

An Analysis of Social Media Advertising on Consumer Behaviour

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Abstract - Social media advertising is rapidly changing the way people used to do things. The social media has been accepted as the most powerful media for advertising due to the absence of geographical hurdles. The advent of the internet and its subsequent has once again challenged the traditional forms of advertising. Consequently, the market share of internet advertising is continually growing while the market share of internet advertising mediums stagnates or declines. The present study is descriptive in nature and tries to measure the influence of social media advertising on consumers' buying behavior and has considered four dimensions of social media advertising viz. offers and discounts, brand presence on social media, reviews of influencers and frequency of ads on social media. These dimensions are collectively representing social media advertising and undoubtedly becoming a tool to influence consumers' buying behavior. The results of the study suggest that all the four dimensions are independent of age, gender and occupation of consumer which indicates that bifurcation of consumers on the basis of age, gender and occupation is not a matter of concern as consumers of every age group, gender and occupation are presented today on social media. Therefore strategies adopted by companies for advertisement on social media can be free from demographic profile of consumers up to certain extent but these profiles also play a vital role for specific product category.

Keywords: Social Media Advertising, Consumer Behaviour, Demographic profile, Influencer, Internet Advertising, Brand Presence on Social Media

I. INTRODUCTION

Social media advertising is rapidly changing the way people used to do things. The social media has been accepted as the most powerful media for advertising due to the absence of geographical hurdles. The advent of the internet and its subsequent has once again challenged the traditional forms of advertising. Consequently, the market share of internet advertising is continually growing while the market share of internet advertising mediums stagnates or declines.

At the current rate of growth, social media advertising has already overtaken radio advertising in market share. While offline advertising is also experiencing the growth, it is not growing as rapidly as social media advertising, and marketers has already overtaken it. The ruling forms of offline advertising like newspapers, magazines and T.V., still hold the big part of the market, but their market share is expected to reduce slowly over the upcoming few years. The growth in internet advertising is due to two different factors, more advertisers moving promotions online on social media sites and the growing penetration of the internet itself. Because social media advertising is still a relatively new medium when we compared it to other long

established advertising mediums like television, and newspapers advertisers have not yet realized the full potential for obtain.

Online or social media advertising is a form of promotion that uses the internet, social sites and World Wide Web for the expressed purpose of delivering marketing messages to attract customers. Examples of social media advertising includes contextual ads on search engine pages, banner ads, advertise on social media networks, etc.

Social media advertisements for brands are a good example of attractive advertising and it is moreover on social media networks. If the advertiser has opted for a response feature, the viewer may then choose to visit the brand's website. Response to brand communication is instantaneous to business is very high. This is because in contrast to conventional forms of interruptive advertising, the viewer has actually chosen to see the commercial.

Marketing with internet media gives a more unique benefit than using traditional media, namely allowing advertisers to measure the effectiveness of their ads. Social networks utilize user information to serve highly relevant advertisements based on interaction within a specific platform" Based on this definition, it can be said social media advertising basically information which is served to

the consumers based in places can be accessed through internet. Placement of ads, whatever the medium chosen, is intended to form consumer impression and awareness of the goods/services of the company. The impression expected to form in the mind of consumers is a positive impression, because positive impression may arouse desire to purchase. However, social media advertising can generate a good or bad impression in the mind consumers. Everyone who can be connected to internet can influence purchase decision depends on the ads viewed and displayed through this medium.

Present study attempts to understand and measure the influence of social media advertising on consumer behavior.

II. REVIEW OF LITERATURE

Social Media Examiner’s includes Facebook currently has 2.23 billion monthly active users and 2018 Social Media Marketing Industry Report, the platform is leading the pack by a wide margin when it comes to marketers’ preference for paid social media. Beyond that, LinkedIn, YouTube, and Twitter are running neck and neck with 13%, 12%, and 11% of marketers using ads on these platforms respectively. Pinterest and Snapchat came in as last choices for advertising over the past year.

