

Digital Transformation & Social Media Influence on Buying Behavior of Consumers

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Abstract - Social media has changed the way many marketing disciplines have worked in past, including consumer behavior. Consumer behavior became prominent in 1940s and 50s as a part of the marketing area. It studies the level at which emotions, attitudes and preferences affect the buying behavior of consumers. This paper aims at analyzing impact of social media on Digital/Online decision buying behavior. We shall be making comparisons to show the growing trend of online decision making and increased use and influence of social media for making the digital decision buying behavior. Moreover, what this implies for companies and their marketing strategy to promote their product in today's competitive environment along with suggestion for the same.

Keywords: consumer behavior, e-shopping, GenZ, online purchase decision, India.

I. INTRODUCTION

Consumer behavior is a multidimensional and complex process were in the mental and emotional process along with the physical activities of the people who purchase and use goods and services to satisfy particular need and want are considered¹. The dawn of digitalization has increased the use of Internet and has equipped the consumer with unlimited resources related to the newly evolved digitized world. With the rapid growth of technology, expanding presence and manifestation added to the growth of smart-phones, tablets and an array of other digital devices, has given people an unparalleled access to information, enabling them to take educated and calculated buying decisions online. E- shopping has been widely accepted as a way of purchasing products and services, it has become a more popular means in the Internet world². The growth of the digital communication along with increased use of internet has reinvented the consumers' outlook process along with the purchase outline and the thought process of the new age consumers. Hence the consumer behavior is being altered under the direct influence of the digitalization of traditional modes of purchase process. The rapid expansion and adoption of the internet is the main reason for the consumers' online presence in the consumer market for products ranging from low involvement to high involvement products.

Digital marketing is the means to reach the desired target market via the following channels namely social media, websites, multimedia advertising, online search engine advertisement, E-marketing and so on. With the rapid usage of technology, consumers buying process is different from what they use to do before digitalization occurred. It also provides consumer with more information and choices to

compare product and price, more choice, convenience, easier to find anything online³.

Consumers search for any information online and take decisions accordingly. Nowadays, the Internet is being widely used for various purposes and has become part of daily life. The internet now has resulted in a new mode of exchange between buyer and sellers and has created an alternative for the traditional marketplace as compared to earlier days wherein it was used mostly as a medium for communication only but with time it has become a source to learn, entertain and most recently a medium for the exchange of goods and services between buyer and seller.

1.1 Consumer decision making /buying cycle in digital age :

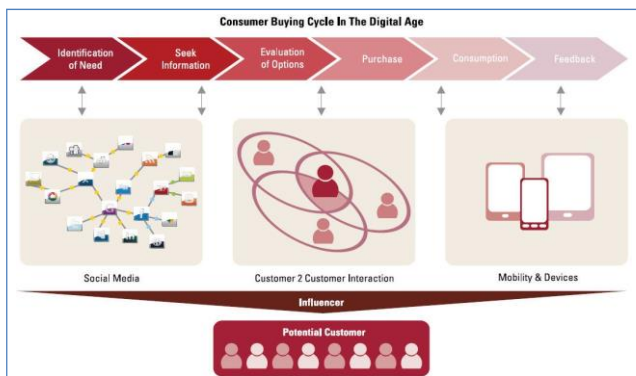
With the advent of the digital media the new age consumers use the internet for various purpose, and thus the traditional decision making process and marketing mix strategy used by companies started to diminish. The consumers use the Internet to search, communicate and socialize online and get influenced by various digital sources (like Google search results, Blogs, YouTube videos, Consumer reviews etc.) during the buying process but also while making a final purchase decision.

KPMG)

a) **Need recognition:** This is the first step in the buying process. In the new digital world the need is created through various digital tools like Facebook, Twitter etc. Young consumers get influenced if their peer have bought a new pair of shoes or have bought a branded new wrist watch or a play station; this entices the consumer to buy the product. Friends preferring a particular YouTube video, showing the demo of a

product, create a buzz among the consumers community about the brand / product.

