

# The study on the impact of social media usage and its influence on customer purchase intention

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**Abstract** - This study aims to understand the impact of social media on customer's buying intentions in the city of Bangalore. In the last two decades social media has provoked a revolution in marketing communication, offering new possibilities for interaction between the user and the brand and its spread around the world has affected and is still affecting people's behavior. Social media platforms such as Facebook, YouTube, Twitter, Instagram, LinkedIn, WhatsApp, and Google are new media platforms that have affected our lives, and our ways of communication and determined our choices. With the revolution of social media, people are spending much more time on different online activities and especially on social media than ever before, due to the changes in people's lifestyles. This research will help us understand how the usage of social media platforms leads to consumers' purchasing behavior.

**Key Words:** Social media, consumer buying decisions, Impact of social media

## 1.INTRODUCTION

A better understanding of the impact of social media on customer purchase intention is essential for businesses seeking to maximize their marketing efforts and increase sales. Social media is widely used by businesses, there is still a lack of understanding about the specific ways in which social media can impact customer purchase intention. Given the growing importance of social media in marketing, there is a clear need for research that can provide insights into the relationship between social media usage and customer purchase intention. Such research can help businesses develop more effective social media strategies, tailor their marketing efforts to different customer segments and product/service characteristics, and ultimately increase sales. Lack of study about Bangalore population: After Covid, online shopping has increased, so there is a need to understand factors : Suggest companies based on the results.

## 2. Body of Paper

The research paper contains the problem statement, review of literature, research gap, hypothesis, objectives, scope, research methodology and data collection and limitations.

**2.1 Problem Statement:** During the past decade, social media has triggered a revolution in marketing

communication, contributing new possibilities for interaction between consumers and brands.

This interaction has great relevance for brands because social network users rely on the advice

they receive from other users and this communication influences the purchasing decision of

the consumers towards a particular brand. Thus, this research is intended to carry out to show how marketing/ social media usage affects consumers' purchase decisions and how it affects the brand too.

### 2.2 Review of Literature:

Social Media has been gaining popularity worldwide over the last years at an increasingly growing rate. Motivated by this fact, firms are piloting different approaches of promoting their products and services to consumers in order to capitalize on the prominence of such websites. The aim of this research is to elucidate how specific aspects of social media websites foster user intention to browse products and the effect that this has in shaping purchasing and information-sharing intentions. Utilitarian and Hedonic motivation theory provides the theoretical background on which we segregate the factors that contribute to product browsing on social media websites.

"Shopping and Word-of-Mouth Intentions on Social Media" Mikalef, Patrick 2013

Buyers' behavior is affected by different factors that influence the intention to purchase online. This paper specified three factors Trust, Past Experience, and Social Presence which have a strong relationship with the intention to purchase online. The study found that all these factors have a positive correlation with buyers' intentions and purchasing behaviors, but "Trust" was the strongest factor that affects the intention to purchase online. Therefore the study concludes that trust is the main driver that improves online business. A meta-study of the empirical literature on trust and other two factors in e-commerce systems was conducted, and propose a qualitative model incorporating the various factors that have been empirically found to influence consumer trust and increase the intention to purchase online.

"The Impact of Trust and Past Experience on Intention to Purchase in E-Commerce"

Abdulsalam's Imhmed.Mohmed et al., (2013)

The objective of the study was to examine the elements that influence buyer's intention to purchase online. With the help of 78 questions, which were, coded and were subject to further analysis, the research concluded that trust appeared to be a significant predictor of intention to purchase online.

"Investigating the relationship between trust and intention to purchase online"

Azhari Jamaludin et al., (2013)

paper explores to what extend Facebook advertising generates purchasing intentions, and influence consumers' buying habits. We analyse consumers' opinions regarding issues of privacy and social pressure from online communities, and their effect on consumers' shopping habits. By conducting a survey, and comparing our findings with findings in the literature, we aim to compare users viewpoints of internet advertising from the late 90's with the viewpoints of young people that are constantly exposed to social media.

"Attitude towards advertising on social media."

