

A STUDY ON SOCIAL MEDIA SITES AND ITS IMPACT ON E-CONSUMER'S BUYING BEHAVIOUR

(With reference to Coimbatore city)

By

Mrs.S.AKHILA,

Research Scholar

Sri Krishna Arts &Science College Coimbatore

Dr.K.R.SIVABAGYAM

Assistant Professor

Department of Commerce

Sri Krishna Arts &Science College Coimbatore

ABSTRACT

Social media nowadays is the 'best possibilities available' to an item to get in touch with potential customers directly. Community social networking sites are the method which is widely used to interact socially. In most cases, these new media won the belief and trust of customers by linking with them at a deeper level. Social media marketing is the new mantra for many manufacturers, wholesalers and retailers since early a season ago. Promoters are considering many various social media possibilities and arising with new social projects at a better frequency than ever before. Social media marketing and the companies that utilize it have become more intensified. The boom of social media trend is as amazing as that and the speed at which it is improving is incredible. International companies have identified social media marketing as a potential promotion system and began to use them with enhancements to power their marketing with social media promotion. This paper discusses about the awareness level of e-consumers in social media sites and the impact of social media advertisements on e-consumers. It also presents an outline on social media marketing in Coimbatore.

Keywords: Social media; Social media marketing; Community social networking; Awareness level of e-consumers; Social media marketing in Coimbatore.

1.1 INTRODUCTION

Online marketing is additionally specified as net marketing, Web-marketing, digital marketing and search engine marketing (SEM). Online marketing connects organizations with qualified potential customers and takes business development to a much higher level than traditional marketing/advertising. Online marketing synergistically combines the Internet's inventive and technical tools, together with style, development, sales and advertising while focusing on the primary business models.

Online marketing refers to a group of powerful tools and methods used for promoting products and services through the sites. Online marketing includes a wider variety of marketing components than traditional business marketing due to the additional channels and marketing mechanisms accessible on the internet.

Today, the Internet is the premium source for promoting any type of business. There has been a speedy rise in the number of internet users since last few years. Thus Internet is that the lucrative place to stimulate the business.

1.2 REVIEW OF LITERATURE

A review of literature helps the researchers to have a first-hand knowledge about the parallel work done by others. In order to have a comprehensive understanding of the proposed study, the following research studies have been reviewed.

Ozment and Morash (1994)¹ revealed that delivering quality in services has been shown to be an important strategy for marketers who are trying to differentiate their service offering by establishing customer value and satisfying customer needs.

Rice (1997)² surveyed visitors to 87 websites to determine factors that would induce them to revisit. His measures enclosed smart content/ information which were the important driver of revisit, and enjoyable experience on the first visit which was the second most important driver.

Dabholkar et al. (2000)³ showed that the majority of customers surveyed were dissatisfied with recovery attempts in web-marketing. This dissatisfaction affected intention to repertoire a company's website. Recovery measures are extremely important with online service quality because consumers are just one click away from switching to another e-retailer.

Mishra, Sita (2010)⁴ within the topic "Participation of Youth in Social Networking Sites in India" says that social networking sites became a real force to be reckoned with on the online. This latest trend has caught on in an exceedingly massive means the world over. Relatively new in India, this development has been a direct hit particularly with the Indian youth.

Vinita Srivastava (2012)⁵ in her study 'A Study on the Effectiveness of Internet Advertisements' concluded that internet has experienced tremendous growth as a communication medium which has led to the creation of a global online market place for business and consumers. The study also confirms that consumer perceives the internet advertisements to be reliable and they compare it from other sources also.

¹ Ozmen, J., and Morash, E.A. (1994). "The Augmented service offering for perceived and actual service quality". *Journal of the Academy of Marketing Science*. 4(22), 352-363¹

² Rice, M. (1997). "What makes users revisit a website?". *Marketing News*. 31(6), 12-13. Roger, Everest, M. (1995). "Diffusion of innovations". 4th ed., New York: Free Press.

