

# A Study of Effect of Social Media on Buying Behavior of Customers with Respect to Online Branding & Brand Perception

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**Abstract**— Recent years have witnessed the rise of new media channels such as Facebook, YouTube, Google, and Twitter, which enable customers to take a more active role as market players and can be reached by almost everyone, anywhere and anytime. These new media threaten long established business models and corporate strategies, but also provide ample opportunities for growth through new adaptive strategies. Online branding and other social media networks have a growing role in marketing, which has important implications for how consumers, channels, and companies perform. In social media settings, consumers provide online feedback about products, and this feedback is visible to other agents, including other consumers, channel partners, competitors, and investors. This paper introduces a new “pinball” framework of new media’s impact on relationships with customers and identifies key new media phenomena which companies should take into account when managing their relationships with customers in the new media universe. For each phenomenon, we identify challenges for researchers and managers which relate to:

- (a) The understanding of consumer behavior
- (b) The use of new media to successfully manage customer interactions
- (c) The effective measurement of customers’ activities and outcomes.

**Keywords**— Social Media, Online Branding, Brand Perception, Social Commerce.

## I. INTRODUCTION

Social media are fundamentally changing the way we communicate, collaborate, and consume. They represent one of the most transformative impacts of information technology on business as they drastically change how consumers and firms interact. Harnessing the opportunities social media generate, marketers nowadays are seeking better ways to create or further increase the consumers’ connection and engagement with their brand. As consumers spend an increasing amount of their time online and the percentage of adults using social media has significantly risen over the last years, companies invest a growing amount of their marketing budget towards online and social media advertising, invent new ways to establish strong connections with their customers into the online world, and leverage their social connections. Therefore, companies nowadays increasingly compete for consumers’ attention and engagement with their brand in the social media space.

Social media provides a platform to increase brand awareness, reinforce the brand’s proposition, tell the customers about the brand and to create a dialog with potential customers. Online social media and networks have a growing role in marketing, which has important implications for how consumers, channels, and companies perform. In social media settings, consumers provide online feedback about products, and this feedback is visible to other agents, including other consumers, channel partners, competitors, and investors.

Therefore, this paper attempts to elucidate the role of social media in influencing the buying behavior of customers. This study seeks to understand the long-term effectiveness of promotional events in social media platforms integrating

public advocacy and endorsement features by examining their impact on the image of the participating brands, specifically their fan base.

## II. OBJECTIVE OF THE PAPER

Social media has allowed billions of individuals around the world to contribute to the amount of big data available. By looking at the enormous amount of social media campaigns, e-commerce websites, sales emails, forums, etc., it appears that companies of all sizes have been translating their marketing approaches to the Internet because of its accessibility to their target audience.

Based on the research aims and motivations, the followings are the major objective of the paper:

1. To clearly define the various terms related to social media
2. To understand the factors that influence consumers to obtain information through social media
3. To understand the factors in social media that influence the brand perception of a product
4. To understand the factors in social media that affect the purchase behavior of the customers
5. Measuring the effect of social media on purchase behavior of the customers

## III. LITERATURE REVIEW

### 3.1 Online Branding

Branding is the process of creating and disseminating the brand name. It can be applied to the entire corporate identity as well as to the individual product and service names. Online branding is the latest term used to get more exposure for your brand on different levels of online marketing, such as on search engines and social media. Online branding has four

basic elements website, online advertising, online public relations and social media.

### 3.2 Social Media and Marketing

The definition of marketing from the American Marketing Association is "the activity set of institutions and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large"<sup>1</sup>.

Social media can be defined as websites which link to millions of people with similar needs, opinions and beliefs this includes blogs, podcasts, social networks, bulletin boards, Facebook etc. As an element of brand communication, social media platforms are used to incorporate the brand's values and disseminate relevant and engaging content. Social media helps the organizations to create a sense of membership with the organization, communicate brand values, and encourage the audience to engage in a dialogue. In turn, this dialogue helps the organization to maintain a competitive advantage, inform the brand's vision, assess whether the brand is being communicated properly, and to build positive brand associations and brand awareness.