- b) **Information search:** After the need has been recognized it's the time to search for information regarding various products and services. Here comes the role of social media which acts as a source to search for information regarding various products and services. In this stage the consumers are looking for different brands and product options. Consumers seek recommendations from their friends on social networks and also consult experts' advice on brands and products. Before buying a product they also search for different blog posts and read other customers' reviews for assessment purpose.
- c) **Evaluation of the choices:** This stage acts as an important part of the consumers' decision making process as after collecting information from various sources now; it's the time for evaluating alternative choices. Consumers access the products on various parameters and then decide on the purchasing of the product. Testimonials and reviews given about the product and recommendations by the people help in the assessment of the product.
- d) **Purchase:** Social media influences consumers' decisions because the links, acquaintances and friends that they have online, can assist them in searching for the brand or to buy the product. The various online communities also help in finding out the best way to pay for the product.
- e) **Post-Purchase Evaluation:** Performance of the product is judged once it is bought by the customers and is further evaluated whether the product is performing according to the desired satisfying level or not. If the consumer is not satisfied with the product then he/she will express their anger on various social media platforms, thereby making sure that the other consumers become aware of the problems pertaining to the product. However if the consumer is happy with the product, he will share his positive reviews and comments of the same. This will help in creating a good brand image for the company. A good review always creates a good viral marketing at no cost.



f) Fig 1: Consumer Buying Cycle in the Digital Age(Source:

II. RESEARCH QUESTIONS

The Research questions are as follows:

- a) Which digital devices have an influence on the purchasing decisions?
- b) Which Social Media site influences your purchasing behavior?
- c) What factors of social media influence you to purchase product online?
- d) Which E-Commerce site motivates you to purchase product?
- e) Which factors of E-Commerce sites influencing your purchases?

III. RESEARCH OBJECTIVE

1. To study the Influence of social media on Digital buying behavior of the consumers.

IV. RESEARCH METHODOLOGY

4. a. Research Design: The study carried out with primary data collected through structured questionnaire from samples of 100 respondents from Ranchi, Jharkhand. The sample have been considered by using non-probability technique (Convenient sampling method) and was validated and then took it for further analysis.

4. b. Sample Design: The main sample group of the survey includes young consumers of Ranchi. While preparing questionnaire, objectives of the study were kept in mind.

5. Sample Size: The sample size for this study consisted of 100 young consumers of Ranchi.

6. Data usage: For analysis and interpretation, the data collected through questionnaire are taken into the consideration and it is further analyzed.

7. Research Instrument: Data was collected through structured questionnaire by using non comparative scaling technique likert scaling in the questionnaire. It has been divided into two parts ,the first part talks about awareness of digital marketing and it influences over the customer buying decision .Second talks about the impact of digital marketing .

V. DATA ANALYSIS AND INTERPRETATION

Following charts shall answer the research questions as mentioned above. These are some of the questions answered by collecting data on-field.
Are you a member of social networking sites?

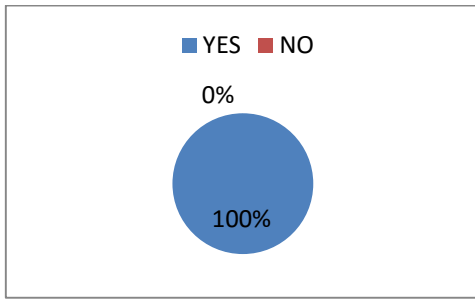


Figure 2: Analysis of number of Member of Social Networking sites
100% of the respondents said that they were the members of one or more no. of social networking sites and had account in them.

How many hours/week do you of usage of internet per week?

Acc.to the data analyzed 40% of the respondents used the internet heavily around 10hr and above. Thus, it is clear

that with growing penetration of internet the usage has also increased rapidly among the respondents.

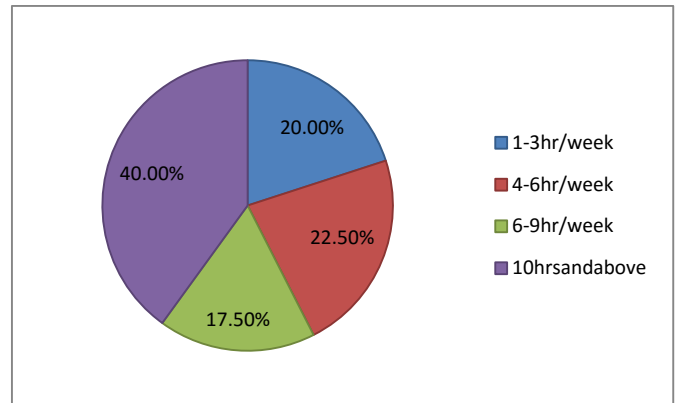


Figure 3: Analysis of Internet Usage hr/week.

Were do you access the internet mostly from?