³ Dabholkar, Pratibha, A.C., David Shepherd and Dayle I. Thorpe. (2000). "A comprehensive framework for service quality: An investigation of critical conceptual and measurement issues through a longitudinal study," *Journal of Retailing*, 76(2), 139-173.

⁴ Mishra, Sita (2010) in the topic "Participation of Youth in Social Networking Sites in India" from "International Journal of Business Innovation and Research", Volume. 4, No. 4; pp 358-375

⁵ Vinita Srivastava (2012), 'A Study on the Effectiveness of Internet Advertisements' *Indian Journal of Marketing*, pg 37-46.

Christina Chung and Alexander Muk(2017)⁶in their study ‘Online shopper’s Social Media Usage and Shopping Behaviour” concluded that active interaction and useful information on social media create positive perception towards products messages in Social media websites. Providing proper responses to the consumers and the instant feedback given by the online shoppers is a key to Social Media Channel.

1.3 STATEMENT OF THE PROBLEM

Modern globe, nowadays, has millions of people online having potential to be customers for a product or services offered by a company. It is very important for an online retailer to know what kind of things and strategies help to increase sales in this fierce competition in market with high expectation of online consumers. The study shows that the sites that perform best in customer experience have a big advantage in driving online sales. Since online shopping is that the new medium of shopping with new demands of consumers, it's vital to understand about their behaviour, understand their requirement to analyse their needs to enhance performance and attract more customers. Consumer behaviour in online shopping is varied from traditional shopping; both include social, cultural, personal, and psychological factors. Traditional shopping is much more influenced by the above factors as compared to online shopping. Hence, it is necessary to study the behaviour of the consumers through social media sites which authorise them to transmit their purchase decisions/e-marketing/preferences as they like.

1.4 OBJECTIVES OF THE STUDY

Based on the statement of the problem, the researcher has framed the following objectives.

1. To study the level of awareness of e-consumers about social media sites.
2. To examine the impact of social media sites on e-consumers purchasing behavior.

1.5 METHOD OF DATA COLLECTION

Primary data is collected through a structured questionnaire prepared based on the objectives of study. Questions are framed on the basis of descriptive format. Face to face interview also conducted in order to improve data efficiency.

1.6 TECHNIQUE OF DATA COLLECTION

Collection was done using random sampling. In the first phase all respondents were briefed about how to fill up the questionnaire in the scale. The questionnaires were distributed to respondents. Filled questionnaires were collected from respondents for statistical analysis of data.

1.7 SAMPLE SIZE

It refers to the number of respondents selected from the universe to constitute a sample. It comprises of 294 respondents from Coimbatore city spread across various socio-demographic profiles.

⁶Christina Chung and Alexander Muk (2017) Online shopper’s Social Media Usage and Shopping Behaviour”Print ISBN978-3-319-50006-5

1.8 SAMPLE UNIT:

In the present study a sample of respondents was randomly drawn from the literate population of Coimbatore city. So the respondents are urban literate people from the study area for this study.

1.9 DATA ANALYSIS

The data collected from the potential respondents were analyzed by the tools:

- (i) **Percentage analysis**
- (ii) **Factor Analysis**

Percentage analysis: Percentage analysis has been used to analyze the frequency distribution of the sample respondents against the awareness of literate people towards the usage of social mediemarketing in Coimbatore city.

This analysis describes the distribution of the respondents calculated for standardisation mainly for comparison purpose. Suitable diagrams and charts were also drawn to make clear understating which also gives a bird's eye-view to the problem.

$$\text{Percentage} = \frac{\text{Number of Respondents}}{\text{Total number of Respondents}} * 100$$

TABLE 1.1: SOURCES OF INFORMATION ABOUT SOCIAL MEDIA ADVERTISEMENTS

S.NO.	Sources of Information	Frequency	Per cent
1	Media	114	38.8
2	Friends	124	42.2
3	Journals	34	11.6
4	Others	22	7.5
	Total	294	100.0