Adobe Digital Insights’ 2018, State of Digital Advertising Report shows that social media ads drove three times more non-customers than existing customers to retailer websites as of the end of 2017. In short, people are looking at social ads and they’re clicking on those ads more than ever before.

Jain and Kapooria (2019) have conducted study on students’ perception service quality in management institutions. The study reported that significantly negative gap has been observed in the expectations and perceptions of the service quality of higher education by students. The gap shows sense of dissatisfaction among the students.

Various studies have been conducted on Service quality dimensions. Kapooria (2018) highlighted and compared the

prominent service quality models for a better and in-depth understanding of service quality dimensions. The paper highlighted the most influential elements of the service quality which may act as crucial factors in strategizing appropriate marketing mix.

Raikwar and Kapooria (2018) assessed the service quality dimensions in healthcare sector. The findings indicate that all the dimensions of SERVQUAL have a significant positive relationship with customers’ satisfaction except dimension empathy. The regression analysis result shows that in customers’ satisfaction 78.3% change comes because of service quality and its dimensions. The findings may be instrumental in strategizing an apt competitive advantage in the healthcare sector.

Lehmann, Ruiter & Kok (2013) concluded that social media more critical of behaviors of Internet users and may influence the success of vaccination campaigns and recommendations made by health authorities.

Vinerean, Cetina & Tichindelean (2013) stated since most consumers are using the social media as tool to search and purchase items, brands or services use this advantage to advertise their products. The online consumer is a booming market worldwide; however it is giving a globalized level of segmentation cross-culturally.

Simpler (2012) concluded social media does not only effect consumers’ decision making on products or services, but also it helps in other fields of. In context of system, the easily accessible nature of the Internet has results in jurors having the ability to consult an online social media source in order to aid their decision-making and deliberations.

Sarah E Needleman (2011) mentioned the popular websites such as Facebook, Twitter, and YouTube have close to five million visitors daily and thus have to be considered as a very important hub for marketing.

OBJECTIVE OF THE STUDY

- To measure the influence of social media advertising on buying behavior of consumers.

III. HYPOTHESIS DEVELOPMENT

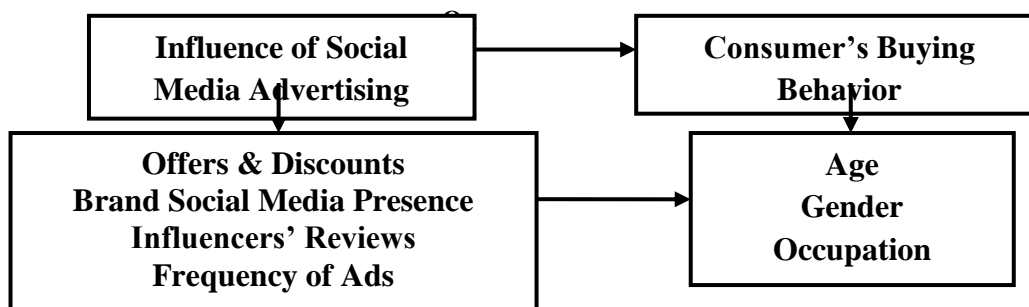


Figure 1

The above block diagram indicates the relationship between dependent and independent variables. Influence of social media advertising is independent variable which is defined

by four dimensions viz. offers and discounts, presence of brand on social media, reviews of influencers and frequency of ads. Customers’ buying behavior was taken as

dependent variable and indicated by respondents' demographic profiles such as age, gender and occupation. Thus following primary hypothesis was developed:

H₀: Influence of Social media is independent of Consumers' buying behavior.

The above hypothesis was further divided into secondary hypotheses. Influence of social media advertising was represented by considered four dimensions and consumers' buying behavior was represented by their demographic profile such as age, gender and occupation.

H₀₁: Offers and discounts on Social media are independent of Age.

H₀₂: Offers and discounts on Social media are independent of Occupation.

H₀₃: Offers and discounts on Social media are independent of Gender.

H₀₄: Brand Social Media presence is independent of Age.