The most preferred (i.e.1st choice) for internet access was Smartphone's, 92.5% said that they preferred Smartphone's .Followed by laptops as second choice .Desktop was the third choice for accessing internet followed by ipad as the fourth and cybercafé were the least preferred mode of accessing internet. This clearly shows that usages of Smartphone's have increased the internet penetration among teenagers largely.

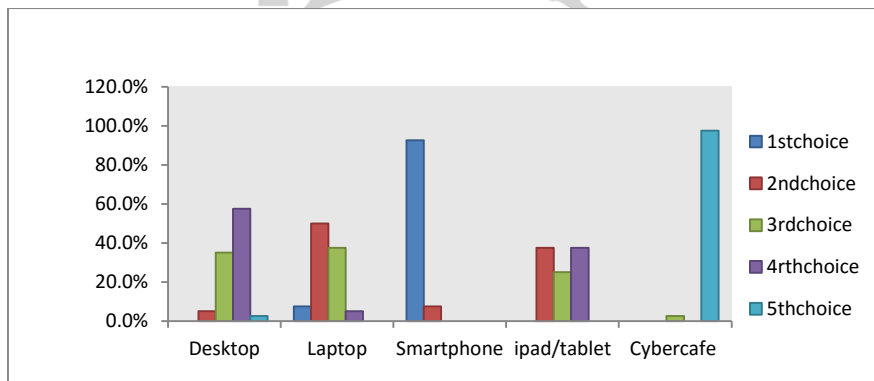


Figure 4: Analysis of Digital device influence on purchase behavior

For what purpose do you use the internet?

Internet is used mostly by the teenagers for Social networking purpose around 67% of them used it for the same and 42% used it for purchase products online for themselves and 40% used for purchasing products with consent of there parents. Other purposes included mailing, surfing and chatting.

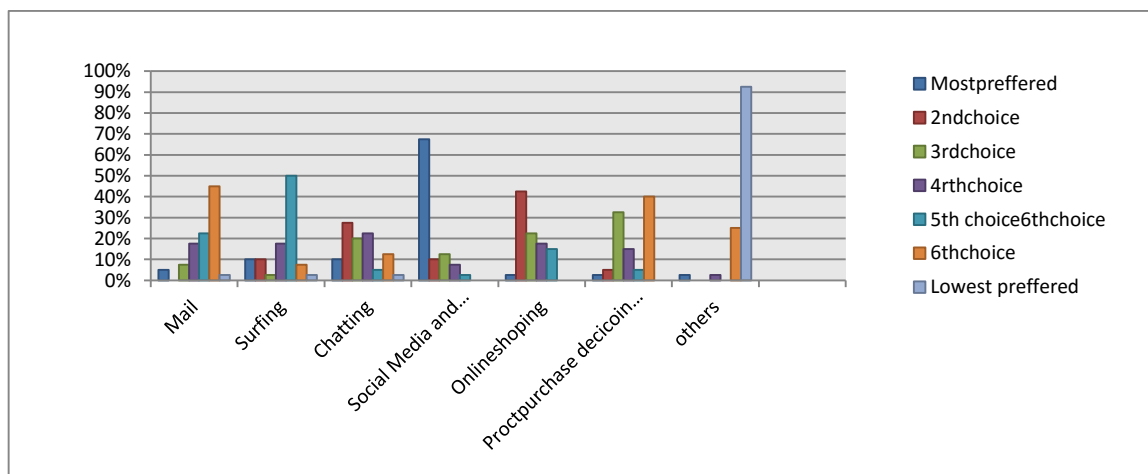


Figure 5: Analysis of digital tools used mostly by using Internet

Social networking site used mostly for searching information before purchase?

Mostly 65% of the respondents used Google to search for product before purchasing any products.

