

# Impact of Social Media Marketing on Consumer Buying Behaviour - A study

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## ABSTRACT

Social media marketing has become the most powerful mode for companies seeking to reach out to their prospects and customers. Given the wide reach of SMM, firms are increasingly relying on it, In order to achieve their marketing & branding objectives. By replacing the traditional ways of marketing, social media has provided new opportunities to firms to engage consumers in social interaction on the internet. The objective of the current study is to investigate the potential of social media marketing as an effective marketing tool that helps them to affect perception of customers & ultimately influence their purchase decisions. The study aims to highlight the advantages that companies gain by effective use of SMM. The research suggests that the engagement with SMM has a positive effect on consumers brand awareness & purchase intentions. The article also analyses the negative influence of companies' social media activities which affect the overall commitment & involvement of the consumers. Thus the study provides a mode for uncovering managerial challenges & for planning better responses to consumers' social media activities.

## 1. Introduction

Social media revolution has changed the marketing landscape & has strengthened the marketing communication process. The customer now has more power than ever to initiate, drive & change the entire buying process. This cost effective way has not only helped companies to increase brand awareness but has drastically improved brand loyalty and customer satisfaction by helping them gain better marketplace insights. With consumer spending more & more time in the social media realm an increasing share of communication occurs within these social network environments. This implies that brand related interaction & exposure to marketing campaigns increasingly takes place within social media. The emerging communication setup has thereby transformed consumers from being passive participants in marketing to being active creators & influencers (Kozinets et al, 2008, Merz et al, 2009) & has shifted some power over brands directly to the consumer (Constantinides & Fountain, 2008).

Social media encompasses a wide range of online, web forums including blogs, company sponsored discussion boards & chatrooms, consumer to consumer e mail, consumer product or service rating websites & forums, internet discussion boards & forums, moblogs, (sites containing digital audio, images, movies, or photographs), and social networking websites, to name a few. (Mangold, W.G., & Faulds, D.J. (2009)) The interactive ability of social media with its ability to establish conversations among consumers & firms helps companies in value creation & has excited the practitioners with its potential to better serve customers & satisfy their needs. People are exposing themselves to a wide range to social media for gathering information about products, purchasing & consuming them and communicating their experiences with others. On other hand companies respond to this consumer shift by increasing their use of social media marketing channels.

## 2. Review of existing Literature

Social media are the two-way communication platforms that allow users to interact with each other online to share information and opinions. Social media are online applications, platforms and media which aim to facilitate interactions, collaborations and the sharing of content (Richter & Koch, 2007). Social media are changing the way society consumes and contributes to the creation of information. Technology now allows individuals to easily contribute their thoughts, opinions and creations to the Internet. This has radically altered the way in which information is created and disseminated (Buhalis & Law, 2008; Buhalis, D. and Law, R. 2008.) Understanding the role of social media in the context of marketing is critical for both researchers and managers (e.g. Fong & Burton, 2008; Kumar, Bezawada, Rishika, Janakiraman, & Kannan, 2016; Schultz & Peltier, 2013). Most existing studies focus on particular issues, such as purchase behavior (Chang, Yu, & Lu, 2015; Kumar et al., 2016; Relling, Schnittka, Sattler, & Johnen, 2016), customer relationship management (Trainor, Andzulis, Rapp, & Agnihotri, 2014), brand management (Asmussen, Harridge-March, Occhiocupo, & Farquhar, 2013), innovation management (Gebauer, Füller, & Pezzei, 2013), and employee recruitment (Sivertzen, Nilsen, & Olafsen, 2013).

Safko and Brake (2009, s.6) define social media as "activities, practices & behavior among communities of people who gather online to share information, knowledge, and opinions using conversational media". According to Robinson (2007) social media are the tools used for communication that have Web 2.0 attributes that is, they are participatory, collaborative, and have knowledge sharing and user-empowering tools available on the Web. As an effective use of time and resources, social media marketing give companies' better communication grounds with the consumers to build brand loyalty beyond traditional methods (Jackson, 2011; Akhtar, 2011). A study by Info-graphics puts forward that at

least half of Twitter and Facebook users say they have become more likely to talk about, recommend or purchase a company's products after they began engaged with the company on social media (Jackson, 2011). Businesses can promote products and services, provide instant support, and/or create an online community of brand enthusiasts through all forms of social media such as social networking sites, content communities, virtual worlds, blogs, micro blogging sites, online gaming sites, social bookmarking, news sites, forums and more (Zarella, 2010; Kaplan and Haenlein, 2009; Weinberg, 2009). Additionally, social media enables consumers to share information with their peers about the product and service brands (Stileman, 2009; Mangold and Foulds, 2009). These conversations between the peers provide companies another cost effective way to increase brand awareness, boost brand recognition and recall, and increase brand loyalty (Gunelius, 2011). Thus, it can be said that social media helps firms to build brand loyalty through networking, conversation, and community building (McKee, 2010). As their use increases exponentially, not only existing social networkers but even business firms and governmental organizations are joining and using them as communication tools. Unlike individual social networkers, these entities actively make use of the media for advertising and marketing. While commercial messages and interactions with consumers partner with media, events, entertainment, retailers, and digital services through social media, it is possible to perform integrated marketing activities with much less effort and cost than before.

