

# A Study on Influence of Social Media Marketing on Buying Decisions of Customers

K. Satish Kumar<sup>1</sup> & C. P. Hari Krishna<sup>2</sup>

<sup>1,2</sup> Associate Professor, Dr. K.V. Subba Reddy MBA Institutions, Kurnool.  
Email: [satishpcp@gmail.com](mailto:satishpcp@gmail.com)

## ABSTRACT

*Social media is a phenomenon that has become an important aspect in marketing mix and revolutionizing the way companies interact with customers. 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 & services in a personalized way. The past record shows that social media has contributed significantly in changing the perception of customers in buying process. Organizations can't ignore the growing importance of social networking sites on the buying behavior of customers. This paper is an attempt to examine the extent of social media in making /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. Conclusions of paper reveal the attitude of customers' towards social media marketing.*

**Keywords:** Social Media, Perception, Social Networking Sites, Kurnool City

## INTRODUCTION

Social Media Marketing makes use of social media sites to raise visibility on the Internet and to promote products and services. Social media sites are useful for building social (and business) networks, and for exchanging ideas and knowledge. Social media networking is part of a trend known as Web 2.0, which refers to changes in the way users and software developers use the Web. It is a more collaborative use of the Web that enhances creativity and knowledge exchange. It is a more interactive and user-driven way to help users participate and collaborate over the Web through open

applications and services. It is critical, therefore, that content is accessible to the user; the user should be able to create, share, remix, and repurpose content. Technologies that are accessible and affordable like Ajax (a method of building interactive applications for the Web that processes user requests immediately) and RSS (Really Simple Syndication) support Web 2.0 principles such as "user empowerment." Social Media Marketing uses podcasts, wikis, blogs, online videos, photo sharing, news sharing, message boards, and posts on social networking sites to reach a large or targeted audience.

All in all, it helps a company increase awareness of its brand, generate leads, build its customer base, improve sales and market share. If planned and executed properly, social media becomes a very cost effective mode of online promotions. This paper is focusing on the perception of customers towards social media and its marketing practices. It will also be helpful in identifying the parameters on which organizations should prefer social media marketing instead of traditional marketing.

### **LITERATURE REVIEW**

Sliva, Bhuptani, Menon & D'Sliva (2011) has made an attempt to understand the usage pattern of social media among youth in the city of Mumbai. It also aimed at assessing the influence of social media on the consumer buying behaviour. Results from the analysis indicated that social media is a very important tool for networking among youngsters.

Dash (2011) explored the relevant factors applicable for online marketing awareness, Purpose of use and usage of social networking sites and concluded that college students are well aware about different social networking sites and their use & popularity is increasing hence it is serving as a very good medium to connect students. Therefore, marketing with the help of these sites can play an important role for online marketing but it is necessary to ensure

product quality since user groups are educated.

Bashar, Ahmad & Wasiq (2012) has done an empirical research to understand the effectiveness of social media 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. Therefore, it is time for the companies to make effective strategies and execute them to win larger share of business through this revolutionary medium and become the innovative firm of coming future.

Bhakuni & Aronkar (2012) tried to understand the usage pattern of social media among the students of Gwalior city and also assessed the influence of social media advertising on the purchasing intention of the students. The study concluded that social media is a rapidly growing area with large number of young students associating with it and there is a strong positive relationship between purchase intention and social media advertising.

Yadav (2012) has made an attempt to set up the significance of social networks as an advertising medium and evaluated the existing advertising methods that are in trend via certain case studies and concluded that social websites are not just a tool to interact

with the different people but also medium to reach the prospective customers.

Vij & Sharma(2013) has done a study on social media experience of consumers and marketers in the State of Punjab. Based on the results of the study and reviewed literature, the paper suggested the measures for effective Social Media Marketing (SMM) strategies that Above all, social media marketing content should be ‘interesting’, ‘informative’, ‘interactive’ and ‘reliable’. Marketers should align their social media marketing effort with the changing tastes and preferences of customers.

**OBJECTIVES**

- a) To study the brand awareness, and brand preferences through social media
- b) To study the relationship between Brand Awareness & Brand Preference through Social Media
- c) To study the influence of social media on consumer buying behavior

**HYPOTHESIS**

H<sub>0</sub>: There is not significant relationship between awareness and preference of brands that are promoted on social media sites.