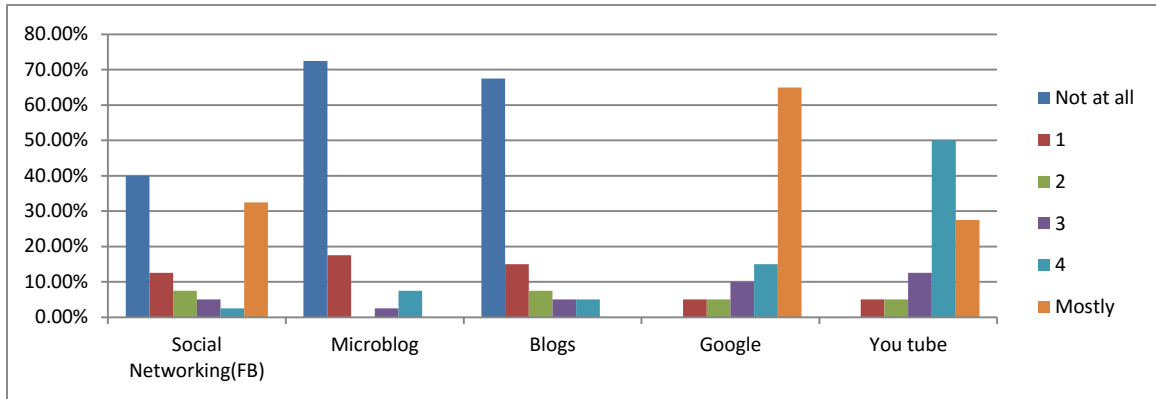


Figure 6: Analysis of most searched social networking site.

What factors make online shopping an option for you to shop?

Variety of brand under one roof makes online shopping the most attractive shopping factor, among young consumers, followed by mode of payment i.e. COD .Price comparisons as the lowest factor

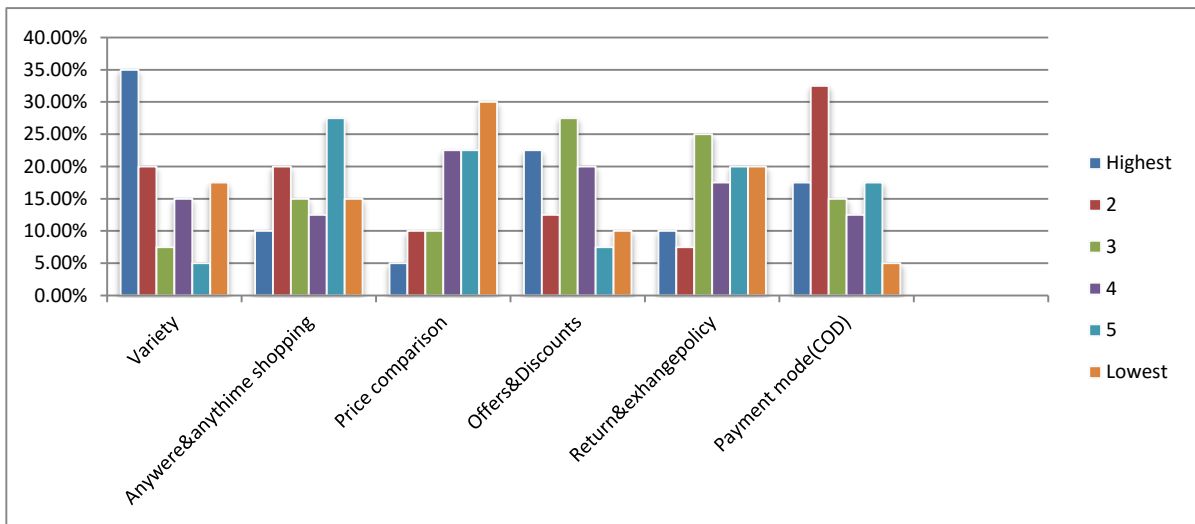


Figure 7: Analysis of Factors for selecting online shopping.

Which of the sites is accessed most for online shopping?

Flipkart is the most accessed website around 50% of the young consumers used it; hence this makes flipkart the most popular shopping website for online shopping followed by Amazon.

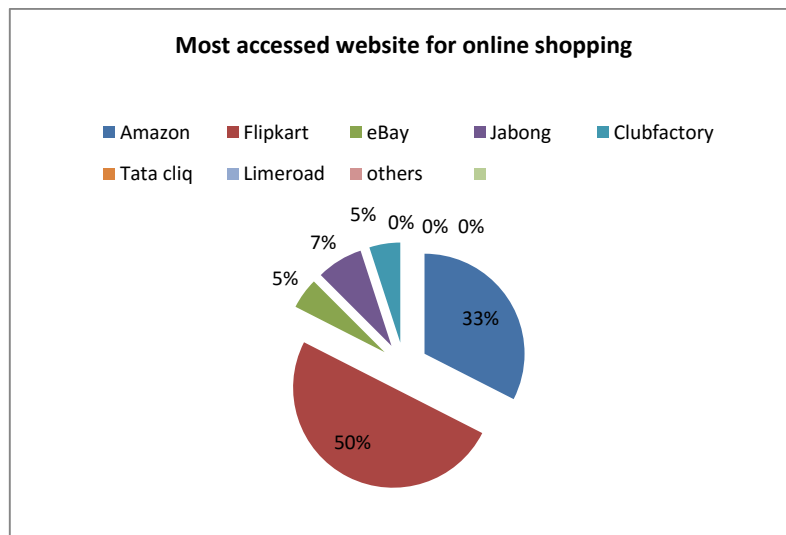


Figure 8: Analysis of E-commerce site's accessed mostly for online shopping

What products do you shop for online?