**Consumer buying behavior:** Consumers have to make countless decisions every day and thereby have to cope with increasing information overload. They therefore develop certain habits and "heuristics", which are shortcuts and "rules of thumb" used in decision making, to cope with this mental overload (Scammon, 1977; Jacoby et al., 1977; Jacoby, 1984).

The consumer decision-making process comprises the various steps a consumer passes through when making a purchase decision (Olshavsky and Granbois, 1979). Engel, Kollat, and Blackwell (EKB) have presented a comprehensive model dealing with ultimate consumer's behavior in 1978, which attempts to capture the critical aspects of individuals' consumption behavior. As the figure (Figure 1) shows, the model has interpreted consumer behavior into five stages – 1) Problem recognition, 2) search of information, 3) evaluation of alternatives, 4) final decision, and 5) post purchase decisions. (Sternthal and Craig 1982).



Today the accessibility and transparency of information has profoundly influenced the decision making process; therefore, it is important to examine what are the hurdles and fiction points that hold prospects becoming consumers, or keeps consumers hesitating from repurchasing. (Silverman 2001.)

Social media influence several components of consumer behavior such as awareness, information acquisition, opinions,

attitudes, but also purchase behavior and post-purchase communications and evaluation (Mangold & Faulds, 2009). It is claimed for example that virtual communities, a term used to describe a subset of social media, serve as reference groups with their power derived from the heterogeneity of its members, while their influence differs across the various phases of the consumer decision process (De Valck et al., 2009).

According to social media marketing industry report, the social media realm is not a mere fad in which marketers are increasingly attracted, 83% of them place high value on social media of their businesses (Stelzner 2012). The buying attitudes of consumers are not merely affected by traditional channels but social media plays an important part in the consumer buying behavior process which is now highly affected by peer reviews, social networks, blogs etc. Weinberg (2009) has proposed few reasons to tap into a solid social media strategy in addition to (or instead of) the traditional ones, which are – facilitation in natural discovery of new content, boost up in traffic numbers, strong relationship building, as well as a cheap alternative to traditional marketing. While social media marketing is an evolving technology with much potential, yet marketing's role still remains the same – defining the target market, communicating with prospects, building loyalty, customer engagement and so on. (Weber 2009.)

Constantinides and Fountain (2008) have suggested an innovative Stimuli and Response model based on Kotler's (1984) framework, due to the increasing usage of social media. within a traditional shopping environment, consumers are most likely to be affected by the traditional marketing mix (e.g. ads on radio, newspaper, television, and so on) and other uncontrollable stimuli (e.g. values, societies, demographics, perceptions, and so on); however, with social media and Web 2.0, it extends to online marketing mix (e.g. emails, banners, cooperate websites, and so on) and the social media experiences, which are far beyond the marketer's control. (Constantinides and Fountain 2008) Since the contents on social media are rather democratic and neutral, according to Vollmer and Precourt (2008), consumers are turning more frequently to various types of social media to conduct their information searches and to make their purchasing decisions.

Due to the degree of connectedness and increased communication facilitated by social media and SNSs, consumers can in essence access the power of the people more readily in relation to companies through the online communities which have brought them together in single spaces. Given these factors, Kozinets (1999) argues that building relationships and engaging in conversations with consumers in online communities has become increasingly important. This relationship building he calls 'virtual relationship marketing'. In addition, Gillin (2007: xiii) states that social media presents an opportunity for marketers to converse with customers. Central to this discipline, which Gillin (2007) refers to as 'conversation marketing', is dialogue. 'Conversation marketing' will require marketers to approach consumers in a new way and to not only take from consumers but give back to consumers. The empowered consumer will expect to receive something of value in return for their participation. Gillin (2007: xiii) concludes: 'it means understanding who your customers

are, who influences them and how to engage with those influencers'. As a result, it is not the message and pushing it onto consumers that is important but creating a real and meaningful dialogue with them (Meadows-Klue, 2007).

One of the most important aspects of social media is the conversation that takes place is dynamic & two ways, which has affected the accessibility & transparency of data in a positive way. Social media enables two way flow of information and plays an important role in sending, receiving and exchanging information without any limitations. Since the flow of communication does not merely impact how companies can access their targeted groups, but also it influences throughout the entire decision process, from interpreting the message, searching for available alternatives, as well as actions carried out in the after purchase; thus, It is important to denote that message rejection, misinterpretation, and misunderstanding are the possible pitfalls in the flow of communication (Smith and Zook 2011, 120).

In relating to social media marketing, the biggest fear of companies and brands is to give up the control over the content, and the frequency of information; however, it is essential for marketers to realize that reviews and discussions, as user-generated contents, serve to demonstrate a company's transparency. (Weber 2007.)

### 3. Conclusion

Social media has considerably affected both consumers and businesses. The most important feature of SMM is that it has created a new landscape by supporting socialization of information and has thereby forced marketers to give up their old mindset in dealing with mass media marketing. SMM is more about creating high quality contents that are consumer relevant and as such more focused towards building relationships between consumers and companies. The research shows that the position of consumer in this new marketing approach is more consumers centric because consumers are empowered.

Social media marketing has offered consumers tremendous amount of accessibility and transparency of relevant information, which not only has a wide range but is also available at a faster speed. There is co-creation of value & consumers have become content generators. Social media influences consumer mindsets & their intention to buy.

Customers as such create additional value through social interactions & collaborations on the internet. This relationship will be one where company and consumers are on an equal footing and can engage in a proactive relationship with both the company and the consumer benefiting equally.

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