty and being authentic. Marketers need to ensure that the message to the audience is credible and reliable;

•   Conversation: Social media marketing generates two ways conversation where the customer is an integral part of the marketing department. Customer opinions matter and impact on marketing strategy;

•   Validation: Buyer and consumer reviews are as influential as the marketer's claims of the brands features and benefits. This sets the stage for the brand to meet consumers expectations;

•   Reach: Social media marketing allows marketers to reach a wider audience with more dramatic results in far less time and at lower costs; and

•   Control: Control is the single biggest challenge in social media marketing. The internet allows the entire world to report what they see as they see it (in real time). All testimonies, opinions, customer experiences (positive and negative) and customer messages are able to go live at any time. These messages are not always accurate nor are they in the control of the marketer and the challenge to the marketer is to respond to these messages in a professional manner.

Taking the above factors into account it is concluded that social media marketing enables marketers to significantly accelerate their ability to launch brands in virtual market places, strengthen customer relationships and communicate to a

broad range of potential consumers in new ways. Consumers want to feel good about what they purchase and communicate their feelings regarding the purchase. Beyond quality and reliability, consumers expect to have a feel-good and interactive association with the brand. These consumers in turn share their experience by inviting or "referring" their "friends" which results in WOM. The opportunity for marketers is to effectively take advantage of WOM marketing. WOM has created a huge hype amongst marketers and social media marketing promotes marketing opportunities via WOM. Multimedia campaigns must include social media tools such as Facebook, Twitter, YouTube and Blogs to ensure maximum consumer reach.

Following factors must be considered in order to take advantage of social media marketing strategy and influence the consumers purchase decisions:

•   Provide information: Content, interactivity, service offered online;

•   Provide exclusivity: Security;

•   Be outrageous: Web presentation, social networking welcome;

•   Support the consumers: Interactive process between sales representatives and consumers;

•   Design: Design products with talking points and consumer's desired self-images in mind;

•   Links and interlinks: From one way traffic to multiple avenues;

•   Multimedia considerations: Ease of navigation, easy access to information about products and services, information layers and calculation tools, easy offering procedures and special incentive tools;

•   Utilise the power of stories: testimonies, corporate social responsibility;

•   Customer focused promotional messages;

•   Interactive campaigns, testimonies and stories; and

•   Facilitate recommendations and WOM.

WOM and social media marketing assists marketers in attracting consumers to brands at lower costs and in real time (faster service delivery) as the internet allows consumers to share their views, preferences and experiences. One of the benefits of social media marketing is that it allows marketers to correct comments, address queries and quickly and efficiently modify their online marketing strategies.

Lists additional benefits of social media marketing as follows:

•   Generates exposure for business;

•   Increase in traffic and subscribers;

•   Improved search rankings (e.g., more hits via Google search);

•   Results in new business partnerships;

•   Improved customer communication and feedback in real time;

•   Improved customer relationships;

•   Generated qualified leads;

•   Reduced overall marketing expenses; and

•   Improved sales.

The key factors attracting consumers to research brands online are:

•   Internet marketing environments;

•   Promotional offers which communicates the brand's presence;

•   Product characteristics (specifications and benefits);

•   Brand familiarity; and

•   Confidence in the brand.

If the above factors are positively received by consumers, this will create greater brand awareness through eWOM via social networking platforms, facilitate brand association with consumers, position the brand in terms of quality specifications and ultimately influence the consumer to purchase the brand and make repeat purchases. Based on the above

discussion it is concluded that social media marketing enables consumers to talk to and about the brands, thereby influencing consumer purchasing decisions.
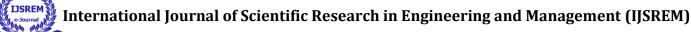
3.6   SOCIAL MEDIA MARKETING AND THE CONSUMER PURCHASE DECISION

This section discusses research studies

Conducted a research study regarding the impact of social media on touch points during the consumer's purchase decision journey. Key points resulting from this research were:

•   Consumers felt that information sharing, collaboration and relationship building was necessary to support ongoing communication;

•   Social media marketing allowed organisations the opportunity to be in the position to offer additional sources of information regarding product benefits, product features and provide real time feedback to consumers;

•   Social networks, particularly Facebook were found to be most suitable information sharing platform at the beginning of the consumer purchase decision as many consumers relied on social recommendations; and

•   Many consumers used Facebook reviews and ratings ("likes") as

In summary social networks were considered the most influential platforms in terms of social media as it served as an "all-purpose" medium to engage with consumers at all stages of the consumer decision journey.