55% respondents had fashion wear & acc. as their first preference for online shopping. Followed by mobile & acc. with 37.5% respondents' second choice. 3rd choice being footwear with 47.5%.

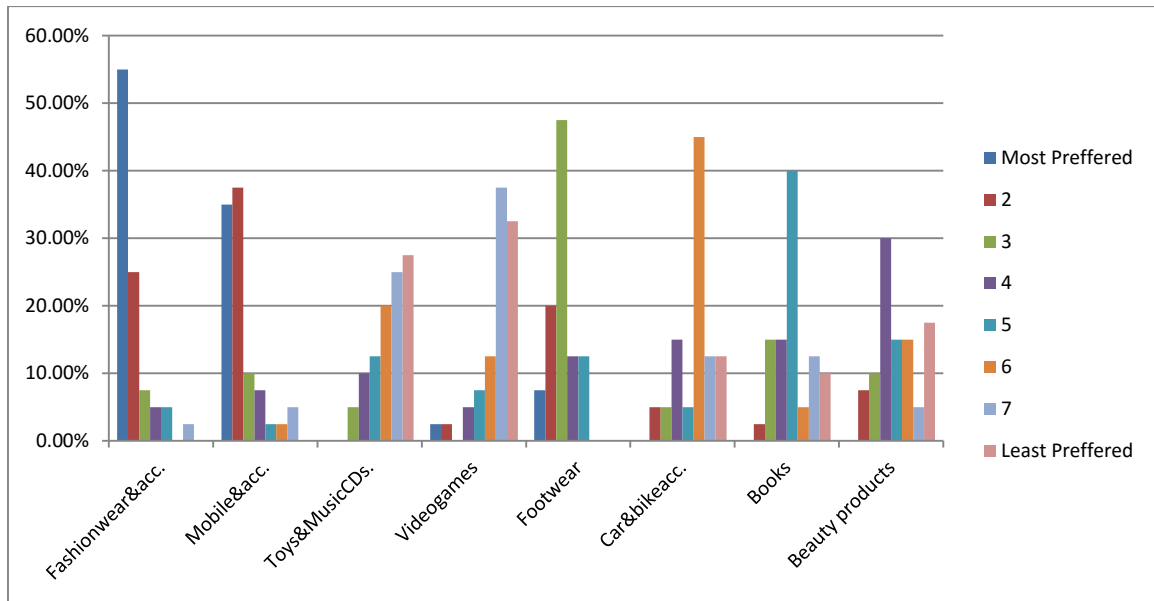


Figure 9: Analysis of Products shopped online.

What drives your attention in social media for the purchase of product, the most?

35% of the respondents considered the Customer review as the biggest influence in purchase of product via social media. Followed by the No. of likes/share by others. 22.5% considered the company page/Product page as the factor that drives attention on social media the most.

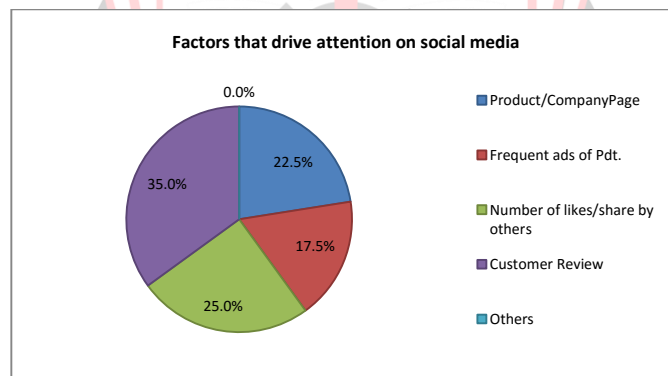


Figure 10: Analysis of social media factors that influence the purchase of product.

Before buying products whom do you consult first?