H₀₅: Brand Social Media presence is independent of Occupation.

H₀₆: Brand Social Media presence is independent of Gender.

H₀₇: Influencer's reviews on Social media advertising are independent of Age.

H₀₈: Influencer's reviews on Social media advertising are independent of Occupation.

H₀₉: Influencer's reviews on Social media advertising are independent of Gender.

H₀₁₀: Frequency of ads on Social media is independent of Age.

H₀₁₁: Frequency of ads on Social media is independent of Occupation.

H₀₁₂: Frequency of ads on Social media is independent of Gender.

IV. RESEARCH METHODOLOGY

The Study

The study is descriptive in nature and tries to measure the influence of social media advertising on consumers' buying behavior.

The Sample

Sampling method: Convenient sampling was used.

Sample Area: Indore

Sample size: Data from 104 respondents was collected.

Tool for Data Collection

A self-structured questionnaire was used as data collection tool.

Tool for Data Analysis

Chi-square test of independence of attributes was applied to test the hypotheses.

V. DATA ANALYSIS

Chi-Square Test of Independence of Attributes

H₀₁: Offers and discounts on Social media are independent of Age.

Age Groups	Offers and discounts on Social Media		Total
	Influenced	Not Influenced	
26-35 years	24	8	32
36-45 years	36	10	46
Above 45 years	15	11	26
Total	75	29	104

The χ^2 statistic was 3.69 which was less than critical value 5.991 for 2 degree of freedom and at 5% level of significance. Therefore null hypothesis holds good and it can be said that offers and discounts on social media are independent of age.

H₀₂: Offers and discounts on Social media are independent of Occupation.

Occupation	Offers and discounts on Social Media		Total
	Influenced	Not Influenced	
Student	20	13	33
Professional	27	8	35
Businessman	24	12	36
Total	71	33	104

The χ^2 statistic was 2.21 which was less than critical value 5.991 for 2 degree of freedom and at 5% level of significance. Therefore null hypothesis holds good and it can be said that offers and discounts on social media are independent of occupation.

H₀₃: Offers and discounts on Social media are independent of Gender.

Gender	Offers and discounts on Social Media		Total
	Influenced	Not Influenced	
Male	22	8	30
Female	57	17	74
Total	79	25	104

The χ^2 statistic was 0.33 which was less than critical value 3.841 for 1 degree of freedom and at 5% level of significance. Therefore null hypothesis holds good and it can be said that offers and discounts on social media are independent of gender.

H₀₄: Brand Social Media presence is independent of Age.

Age Groups	Brand Social Media Presence		Total
	Influenced	Not Influenced	
26-35 years	18	14	32
36-45 years	15	31	46
Above 45 years	12	14	26
Total	45	59	104

The χ^2 statistic was 4.41 which was less than critical value 5.991 for 2 degree of freedom and at 5% level of significance. Therefore null hypothesis holds good and it can be said that brand social media presence is independent of age.

H₀₅: Brand Social Media presence is independent of Occupation.

Occupation	Brand Social Media Presence		Total
	Influenced	Not Influenced	
Student	22	11	33
Professional	21	14	35
Businessman	15	21	36
Total	58	46	104

The χ^2 statistic was 4.74 which was less than critical value 5.991 for 2 degree of freedom and at 5% level of significance. Therefore null hypothesis holds good and it can be said that brand social media presence is independent of occupation.

H₀₆: Brand Social Media presence is independent of Gender.

Gender	Brand Social Media Presence		Total
	Influenced	Not Influenced	
Male	20	10	30
Female	39	35	74
Total	59	45	104

The χ^2 statistic was 1.70 which was less than critical value 3.841 for 1 degree of freedom and at 5% level of significance. Therefore null hypothesis holds good and it can be said that brand social media presence is independent of gender.

H₀₇: Influencer’s reviews on Social media advertising are independent of Age.