Generic social media marketing framework

	Awareness	Information	Evaluation	Decision	Post-purchase
Wikis		Publish product/service information			
Blogs	Place previews & exclusive reports on external blogs	Introduce your own brand or product/service blog	Let external bloggers test your product/service	Use your own blog to interact with potential customers	Introduce service-, support- & CRM-blog
Microblogs	Provide special offers				Provide after-sales offers & real-time support
Social networks	Provide viral brand generated content and/or use applications	Create a fanpage and provide brand generated content	Let the community evaluate your product/service	Use fanpages to interact with potential customers	Win customers as fans of your product/service
Social sharing	Word-of-mouth via audio- & video-sharing	Integrate social book-marking tools	Monitor relevant product/service evaluation pages		

the decision phase however Facebook fan pages are a good way to engage undecided consumers in conversation to clarify queries regarding the product. Real time feedback could influence the consumer's final decision to purchase a product ;

- **Purchase**: Marketing is limited to point of sale. Consumers make the decision of which brands to purchase (Pride and Ferrell, 2010); and

- **Post Purchase (Loyalty)**: Consumers begin to evaluate the entire process from the awareness stage to their current stage. Social networks such as Facebook are important during the post purchase stage as it offers "*consumers a chance to turn into fans and build customer loyalty*".

Customer loyalty to the brand or product promotes positive WOM which in turn attracts new consumers. By interacting with the existing and new consumers, social networks can be used to manage CRM as channel of communication between the consumer and the organization. The study concluded that social media marketing is an essential tool in marketing brands and products due to the rapid development in social media and changes in consumer behaviors. The results indicate that social media marketing may be influential on consumers during the various stages of the consumer's purchase decision journey.

Research study explore consumer's relationship with social media websites. This study included the consumer's perception of online brand information. The intent of the study was to evaluate:

- Did consumers recognize opportunity or benefit in engaging with a brand online?

- Did social media marketing play a role on the consumer's purchase decision?

- Did social media marketing impact on WOM?

METHODS:

This research report is based on a comprehensive review of literature related to social media and its impact on consumer behaviour. The literature review includes various academic journals, books, and online sources related to social media and consumer behaviour. The report also includes some primary research, including surveys and interviews with consumers and marketing professionals.

FINDINGS:

The impact of social media on consumer behaviour is profound. Social media has changed the way consumers interact with brands, make purchase decisions, and share their experiences with others. The following are some of the key findings of this research report:

1. Brand Awareness: social media has made it easier for brands to reach a larger audience and increase their brand awareness. Consumers can now easily interact with brands on social media platforms and learn more about their products or services.

2. Purchase Decisions: social media has changed the way consumers make purchase decisions. Consumers now have access to more information about products and services, and they can read reviews and ratings from other consumers. Social media also provides consumers with an opportunity to engage with brands directly, which can influence their purchase decisions.

3. Consumer Engagement: social media has made it easier for consumers to engage with brands directly. Consumers can now share their experiences with brands on social media platforms, which can influence other consumers' purchase decisions. Brands can also use social media to engage with consumers and build relationships with their customers.

4. Influencer Marketing: social media has given rise to influencer marketing. Influencers on social media platforms have a significant impact on consumer behaviour. Consumers trust influencers and their recommendations, which can influence their purchase decisions.

CONCLUSION:

Social media has had a significant impact on consumer behaviour. It has changed the way consumers interact with brands, make purchase decisions, and share their experiences with others. Marketers must understand the impact of social media on consumer behaviour to develop effective marketing strategies. Brands must also engage with consumers on social media platforms and build relationships with their customers to succeed in today's market.