Source: Primary Data

From the above table, we know that 38.8 per cent of the respondents fetch information about social media advertisements through media, 42.2 per cent of the respondents fetch information about social media advertisements from friends, 11.6per cent of the respondents fetch information about social media advertisements from journals and 7.5 per cent of the respondents fetch information about social media advertisements from other sources. *It is known that majority of the respondents fetch information about social media advertisements from friends (42.2 per cent).*

EXHIBIT 1.1

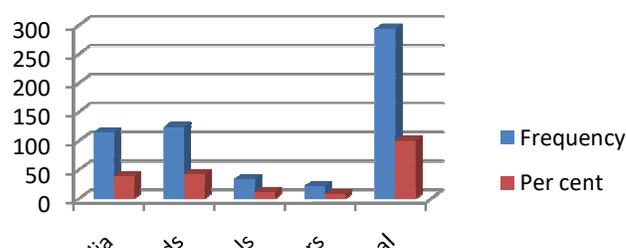
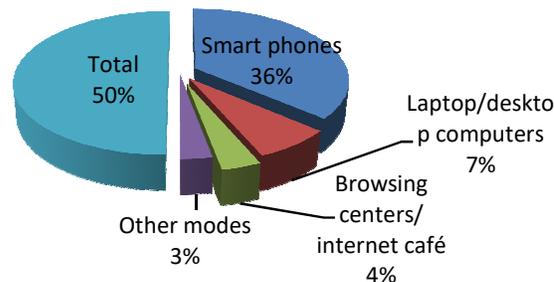


TABLE 1.2: MODE OF USING SOCIAL MEDIA SITES

S.NO.	Mode of using social media sites	Frequency	Per cent
1	Smart phones	214	72.8
2	Laptop/desktop computers	42	14.3
3	Browsing centers/ internet café	21	7.1
4	Other modes	17	5.8
	Total	294	100.0

Source: Primary Data

From the above table, we know that 72.8 per cent of the respondents use smart phones to view social media sites mostly, 14.3 per cent of the respondents use Laptop/desktop computers to view social media sites mostly, 7.1 per cent of the respondents use Browsing centers/ internet café to view social media sites mostly and 5.8 per cent of the respondents use Other modes to view social media sites mostly. *The majority of the respondents use smart phones to view social media sites mostly (72.8 per cent).*

EXHIBIT 1.2**TABLE 1.3: DURATION OF USING WEBSITE BY THE RESPONDENTS**

S. No.	Duration of using website	Frequency	Percent
1	Less than a month	49	16.7
2	Between 1-6 months	52	17.7
3	Between 6 months to 1 year	48	16.3
4	Above 1 year	145	49.3
	Total	294	100.0

Source: Primary Data

From the above table, we know that 16.7 per cent of the respondents have been using social media sites less than a month, 17.7per cent of the respondents have been using social media sites Between 1-6 months, 16.3per cent of the respondents have been using social media sites Between 6 months to 1 year and 49.3per cent of the respondents have been using social media sites above 1 year. *The majority of the respondents have been using social media sites Above 1 year (49.3 per cent).*

EXHIBIT1.3

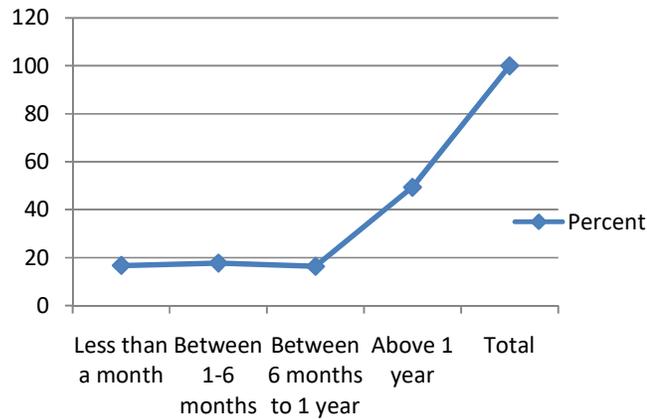


TABLE 1.4: AVERAGE TIME SPENT ON SOCIAL MEDIA SITES

S.NO.	Average time spent on Social Media Sites	Frequency	Per cent
1	Less than 1 hour	105	35.7
2	Between 1-5 hours	115	39.1
3	Between 5-8 hours	53	18.0
4	More than 8 hours	21	7.1
	Total	294	100.0

