

Impact of Social Media on Consumer Purchase Decisions

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Abstract:

If you break down the word social-media, you get social and media. A term "Social-media" define to several forms of media, such as television, radio, and the newspaper. As a result, Social-media may be seen as a kind of social communication. Customer loyalty and trust were built over time by traditional marketing strategies such as high-quality goods and consistent service. Social-media marketing is the hottest new trend in marketing. Word-of-mouth recommendations spread through Social-media like Facebook, Google+, and blogs aid in the process of making purchasing choices by gathering information. Customers in the city of Chennai are the focus of this research, which intends to examine the link between Social-media and purchase decisions. Social-media and its sub-variables Business Promotion, Information & Opinion Sharing, and Product Attributes are used as independent variables in this analysis. Purchase decisions are an example of a dependent variable. This is a descriptive study, and 259 customers in Chennai will fill out an online questionnaire as part of the research. Structural equation modelling (SEM) using Smart PLS will be used to analyse the data in this research. We found that there is a positive connection and considerable effect on purchasing decisions among customers in Chennai City based on the results of this study.

Key Words: Social-media, Purchase Decisions

Introduction:

Internet sites where individuals may freely engage exchange and discuss information about one other and their lives using a combination of personal text, images, videos and audio are known as Social-media. Facebook, LinkedIn, Twitter, YouTube, Pinterest, Instagram, Snapchat, MySpace, Flickr, Blogger, Wikipedia, Second Life, and many more well-known sites are available to the general public.

The term "digital marketing" refers to Social-media marketing. **Arunima Mishra** is the author of this article (2011) Social-media allows for two-way connection between the firm and its customers by providing a virtual area for dialogue.

Kotler and Assael (1995) have categorised consumer purchase choices according to the buyer's participation and variances in product value, as well as the frequency with which they are purchased. Consumers and their purchasing circumstances have a role in determining whether or not they buy anything. There are also varying degrees of intricacy in various items. Because of their high cost, rarity, or potential danger, they may complicate decision-making by requiring a greater number of considerations, increasing the likelihood of decision-makers being faced with a choice between competing options. According to **Pall (1987)**, "the logical organisation of people, resources and energy into work activities intended to create a stated end result buying choices".

Review of Literature;

Small and medium-sized companies in Delhi are using Social-media to market their company, according to an educationist, **Monika Sharma (2012)** **D. C. Kathiravan, (2019)** Customers' buying choices are being influenced and shared by Social-media and the Internet, according to a survey of 200 respondents. Small and medium-sized businesses (SMEs) are using Social-media to boost sales and recruit new personnel. Business has become more accessible and human as a result of the rise of Social-media.

Educators like **Smita Sharma and AsadRehman (2012)** **C. Kathiravan et al., (2019)** say that Social-media and web 2.0 are commonly used interchangeably. A key facilitator and enabler of

Social-media, Web 2.0 is often considered the next generation of commercial communication tools. User created material and comments on social networking sites is trusted by users, according to a new research. Word of mouth is a powerful tool in influencing consumers. Web 2.0 has an impact on purchasing choices in India, although it isn't a huge one. Web 2.0 should be used as a new marketing communication tool by the marketer to effectively communicate and promote a brand to contemporary customers.

Using Social-media in today's marketing and promotion has become a significant aspect; according to Social-media marketing is the newest buzzword in the marketing world. Businesses use Social-media marketing as a means of gaining insight into their customers' social networks. The survey found that more than two-thirds of consumers utilise social networks when making buying choices, and that this trend is expected to continue. Positive word-of-mouth is encouraged by consumers who are exposed to information on Social-media

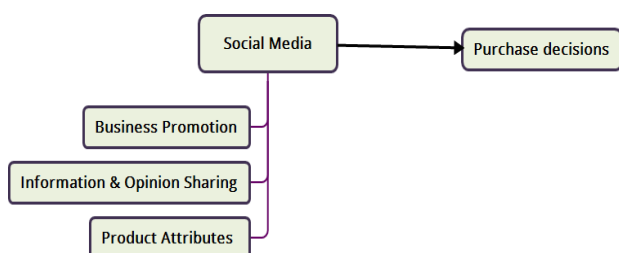
22. For Social-media to work well as a marketing tool, a company must deliver relevant and timely information to its customers. **Abu Bashar, Irshad Ahmad, and Mohammad Wasiq (2012)**

3. Research Methodology

3.1 Design of Research:

The study employs a research designs that is guided by the investigation's aims and the outcome's focus. The researcher conducts the investigation using a descriptive research design. A descriptive research study seeks to describe the traits and characteristics of an individual or a group. The research design explains the current state of affairs. The study examines the Social-media and Purchase decisions of Customers, with a focus on one in Chennai. The study examines the current situation of Social-media and Purchase decisions among Customers.