Antonis Kodjamanis et al., (2013)

This paper aims to answer this question based on a study regarding the online activities of 236 social media users, by identifying different types of users, a segmentation of these users and a linear model to examine how different predictors related to social networking sites have a positive impact on the respondents' perception of online advertisements

"The effects of social media marketing on Online Consumer Behaviour"

Simona Vincerean et al., (2013)

Social media has been identified as a significant vehicle in fostering social connections however the depth and significance of these connections to the creation of trust has not been well developed. According to Robert Putnam trust derives from reciprocity that is learned only in cooperation with others. Putnam is skeptical of a positive relationship between trust and digitalized social media. According to Uslaner trust is a moral issue established by family relationships early in life and therefore use of social media has no impact on creating trust. This paper is a structured literature review. The aim is to investigate if trust can be created by connections on digitalized social media. Eight articles emphasized a positive relationship between social media and trust; two articles claimed no relationship between trust and social media.

"Social Media and Trust"

Peter Hakansson et al., (2015)

**2.3 Research Gap:** There is a need for more comprehensive research that examines the impact of social media usage on customer purchase intention across various social media platforms, customer demographics, and product/service characteristics, using more objective measures of purchase behavior such as sales data or click-through rates. Such research can provide a more nuanced understanding of the

relationship between social media and customer purchase intention and help businesses develop more targeted and effective social media strategies.

## 2.4 Objectives :

1. To examine the relationship between social media usage and customer purchase intention, and identify the factors that influence this relationship.

2. To examine the impact of social media on the customer's perceived value of a product or service, and how this perceived value affects their purchase intention.

3. To investigate the impact of social media on customer trust, and how this trust affects their purchase intention.

4. To identify the limitations of social media in influencing customer purchase intention.

**2.5 Approach:** the primary data is based on the questionnaire which is given to active social media users to understand the issues faced, which was conducted across Bangalore city. The study is to understand how social media actually impacts a consumer's buying decisions.

**Table -1:** Descriptive Statistics

**Objective – To examine the impact of social media on the customer's perceived value of a product or service, and how this perceived value affects their purchase intention.**

**Null Hypothesis –** There is no significant relationship between customer's perceived value and their purchase intention.

**Alternative Hypothesis –** There is a significant relationship between customer's perceived value and their purchase intention.

SUMMARY OUTPUT									
<b>Regression Statistics</b>									
Multiple R	0.64384								
R Square	0.41453								
Adjusted R	0.408901								
Standard Error	0.666205								
Observations	106								
<b>ANOVA</b>									
	df	SS	MS	F	Significance F				
Regression	1	32.68141	32.68141	73.63514982	9.73E-14				
Residual	104	46.15821	0.443829						
Total	105	78.83962							
		Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept		0.789579	0.176438	4.475114	1.95933E-05	0.439696	1.139462	0.439696	1.139462
2		0.604472	0.070442	8.581093	9.73246E-14	0.464782	0.744162	0.464782	0.744162

Since the P value is less than 0.05, we are rejecting null hypothesis and accepting alternative hypothesis.

Therefore, there is a significant relationship between customer's perceived value and their purchase intention.

**Objective - To investigate the impact of social media on customer trust, and how this trust affects their purchase intention.**

**Null Hypothesis –** There is no significant relationship between customers' trust and their purchase intention.

**Alternative Hypothesis** – There is a significant relationship between customers' trust and their purchase intention.

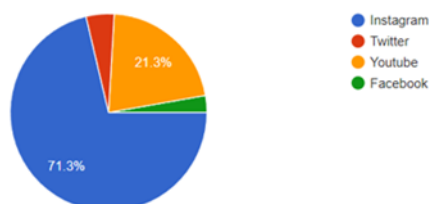
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Since the P value is less than 0.05, we are rejecting the null hypothesis and accepting the alternative hypothesis. Therefore, there is a significant relationship between customers' trust and their purchase intention.

## Charts

2. What platform do you use the most?

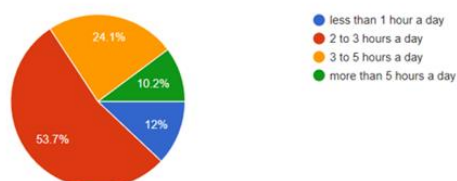
108 responses



**INTERPRETATION: 71.3% of the respondents use Instagram the most, followed by 21.3% of the respondents use Youtube the most .**