Source: Primary Data

From the above table, we know that 35.7 per cent of the respondents averagely spent less than 1 hour on social media, 39.1per cent of the respondents averagely spent between 1-5 hours on social media, 18.0 per cent of the respondents averagely spent between 5-8 hours on social media and 7.1 per cent of the respondents averagely spent more than 8 hours on social media. *The majority of the respondents averagely spent between 1-5 hours (39.1per cent) on social media.*

EXHIBIT 1.4

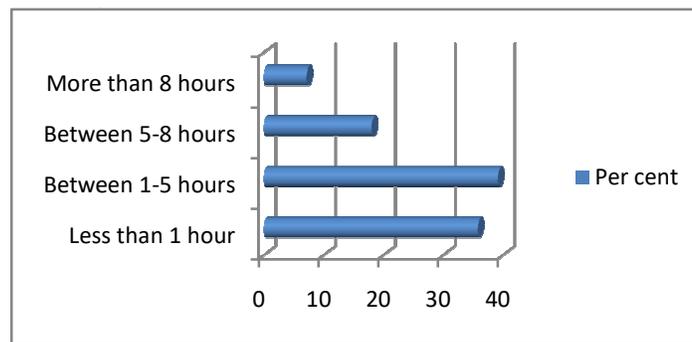


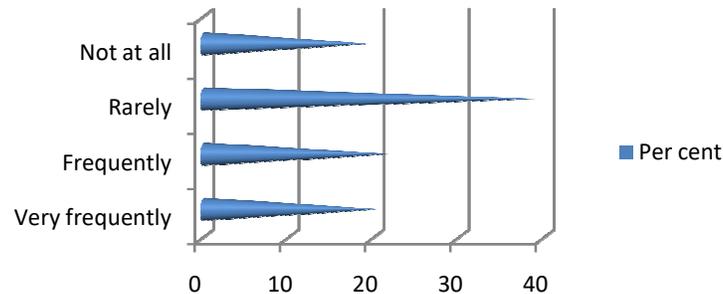
TABLE 1.5: FREQUENCY OF VIEWING THE ADVERTISEMENTS SEEN ON USER ACCOUNT

S.NO.	Frequency of viewing the advertisements seen on user account	Frequency	Per cent
1	Very frequently	60	20.4
2	Frequently	64	21.8
3	Rarely	114	38.8
4	Not at all	56	19.0
	Total	294	100.0

Source: Primary Data

From the above table, we know that 20.4 per cent of the respondents Very frequently click on the advertisements when they view on their user account, 21.8 per cent of the respondents frequently click on the advertisements when they view on their user account, 38.8 per cent of the respondents rarely click on the advertisements when they view on their user account and 19.0 per cent of the respondents not at all click on the advertisements when they view on their user account. *The majority of the respondents rarely click on the advertisements when they view on their user account (38.8 per cent).*

EXHIBIT 1.5



(ii) FACTOR ANALYSIS

Factor Analysis may be a set of technique which by analyzing correlations between variables reduces their numbers into fewer factors which explain much of the first data, more economically. Even though a subjective interpretation may result from an element analysis output, the procedure often provides an insight into relevant psychographic variables, and leads to economic use of knowledge collection efforts. The subjective element of factor analysis is reduced by splitting the sample randomly into two and extracting factors separately from both parts. If similar factors result, the analysis is assumed as reliable or stable.