Figure 1: Framework



Study of the Objectives:

- To investigate the Social-media of Customers at Chennai.
- To learn about the differences in attitudes regarding Social-media and Purchase decisions among Customers in Chennai.
- To create a model that captures Social-media and Purchase decisions among Customers in Chennai.

Hypotheses of the Study:

- With regard to demographic profile, there is no substantial variation in Social-media of Customers in Chennai.
- With regard to demographic profile, there is no substantial variation in Purchase decisions among Customers in Chennai.
- Social-media and Purchase decisions have little effect.

Data Collection:

The researcher used a well-structured questionnaire to obtain primary data from Customer in Chennai. The questionnaire is broken into three pieces, the first of which provides the personnel's demographic profile. The second portion examines Social-media, while the third section discusses Purchase decisions.

Reliability Analysis:

Furthermore, reliability analysis was done to establish the dependability of the aforementioned elements. The dependability range of 0.83 to 0.87, which fulfils Cronbach's alpha, should be at least 0.70 to be considered adequate.

S.No.	Variable	Item	Cronbach's Alpha
I	Social-media	42	0.87
II	Purchase decisions	27	0.83

3.3 Sampling Technique:

The study employed the sample process probability model. The questionnaire's receiver was chosen using a simple random sample. This data collection procedure is straightforward and affordable. Through introduction, the strategy utilised equal chance to find skilled Customer in Chennai city. This inspection procedure was developed specifically for this research to assure the presence of Customer in Chennai city.

3.4 Sample Size:

Totally 280 questionnaires were distributed. 265 questionnaires were received. 15 questionnaires were not received. Out of 265 received questionnaires 259 were eligible and the remaining 6 were with flaws. Hence, the sample strength was 259.

4. Data Analysis:

The path analysis technique is used to determine the independent variables that affect the dependent variable. Social-media is treated as an independent variable in this approach. Purchase decisions are a variable that is dependent on other variables.

5. CORRELATION ANALYSIS

5.1 Correlation Analysis between Social-media Factors

Factors	Social-media	SM_Business	SM_Information	SM_Products
Social-media	---			
SM_Business	0.629 0.001**	---		
SM_Information	0.375 0.001**	0.423 0.001**	---	
SM_Products	0.466 0.001**	0.429 0.001**	0.274 0.001**	---

Null hypothesis H_0 = Product Attributes, Business Promotion, and Information and Opinion Sharing have no meaningful correlation.

Alternate hypothesis H_1 = Product Attributes, Business Promotion, and Information and Opinion Sharing have no meaningful correlation

The Pearson correlation test was used to examine the link between the three elements of Social-media in a sample of 259 customers. Business Promotion, Information and Opinion Sharing and Product Attributes seem to have a strong correlation with each other in the table. Additionally, the table shows that none of the factors are unrelated to each other.

It is obvious from the table above that all P values are significant at a level of 1 percent. As a result, it can be said that the promotion of business, dissemination of information and opinions, and characteristics of products have a strong connection. Researchers like Shahid,

A. and S.M. Azhar (2013) found comparable results, and the data presented here confirmed those findings, as did other researchers who studied organisational effectiveness among a variety of stakeholders, including academics, employees and others.

5.2 Correlation Analysis between Social-media and Decision of Purchase

Factors	Social-media	Decision of Purchase
Social-media	--	
Decision of Purchase	0.404 0.001**	--

Null hypothesis H_0 = Using Social-media does not have a substantial impact on the purchasing decision.

Alternate hypothesis H_1 = Using Social-media does not have a substantial impact on the purchasing decision.

A sample of 259 employees was subjected to a Pearson correlation test to see whether there was any link between the variables of Social-media use and purchase decisions. On the graph, it is clear that the variables of Social-media and purchase decision have a strong correlation.