### 3. Amount of time spent on social media

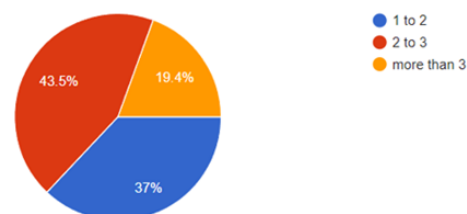
108 responses



**INTERPRETATION: 53.7% of the respondents spend 2-3 hours on social media everyday**

4. Numbers of social media platforms you use on an average?

108 responses



**INTERPRETATION: 43.5% of the respondents use 2-3 social media platforms on an average.**

### 5. Reason for using social media

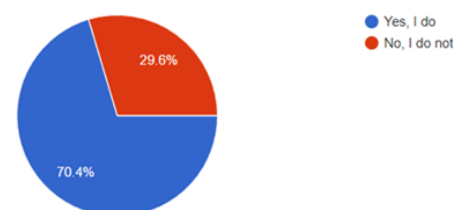
108 responses



**INTERPRETATION:** 92.6% and 71% of the respondents use social media for entertainment and news respectively.

6. Do you follow brands on social media?

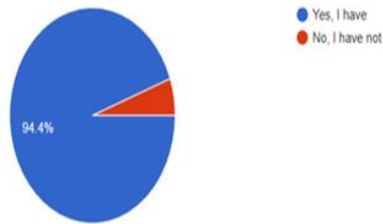
108 responses



**INTERPRETATION: 70% of the respondents follow brands while the rest 30% do not follow.**

7. Have you ever come across a product or service on social media that you had not previously known about?

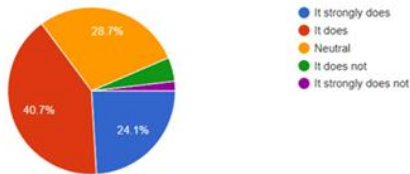
108 responses



**INTERPRETATION: 94.4% of the respondents have come across products on SM that they did not know about.**

8. Does social media influence your perception of the value of a product or service?

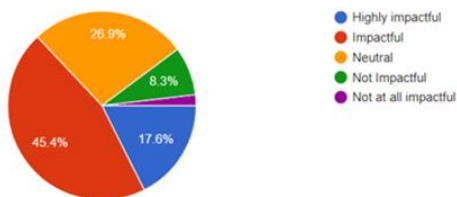
108 responses



**INTERPRETATION: 40.7% of the respondents do feel that SM does influence their perception of a product while 28% say they are neutral.**

9. How impactful is the developed perceived value from social media influence your purchase intention ?

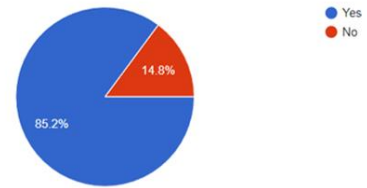
108 responses



**INTERPRETATION: 45.4% say it is impactful while 26.9% say it is neutral.**

10. Has Social Media ever given a negative perception of a product or service?

108 responses



**INTERPRETATION: 85.2% say SM has given them a negative perception.**

11. Has Social Media ever given a positive perception of a product or service?

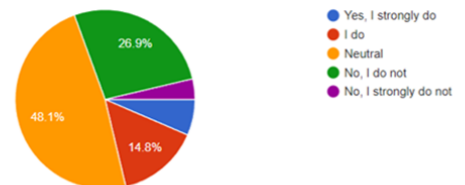
108 responses



**INTERPRETATION: 95% of them say SM has given them a positive value of a product but the rest say they haven't.**

12. Do you trust the product/information of unfamiliar brands you see on the social platform?

108 responses

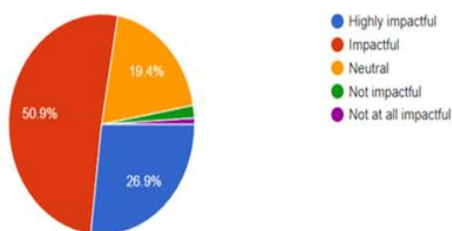


**INTERPRETATION: 48% of them feel neutral, while 27% of them do not trust.**



13. How much do reviews, comments, or recommendations from other users on social media impact your trust on a product or service?