TABLE 2.1
KMO AND BARTLETT'S TEST – FACTORS THAT INFLUENCE THE USAGE OF SOCIAL MEDIA SITES

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.839
Bartlett's Test of Sphericity	Approx. Chi-Square	1025.334
	Df	45
	Sig.	.000

**p<0.01 S-Significant

From the above table, two tests, namely Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) and Bartlett's Test of Sphericity have been applied to test whether the relationship among the variables has been significant or not. The Kaiser-Meyer-Olkin Measure of sampling adequacy shows that the value of test statistics is 0.839, which means the factor analysis for the selected variable is found to be appropriate or good to the data. Bartlett's test of sphericity is used to test whether the data are statistically significant or not with the value of test statistics and the associated significance level. It shows that there exists a high relationship among variables.

TABLE 2.2
EIGEN VALUES AND PROPORTION OF TOTAL VARIANCE OF EACH UNDERLYING FACTORS THAT INFLUENCE THE USAGE OF SOCIAL MEDIA SITES

Total Variance Explained									
Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.334	43.338	43.338	4.334	43.34	43.338	4.135	41.35	41.347
2	1.153	11.533	54.871	1.153	11.53	54.871	1.352	13.52	54.871
Extraction Method: Principal Component Analysis.									

The results of the factor analysis presented in the table – 4.4.1.2 regarding factors related to influence usage of social media sites, have revealed that there are ten factors that had Eigen value exceeding “one”. Among those seven factors, the first factor accounted for 43.33 percent of the variance and the second 11.533 percent. The first four factors are the final factors solution and they all together represent 54.87 percent of the total variance in the scale items measuring the factors related to influence usage social media sites. Hence from the above results, it is certain these are the factors that are related to usage of social media sites.

TABLE 2.3
COMMUNALITIES FOR FACTORS THAT INFLUENCE THE USAGE OF SOCIAL MEDIA SITES

Communalities		
	Initial	Extraction
ECB1-Easy Navigation	1.000	.406
ECB2-Appealing Look	1.000	.666
ECB3-Updates	1.000	.564

ECB4-Highlighting Social Issues	1.000	.510
ECB5-Entertainment	1.000	.642
ECB6-Communication	1.000	.576
ECB7-Sharing	1.000	.656
ECB8-Gain new acquaintances of people	1.000	.538
ECB9-Make professional and business contacts	1.000	.475
ECB10-Advertisement	1.000	.455
<i>Extraction Method: Principal Component Analysis.</i>		

The above table (Communalities) represents the application of the Factor Extraction Process, it was performed by Principal Component Analysis to identify the number of factors to be extracted from the data and by specifying the most commonly used Varimax rotation method⁴. In the principal component analysis, total variance in the data is considered. The proportion of the variance is explained by the fourteen factors in each variable. The proportion of variance is explained by the common factors called communalities of the variance. Principal Component Analysis works on initial assumption that all the variance is common. Therefore, before extraction the communalities are all 1.000. Then the most common approach for determining the number of factors to retain⁵ i.e. examining Eigen values was done.

TABLE 2.4
ROTATED COMPONENT MATRIX FORFACTORS THAT INFLUENCE THE USAGE OF
SOCIAL MEDIA SITES

Rotated Component Matrix		
	Component	
	1	2
Communication	.735	
Gain new acquaintances of people	.714	
Highlighting Social Issues	.714	
Advertisement	.672	
Appealing Look	.660	
Make professional and business contacts	.658	
Easy Navigation	.634	
Entertainment		.551
Sharing		.626
Updates		.562
<i>Extraction Method: Principal Component Analysis.</i>		
<i>a. Rotation converged in 3 iterations.</i>		

The above table represents the Rotated Component Matrix, which is an important output of principal component analysis. The coefficients are the factor loadings which represent the correlation between the factors and the twelve variables (X_1 to X_{10}). From the above factor matrix it is found that coefficients for factor-I have high absolute correlations with variables: Communication, Gain new acquaintances of people, Highlighting Social Issues, Advertisement, Appealing Look, Make professional & business contacts and Easy Navigation .735, .714, .714, .672, .660, .658 and .634 respectively. Similarly factor-II has high absolute correlation with variables: entertainment, sharing and updates that is, .551, .626 and .562 respectively. For example in this study, factor I is at least somewhat correlated

with twelve variable out of the twelve variables with absolute value of factor loading greater than or equal to 0.5. In such a complex matrix it is difficult to interpret the factor. So proceed to compute the rotated factor matrix.