Age Groups	Influencers’ Reviews		Total
	Influenced	Not Influenced	
26-35 years	18	14	32
36-45 years	26	20	46
Above 45 years	12	14	26
Total	56	48	104

The χ^2 statistic was 0.83 which was less than critical value 5.991 for 2 degree of freedom and at 5% level of significance. Therefore null hypothesis holds good and it can be said that influencers’ reviews on social media are independent of age.

H₀₈: Influencer’s reviews on Social media advertising are independent of Occupation.

Occupation	Influencers’ Reviews		Total
	Influenced	Not Influenced	
Student	13	20	33
Professional	13	22	35
Businessman	10	26	36
Total	36	68	104

The χ^2 statistic was 1.21 which was less than critical value 5.991 for 2 degree of freedom and at 5% level of significance. Therefore null hypothesis holds good and it can be said that influencers’ reviews on social media are independent of occupation.

H₀₉: Influencer’s reviews on Social media advertising are independent of Gender.

Gender	Influencers’ Reviews		Total
	Influenced	Not Influenced	
Male	20	10	30
Female	37	37	74
Total	57	47	104

The χ^2 statistic was 2.39 which was less than critical value 3.841 for 1 degree of freedom and at 5% level of significance. Therefore null hypothesis holds good and it can be said that influencers’ reviews on social media are independent of gender.

H₀₁₀: Frequency of ads on Social media is independent of Age.

Age Groups	Frequency of Ads on Social Media		Total
	Influenced	Not Influenced	
26-35 years	20	12	32
36-45 years	30	16	46
Above 45 years	12	14	26
Total	62	42	104

The χ^2 statistic was 2.67 which was less than critical value 5.991 for 2 degree of freedom and at 5% level of significance. Therefore null hypothesis holds good and it can be said that frequency of ads on social media is independent of age.

H₀₁₁: Frequency of ads on Social media is independent of Occupation.

Occupation	Frequency of Ads on Social Media		Total
	Influenced	Not Influenced	
Student	14	19	33
Professional	20	15	35
Businessman	23	13	36
Total	57	47	104

The χ^2 statistic was 3.32 which was less than critical value 5.991 for 2 degree of freedom and at 5% level of significance. Therefore null hypothesis holds good and it can be said that frequency of ads on social media is independent of occupation.

H₀₁₂: Frequency of ads on Social media is independent of Gender.

Gender	Frequency of Ads on Social Media		Total
	Influenced	Not Influenced	
Male	20	10	30
Female	48	26	74
Total	68	36	104

The χ^2 statistic was 0.031 which was less than critical value 3.841 for 1 degree of freedom and at 5% level of significance. Therefore null hypothesis holds good and it can be said that frequency of ads on social media is independent of gender.

VI. CONCLUSION

Social media advertising is trending these days and it also has impact on customers' mind. The frequently use of social media by users gives welcoming opportunity to companies to advertise their product by using this means and thus heavy promotion through social media is adopted by companies. The visibility of everything gets noticed and especially when it is very frequent. The users of social media can understand this easily because on every site, there is series of ads running that too relevant and specific ads.

Present study has considered only four dimensions of social media advertising viz. offers and discounts, brand presence on social media, reviews of influencers and frequency of ads on social media. These dimensions are collectively representing social media advertising and undoubtedly becoming a tool to influence consumers' buying behavior. The results of the study suggest that all the four dimensions are independent of age, gender and occupation of consumers. This indicates that bifurcation of consumers on the basis of age, gender and occupation is not a matter of concern as consumers of every age group, gender and occupation are presented today on social media. Therefore strategies adopted by companies for advertisement on social media can be free from demographic profile of consumers up to certain extent but these profiles also plays vital role for specific product category.

VII. LIMITATIONS

Every research is bound to certain constraints to follow. Likewise present study has following limitations:

- The study is completed in short span of time, therefore other demographic profiles of consumers exhibiting their different buying behavior were not taken into account for analysis.
- The size of sample is limited. Thus findings are specific for a particular group of people.
- The study is region bound also.
- The non-parametric test static is used only.

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