The most preferred decision influencer among the respondents is the parent with 50%. Internet with approx. 52.50%, the second preferred is the parents with 50%, 3rd preference is the sibling with 37.5%. and least preferred is peer group with 42.5%.

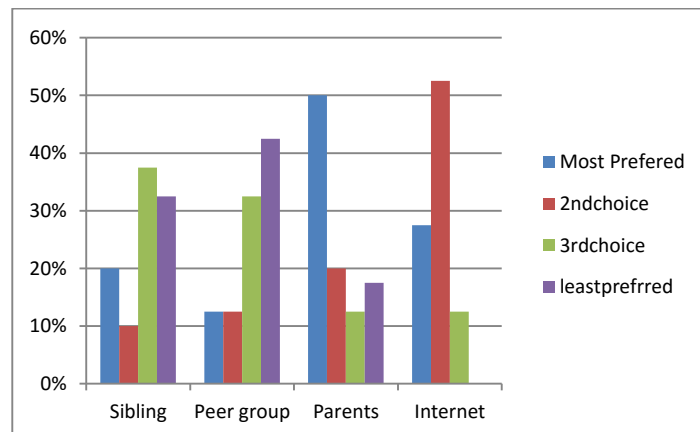


Figure 11: Analysis of decision influencer

Role of Social Media in Consumer Decision Role?

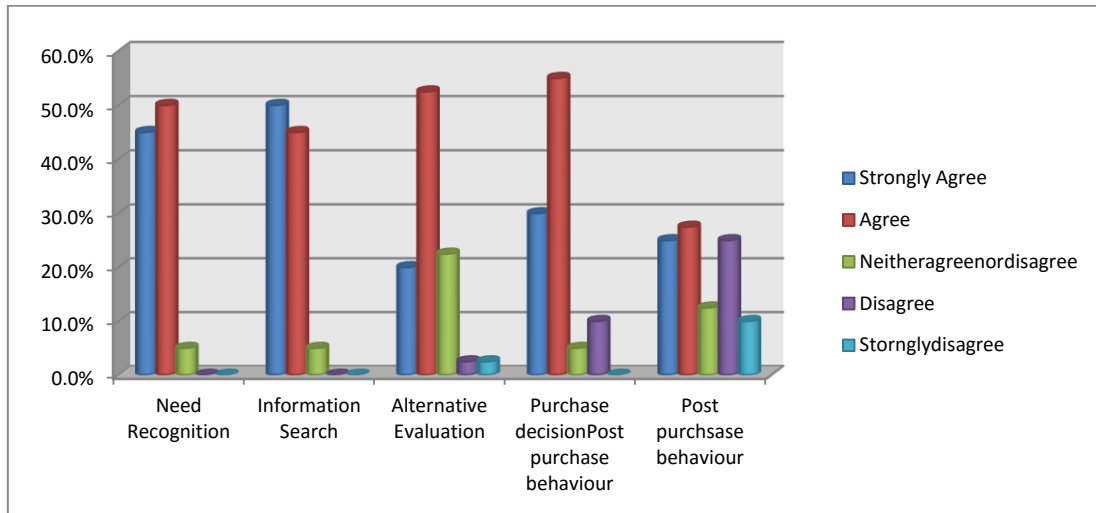


Figure 12: Role of social media in consumer buying process.

VI. DATA ANALYSIS & INTERPRETATIONS

9.1 Social Media influences consumers’ purchasing decision-making process.

This study demonstrates that the influence of Social Media differs according to the stages the consumers go through during the purchasing decision-making process. Depending on the stages of the process, the consumers appeared to be more or less influenced by Social Media. Following are the stages of digital buying process.

a. Need Recognition: At this stage, the study indicated that the Social Media plays an important role in influencing the consumers. 65% of the respondents preferred using Google, followed by social media (Facebook, Twitter and so on) to search for a product before making a final purchase. The contents shared by their peers, such as comments or pictures displayed about products or services, proved to be an important factor that entices the consumers and triggers the need to make them recognize a new need for varied products from different companies. It is important to note that the influence of Social Media depends also on the categories of products and services. Most of the needs that have been recognized by consumers through Social Media concerned a certain type of product category, 55% of respondents had fashion wear & acc. as their first preference for online shopping 2nd choice being footwear with 47.5%. Followed by mobile & acc. with 37.5% respondents’ as 3rd choice. Consumers didn’t seem to be influenced when it comes to other high involvement products or services. This study also revealed that brand engagement was an important aspect of the Need Recognition stage on Social Media. Indeed, 48% of consumers follow brands on Social Media. Internet is used mostly by young consumers for social networking purposes around 67% of them used it for the same and 42% used it for purchase products online for themselves and 40% used for purchasing products with the