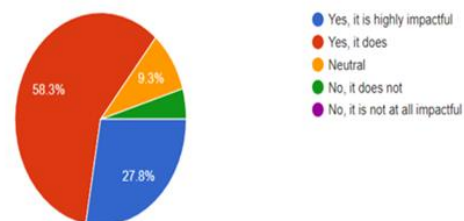
108 responses



**INTERPRETATION:** 51 % of them feel that it impacts while 27% of them feel it is highly impactful.

16. Do reviews/comments alter/impact your purchase intention?

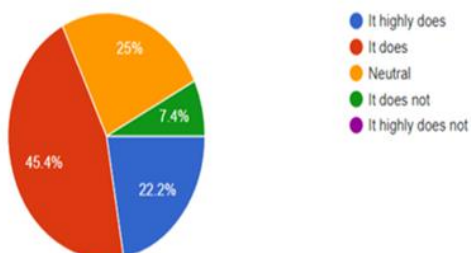
108 responses



**INTERPRETATION:** 58.3% say it does impact their purchase intention while 27.8% say it highly impactful.

14. Does high brand visibility on social media increase your trust ?

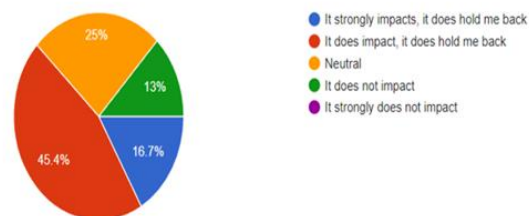
108 responses



**INTERPRETATION:** 45% of them feel it does increase their trust, while 25% of them feel it's neutral.

17. Does non availability of trial or lack of physical experience hold you back from buying?

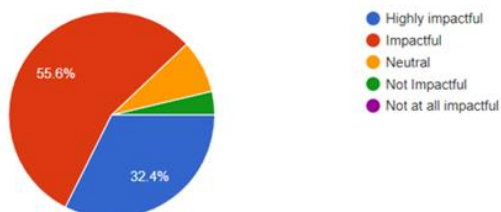
108 responses



**INTERPRETATION:** 45.4% of them feel lack of physical experience does hold them back from buying.

15. Does brands being interactive to customer complaints on the platform increase your trust?

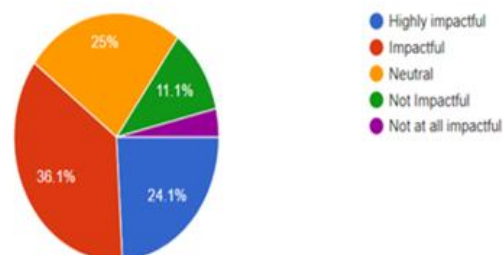
108 responses



**INTERPRETATION:** 55.6% of them feel it is impactful while 32.4% feel it is highly impactful.

18. Does lack of physical customer support adversely impact your buying decision?

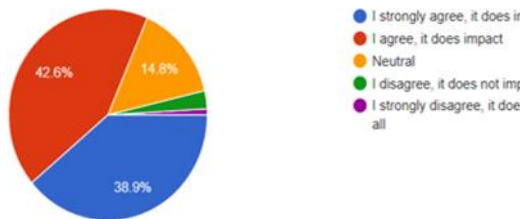
108 responses



**INTERPRETATION:** 36% of them say it is impactful while 24 % say it is highly impactful and 25% are neutral.

19. Does risk of fraud on social media impact your buying decision?

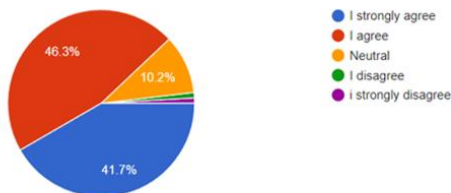
108 responses



**INTERPRETATION: 42.6% say it does impact while 39% say it highly impacts.**

20. "Social media influencers can be paid to promote products, and it may not always be the reality of the product."

108 responses



**INTERPRETATION: 46.3% of the respondents agree while 41% strongly agree.**

21. Social media can be filled with paid reviews, false information and random claims. Do these alter your purchasing decision?

108 responses



**INTERPRETATION: 45.4% agree while 39% of the respondents strongly agree.**

### 3. CONCLUSIONS

- Majority of the respondents use Instagram the most and they use the platform 2-3 hours a day.
- Majority of them have both negative and positive perceptions of a product.
- More than half of them agreed that social media does influence their perception of a product/service.
- High visibility and high customer support on social media increase customers' trust.
- Majority of them agree that paid reviews and comments do alter their purchasing intention.

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