**RESEARCH METHODOLOGY**

To understand the behavior of customers towards Social Media Marketing descriptive research design was used. Primary data was collected with the help of close ended questionnaire. 120 Internet users were selected through convenience sampling from

Kurnool City. The data collected was analyzed with the help of statistical tools like frequency distribution and Chi-square test

**ANALYSIS & INTERPRETATIONS**

**Demographic Profile of Respondents:**

*Table 1: Demographic Profile of Respondents*

Particulars	Classification	Frequency	%
<b>Gender</b>	Male	72	60
	Female	48	40
<b>Education</b>	Intermediate	12	10
	Graduate	54	45
	Post Graduate	24	20
	Professional	30	25
<b>Age Group</b>	Below 25	24	20
	25-35	48	40
	36-50	36	30
	51-60	12	10
<b>Monthly Income</b>	Less Than Rs. 10,000	6	5
	Rs. 10,001 - Rs. 20,000	18	15
	Rs. 20,001 - Rs. 30,000	36	30
	Rs. 30,001 - Rs. 40,000	48	40
	More Than Rs. 40,000	12	10

As per shown in table demographics of respondents were classified according to their gender, education, age, monthly income & average monthly purchase from organized retail outlet. Out of total respondents 60% are male & rests are female. Majority of respondents are graduate (54%) & 48% respondents belong to the age group of 25 to 35 years. 48% of respondents have their monthly income in the range of Rs. 30,001 to Rs. 40,000 and 36% respondents have their monthly income from Rs. 20,001 to Rs. 30,000

**Awareness of Social Media Websites:**

*Table 2: Awareness of Social Media Websites*

S. No.	Response	No. of Respondents	%
1	Yes	113	94%
2	No	7	6%
	Total	120	100%

Out of the total respondents 94% respondents were aware about the social media so further study was conducted with these group of people only.

**Brand Awareness through Social Media Websites**

Respondents were asked that whether social media web-sites make them aware about various brands in different product categories, the responses of same are shown in table 3.

*Table 3: Brand Awareness through Social Media Websites*

S. No.	Response	No. of Respondents	%
1	Yes	90	75%
2	No	30	25%
	Total	120	100%

Majority of customers (i.e. 75%) admitted this fact that social media help them to identify the brands available in the market. It increases their awareness level towards the availability of brand. On the counter side 25% of respondents said that social media does not increase their awareness towards the brands.

**Brand Preference through Social Media Websites**

Every marketer wants to know whether

the customer prefers the brand which is advertised through social me-dia. In the same line respondents were asked to reveal their purchase intention towards the brand which is advertised on social media websites.

**Table 4: Brand Preference through Social Media Websites**

S. No.	Response	No. of Respondents	%
1	Yes	79	65.8%
2	No	41	34.2%
	Total	120	100%

65.8% of respondents said that they prefer the brand which is advertised on social media, it clearly shows that impact of social media on brand preference among customer is significant. On the other side still there are 34.2% respondents who don't on social media.

**Relationship between Brand Awareness & Brand Preference through Social Media Websites**

To study the influence of social media on buying behavior of customer the data of brand awareness & brand preference was clubbed as under

**Table 5: Relationship between Brand Awareness & Brand Preference through Social Media Websites**

Factor		Brand Awareness		Total
		Yes	No	
Brand Preference	Yes	63	14	77
	No	26	17	43
Total		89	31	120

It can be clearly inferred from the table that majority of customers who get aware about brand through social media, they also purchase the same brand. To be very precise following hypothesis was tested:-

**H<sub>01</sub>:** There is no significant relationship between awareness and preference of brands that are promoted on social media sites.

**H<sub>11</sub>:** There is a significant relationship between awareness and preference of brands that are promoted on social media sites.

Table 6:  $\chi^2$  Test

$\chi^2$ Test			
Calculate d Value	Degree of Freedom	Level of Significance	Tabulated Value
34.37	1	5%	3.841

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.

**Conclusions:**

1. Majority of Internet users are aware about social media & they are using it also, so it can be a best tool for brand promotion, if used efficiently.
2. Social media not only make customers' aware about brands, but customers also prefer the brands advertised through social media while making their final

purchase. But still there is no significant relationship between awareness and preference of brands that are promoted on social media sites.

3. Customers have positive perception towards social media marketing practices; they consider social media advertising more interesting, innovative, informative and interactive as compare to traditional advertising.

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