It is obvious from the table above that all P values are significant at a level of 1 percent. As a result, it can be concluded that the elements of Social-media

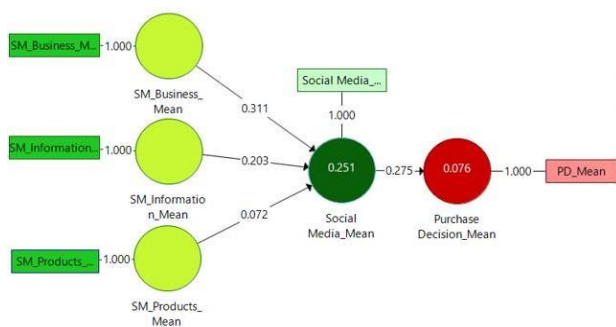
and purchase decision have a strong link. Research undertaken by numerous writers on the use of Social-media to make purchasing decisions has shown a similar conclusion, according to F. Robert Gaspar (2012), a researcher in the field of Social-media and purchasing decisions.

5. RESEARCH METHODOLOGY OF PLS

There were two methods used to collect data: a questionnaire and a random sampling. A total of 270 out of 259 Customer in Chennai replied to the poll. Smart PLS was utilised to analyse the data gathered from the survey respondents using structural equation modelling (SEM).

Measurement and structural models were tested using the Smart PLS software. as Social- media and Purchase decisions, impact of Social-media, Purchase decisions based on Customers in construction projects. For that purpose, the independent variables are Social- media and its sub variable are as follows Business Promotion, Information and OpinionSharing, Product Attributes. Dependent variables are Purchase decisions.

PLS's foundation of principal component analysis, which is used to explain changes in the model's constructs (Chin, 1998). PLS, according to Chin, Marcolin, and Newsted (2003), is an effective analytical approach for reducing error. The PLS model investigation was divided into two sections. Initially, a measurement model was examined, and then a structural model was reviewed. Figure 1 depicts the structural model. Path coefficients between components are estimated and analysed to evaluate the structural model. Suppressed construct relationships are defined by the structural model. The model's predictive power is measured by its path coefficients.



Model of Structural

6. DISCUSSIONS AND RESULTS

6.1 Measurement Model

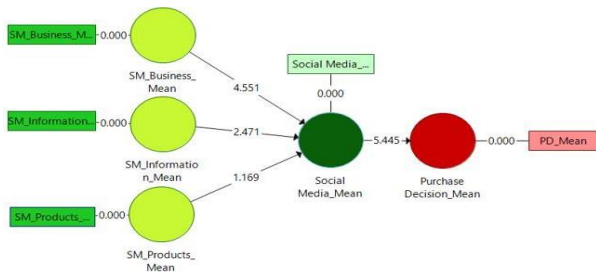
Smart PLS 2.0.M3 was used by the researchers to put the model to the test. In 2005, Tenenhaus et al. (2005) suggested three measures to characterise the model's overall quality: Structural regression equations are used in the structural model on three levels: first, measurement, and second, structural model. It is possible to evaluate the sub-factor reliability and convergent and discriminate validity of construction measurements by following the progression of the scale.

Smart PLS analyses and assesses the validity and reliability of the measurement module at the first level. Smart PLS software was used to examine the reliability of individual sub- factors based on the identical factor loadings. The lowest factor loading for sub-factors was set at 0.45, as recommended by Comrey (1973). Hulland (1999) advocated subfactor loading

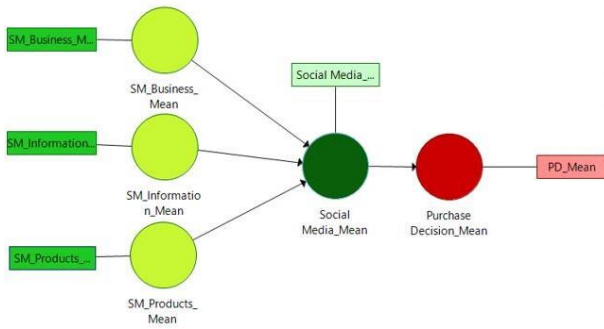
measures of larger than 0.50 as acceptable in this study. Removed dimension sub-factors that accounted for the least funding of the latent components improved fit. The final route model, which will be used for future research, represents the results after dropouts.