consent of their parents. Other purposes included mailing, surfing and chatting, keep in touch with people. In this context, the fact that almost half of the consumers are brand followers on Social Media gives opportunities to brands to make recognize new needs to their followers by engaging with them. Social Media platforms and tools provide a connection between consumers and brands that may trigger needs. Getting updates from brands on their social media feeds, for example, increases the chance for brands to make consumers recognize new needs.

Moreover, 35% of the young consumers said that frequent ads attract them to follow the product across social media apart from this 25% followed the likes and shares on social media before purchasing any product.

The most preferred decision influencer among the respondents is the parent with 50%. Internet with approx. 52.50% as the second preference, 3rd preference is the peer group with 42.5% followed by the sibling with 37.5%. and least preferred is. This study proved thus that young consumers trusted internet over siblings, friends, and peers this possibility offered by Social Media for consumers to show that they are followers and can invite friends to do so increases need recognition possibilities for consumers. In this context, it is important to remember that the trust aspect represented by word-of-mouth plays an important role within communities. The study thus demonstrated that the influence of Social Media seemed to be very strong at the Need recognition stage.

b. Information Search

The influence of Social Media on the consumers in the information search stage in the study highlights that 65% of the respondents used Google to search for before purchasing any product. If a wide variety of Social Media types are available to users to find information, the study revealed that consumers are mostly intended to use certain Social Media platforms. Review sites, Social Network

platforms, forums and Multimedia sharing, are among the most used by consumers unlike other types such as Blog or Micro blogging that seem to be less or almost not used by consumers in their information search stage. Consequently, the influence of Social Media at the information search stage seems to have different degrees depending on the Social Media types used for this purpose.

The study also pointed out that consumers used more or less Social Media according to the categories of products and services for which they are seeking information. Indeed, the study underscored that consumers tend to use Social Media primarily to find information about categories of products and services such as entertainment, travel, electronics and clothing. For other purchase categories, the study revealed that Social Media seemed to be less used at the information stage. As discussed for the Need Recognition stage above, consumers also use Social Media to follow brands. Social Media provides the possibility for consumers to search for information directly on the brands' fan page. The relationships between consumers and companies had greatly changed thanks to a two-way communication offered by Social Media³.

c. Evaluation of Alternatives:

The study indicated that half of the respondent's i.e. 51% take advantage of Social Media platforms and tools that are available to them to compare products, services and brands. The research demonstrated thus that if, as seen above, an important percentage of consumers used Social Media at their Information Search stage, only half of them used it for comparison purposes. Moreover, it is important to note that the study shows that only 6% of consumers frequently seek their friends' opinions on Social Media when they are only 13% to frequently seek the opinion of people they don't know. Moreover, the study also reported that consumers were very few to ask their peers' opinions when they hesitated between different products.

However, if it seems that consumers don't seek their peers' opinions about products, services and brands, the study revealed that consumers tended to trust their friends and people they don't know' reviews and comments on Social Media.

Moreover, as seen above, there are studies suggests said that messages delivered by trusted friends telling about their own experiences were highly influential⁴. The study indicated that 62% of consumers agreed that positive reviews and comments from friends could help them evaluate alternatives between different products, services, and brands and finally push them to make a purchase. In the same way, the study highlighted that a majority of young consumers agreed that negative reviews on Social Media would dissuade them to make a purchase.

Therefore, the study revealed that peers' reviews and comments on Social Media helped consumers to evaluate

alternatives and could push or dissuade them from making a purchase. This finding confirms the observation made by the president of Online Nielsen quoted by Wheat and Dodd (2009, p3) stating that consumers' reliance on word-of-mouth in the decision-making process has increased significantly thanks to Social Media⁵. Social Media seem to thus play an important role of influence at the Evaluation of Alternatives stage, especially on the trust aspect provided by communities on Social Media.

d. Purchase Decision:

The objective of the study was to see if the increasing influence of Social Media on young consumers' purchasing decision-making process had the same impact on the various stages. To do so, the study focused on discovering whether reviews and comments from peers could push or dissuade consumers from making their final decision to purchase. Therefore, the study revealed that only 13% of consumers would frequently purchase after reading positive reviews. In contrast, half of the consumers stated that they sometimes did so. Consequently, it seems that Social Media is not as influential on the consumers at the moment of making their final decisions to purchase compared to the important influence that Social Media exerts at the previous stages of the process. However, it is important to note that the study pointed out that consumers were 65% to agree or strongly agree that Social Media was more influential than traditional media in their final purchase decision. This observation can be explained by the fact that Social Media seems to be of a precious help for consumers at the previous stages; and more particularly at the Information Search and Evaluation Alternatives stages. Indeed, the fact that consumers have, thanks to Social Media, more possibilities to compare alternatives allows them to better decide whether they will purchase or not.

The study revealed that Social Media is, influential at the Purchase Decision stage but it seems to be of lower importance compared with the influence that it exerts on the previous stages.

e. Post-purchase Behavior:

The study showed that the influence of Social Media was the weakest at the Post-purchase Behavior stage. The consumers today used Social Media to talk about their own good or bad experiences by sharing feedback and opinions with their peers⁵. It seemed thus that consumers didn't often share their consumers' experiences and opinions about products, services, and brands on Social Media. The study pointed out that consumers shared more about some categories such as entertainment, travel and electronics. Except for the clothing category, it seems that consumers always use Social Media to share the same kind of categories of products and services. The influence of Social Media seems thus be lower and of smaller importance at the Post-purchase Behavior stage compared to the previous

stages of the consumer's purchasing decision-making process.

VII. MAJOR FINDINGS OF THE SURVEY AND MANAGERIAL IMPLICATIONS

From the above data following are the findings.

1. Analysis of digital devices used mostly for making purchase decisions show that respondent used Smartphone's mostly for doing online shopping, followed by laptops as their 2nd choice and desktops as 3rd. The least preferred were the cybercafés
2. 65% used Google to search before making purchase decision followed by 32.5% of respondents using social media networks.
3. 35% of the respondents considered the Customer review as the biggest influence in purchase of product via social media. 25% of respondents considered No. of likes/share by others. Followed by 22.5% considered the company page/Product page as the factor that drives attention on social media the most.
4. For 50% of respondents accessed flipkart for making online purchases and thus is the most used e-commerce website.
5. Variety of brand under one roof makes online shopping the most attractive shopping factor among young consumers, followed by mode of payment i.e. COD .Price comparisons as the lowest factor.
6. 55% respondents had fashion wear & acc. as their first preference for online shopping. Followed by mobile & acc. with 37.5% respondents' second choice. 3rd choice being footwear with 47.5%.

MANAGERIAL IMPLICATIONS:

1. These findings can form basis for companies looking for expansion of product and services through e-commerce websites in these regions.
2. After looking at the major motivation or factor that is responsible for purchase behavior of the respondent namely variety of product under one roof, followed by mode of payment as COD, online sellers should keep these issues in mind and try to satisfy the customer whenever possible. Online shopping is an important business model in e-commerce⁶. If the online sellers want to persuade and retain online buyer, they need to know what the issues online buyers use to decide their online purchase⁷.

3. Secure websites and payment modes should be a priority for the sellers to attract digital mode of payment.
4. Offers and discounts should be made lucrative so that sales can be pushed for products like Videogames .books, and other tangible products which consumers would like to first look at and then make purchase like car & bike acc.
5. It is also recommended that e-wallet concept should be give a push by sellers. This may help sellers to gain more sales from those who want to buy online products or services but do not have credit card or do not want to use their credit card online.

VIII. CONCLUSION

There is an exponential rise in social media users, and along with it the types of social media and number of social media platforms have also increased drastically. There is no doubt that social media is a important sources of information for consumers in their purchase decision-making, especially in instances of complex buying behaviour. More and more people are turning to consumer opinions online due to the ease of access, low cost, and the wide availability of information. Peer recommendations on social media are viewed as a eWOM and are more reliable source of information in comparison to advertisements and other marketer-generated information Thus, social media plays an important part in the lives of consumers and also valuable to business as well.

Information is the most important aspect that social media provides round the clock. Consumers' needs information to make quick and reliable purchase decisions and social media has made this information available at their fingertips. Social media is also a form of expression for consumers and allows their voice to reach businesses and brands they usually purchase from. The young generation in India lives more in the virtual/digital than real world. Companies in India have been significantly increasing their outlay on social media marketing.

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