TABLE 2.5
COMPONENT TRANSFORMATION MATRIX FACTORS THAT INFLUENCE THE USAGE
OF SOCIAL MEDIA SITES

Component Transformation Matrix		
Component	1	2
1	.968	.250
2	.250	-.968
<i>Extraction Method: Principal Component Analysis.</i>		

The above table reveals the factor correlation matrix. If the factors are uncorrelated among themselves, then in the factor correlation matrix, the diagonal elements will be 1's and off diagonal elements will be 0's. Since matrix was rotated with Varimax, barring some variables all other variables are found to have, even if not zero correlations but fairly, low correlation.

Factor Analysis: Conclusion

Thus the ten variables in the data were reduced to two Component factors and each factor may be identified with the corresponding variables as follows:

VARIABLES	%	FACTOR
Communication	54.02	FACTOR I
Gain new acquaintances of people	50.98	
Highlighting Social Issues	50.98	
Advertisement	45.16	
Appealing Look	43.56	
Make professional and business contacts	43.30	
Easy Navigation	40.20	FACTOR II
Entertainment	30.36	
Sharing	39.19	
Updates	31.58	

1.10 FINDINGS

The following are some of the important findings of this study:

PERCENTAGE ANALYSIS

- Majority (42.2 per cent) of the respondents fetch information about social media advertisements from friends.
- Majority (72.8 per cent) of the respondents use smart phones to view social media sites.
- Majority (49.3 per cent) of the respondents have been using social media sites above 1 year.
- Majority (39.1per cent) of the respondents averagely spent between 1-5 hours on social media.

- Majority (38.8 per cent) of the respondents rarely click on the advertisements when they view on their user account.

FACTOR ANALYSIS

- **Bartlett's test:** It shows that there exists a high relationship among variables.
- **Eigen Values:** It has been revealed that among ten factor, the first four factors are the final factors solution and they all together represent 54.87 percent of the total variance in the scale items measuring the factors related to influence usage social media sites. Hence from the above results, it is certain these are the factors that are related to usage of social media sites.
- **Principal Component Analysis:** Principal Component Analysis works on initial assumption that all the variance is common. Therefore, before extraction the communalities are all 1.000. Then the most common approach for determining the number of factors to retain⁵ i.e. examining Eigen values was done.
- **Rotated Component Matrix:** It is found that coefficients for factor-I have high absolute correlations with variables: Communication, Gain new acquaintances of people, Highlighting Social Issues, Advertisement, Appealing Look, Make professional & business contacts and Easy Navigation .735, .714, .714, .672, .660, .658 and .634 respectively. Similarly factor-II has high absolute correlation with variables: entertainment, sharing and updates that is, .551, .626 and .562 respectively.
- **Component Transformation Matrix:** Since matrix was rotated with Varimax, barring some variables all other variables are found to have, even if not zero correlations but fairly, low correlation.

1.11 SUGGESTIONS

An emerging strategic focus is on the utilization of user-generated content, content that's created by consumers in response to specific brands or brand requests and influences the perceptions of other consumers. This kind of strategic approach requires a high degree of maintenance and corporations utilizing this method should be prepared to designate a marketing service to the management of online customer relationships.

1.12 CONCLUSION

Finally, the study shows that the utilization of social media improved satisfaction for consumers during the initial stages of data search and alternative evaluation but didn't help much in improving satisfaction within the purchase decision stage, nor within the post-purchase evaluation. Many consumers are just as satisfied to reach their purchase decision in the traditional physical stores after having conducted their search and evaluation online; which means that brick-and-mortar shops have not yet lost their significance.

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