6.2 Reliability:

The internal consistency of the measurement model was evaluated using Cronbach's alpha and composite reliability. Construct dependability and inner consistency were evaluated by using composite reliability. Composite reliability, rather simply Cronbach's Alfa, was more appropriate in PLS-SEM since it didn't presume that all indications were equally consistent, as stated by Hair et al. (2011). According to Gefen, Straub, and Boudreau (2000), a composite reliability cut-off value of 0.7 is required, and the lowest score for Cronbach's Alfa should be more than 0.6. (Hair et al., 2010). Cronbach's alpha, factor loadings, and composite reliability are shown in Table 1. In accordance with Table 1, Cronbach's alpha is higher than 0.702, and the overall dependability score is higher than 0.768. As a result, the model's dependability and trustworthiness may be praised.



Model of Initial path



Showing the Bootstrapping

Factor loading for indicators of latent constructs

S.No	Factors and Sub-factors	Cronbach's alpha	Composite reliability	AVE
1	Purchase Decision	1.000	1.000	1.000
2	Social-media	1.000	1.000	1.000
3	SM_Business	1.000	1.000	1.000
4	SM_Information	1.000	1.000	1.000
5	SM_Products	1.000	1.000	1.000

6.4 Discriminant:

A construct's discriminant validity, according to Hulland (1999), is the degree to which it varies from the model's other constructs. There should be no overlap between the sub-factors that make up any model build. There are a number of relationships that may be drawn between these numbers in Table 2. By showing that their requirements for diagonal lines are larger than their columns and another rows, when claim that discriminant validity may be demonstrated.

Discriminant Validity Results

Factors	Purchase Decision	SM_Business	SM_Information	SM_Products	Social-media
Purchase Decision	1.000				
SM_Business	0.401	1.000			
SM_Information	0.432	0.629	1.000		
SM_Products	0.433	0.375	0.423	1.000	
Social-media	0.275	0.466	0.429	0.274	1.000

Path Coefficients of bootstrap values

Factors	Original of Sample (O)	Sample of Mean (M)	Standard Deviation (STDEV)	T Statistics	Supported	Significance values
Social-media -> PurchaseDecision	0.275	0.276	0.051	5.445	Yes	p< 0.01 0.000**
SM_Business -> Social-media	0.311	0.315	0.068	4.551	Yes	p< 0.01 0.000**
SM_Information -> Social-media	0.203	0.203	0.082	2.471	Yes	p< 0.01 0.014*
SM_Products -> Social-media	0.072	0.071	0.062	1.169	No	0.243

- i. The original sample (β) = 0.275, statistics (t) = 5.445, and significant value (p) 0.01 indicates that the association between Social-media and Purchase Decision is supported and significant.
- ii. In the original sample (β) = 0.072, statistics (t) = 1.169, and not significant value (p) 0.01 suggests that Social-media Business is directly impacted and favourably influenced by Social-media, which is supported and significant.
- iii. In the original sample (β) = 0.203, the statistics (t) = 2.471, and p 0.01 suggests that Social-media Information is directly and favourably impacted by Social-media, which is supported and significant.

iv. With $\beta = 0.072$ and $t = 1.169$, the Social-media Products-Social-media association was found to be unsupported and unimportant in OHS areas. Social-media Products Attributes

have no significant influence on Social-media, as shown by this finding.

A unit rise in OHS Social-media results in a 0.700 increase in Purchase Decision, which is supported and significant by Social-media Products, according to the results of this study. Social-media in building projects, Social-media products, and Social-media was not supported and unimportant attributes where a unit drop resulted to a 0.003 decrease.

7. SUGGESTIONS:

- Digitally connected consumers pass through purchase decision process through involvement of emotions. A positive emotion shared gives the joy of making a great purchase. Negative experiences such as products failing to meet consumer expectations are also shared socially.
- Social-media paves way for online purchase due to the convenience and fast mode of delivery. Electronic goods are purchased more followed by clothes due to the impact of Social-media.

8. CONCLUSION:

This study's findings provide a unique approach to explore an evident but ignored link: there is a favourable association between Social-media and customer purchase choices in Chennai. In other words, as Ate **Bayazt Hayta(2013)** points out, Social-media is a platform on the internet that is extensively used by people all over the world. As the internet's reach has expanded, so has the ability for its users to share information with their friends, acquaintances, and even complete strangers through online communities. Using Social-media, individuals may openly communicate and exchange ideas of common interest, particularly when it comes to businesses. Social-media operates as an electronic word of mouth because consumers spread the news about an event, product, or service that has a 14 good influence on their lives via their use of it.

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