### 3.3 Types of Social Media

#### ➤ Social Networking Sites

Social network sites or social network services allow people to establish personal web pages and then connect with friends for the purpose of sharing information and communication. Social networks sites along with other social media tools merely provide platforms for real world friends to communicate in the virtual world.

Social Networking Sites are platforms which generally have few common elements across most of them –

- (1) Users are able to create interactive and customized profiles
- (2) A list of suggested "friends" with whom they share a connection
- (3) View and traverse their list of connections and those made by others within the system.

To consumers, they are the outlets, which present opportunities for establishing a closer relationship with the brand via several functions – fan pages, plug-in applications, and groups.

#### ➤ Blogs

Blogs are online journals and it is most often arranged in the chronological order containing text, data, images and other media objects recorded and retrievable through a web browser. Blogs tend to write in a personal tone and conversational style. Blogs are flexible and extensive in the way that bloggers can create links and make references from other sources which enable both readers and bloggers track back while they are reading blogs. Blogs also allow comments and subscription which promote online interaction and form of community groups.

#### ➤ Wikis

Wikis are websites that allows people to add, modify or delete contents in collaboration with others. Usually a wiki is supported by a database that keeps track of all changes, allowing users to compare changes and also revert to previous

version. All previous contributions are stored permanently and all actions are visible and reversible in wikis. Different from the traditional printed encyclopedias, the open-access authoring environments of wiki causes the content to be divergent without a standard style or format. This means wikis require rigorous version control afforded by the system. The most popular wiki is Wikipedia, an online encyclopedia that was started in 2001.

#### ➤ Podcasts

The definition of podcast by Merriam-Webster dictionary "a program (as of music or talk) made available in digital format for automatic download over the Internet"<sup>2</sup>. Audio and video files are published on the internet that allows users to subscribe to. The feature of subscription truly represents the sociability and community characteristics of social media. People have long been able to upload video and audio files on the internet, but with the subscription feature, each individual is doing their own marketing by notifying subscribers as soon as they have updates. This enables everyone to build their own audiences and communities which is the basic formation of social media. Apple's iTunes is the most widely used podcast platform around the world.

#### ➤ Forums

The internet forum is also known as community bulletin board or message board. The formation of forum starts with a group of people who share the same interests or would like to discuss a specific topic. Forum can be considered as the longest form of online social media. The discussion on the forum is called thread in which different forums members participate for the purpose of online debate, enquiring advice or seeking help, etc.

#### ➤ Micro Blogging

Micro blogging is a real-time information network, which shares similarity to blogging, yet it limits the size (number of words) of each post and encourages a faster mode of communication. Micro blogging allows users to spread their short-texted messages via instant messages, mobile phones, e-mails, or the Web. For instance, Twitter, launched in 2006, is one of the primal and leading micro blogs.

### 3.4 Brand Perception

Brand perception is the way a consumer looks at a particular brand. It is to be further explained as a means by which a consumer would associate with products and services. "Brand perceptions are shaped by the sum of all experiences customers have with your brand. In short, people buy when they believe in the value of what they are getting and their focus is drawn away, through critical factors like perceived quality, from the plethora of options available in the market to the one or two products that 'feel like them'."<sup>3</sup>

The brand perception can be defined as the sum total of all kinds of experience that a consumer may have faced while using the brand.

### 3.5 Social Commerce

Social commerce was first introduced by Yahoo in November, 2005. The concept was developed to enable online shoppers to obtain reliable advice and support from online

experts regarding their transactions. Social commerce is separated by some from social shopping; the former is the collaboration of online vendors while the latter is the networking of online shoppers. It is a form of electronic commerce which uses social networks to assist in the buying or selling of products. This type of commerce utilizes user ratings, referrals, online communities and social advertising to facilitate online shopping and online branding. It also encompasses other social shopping tools, such as forums and communities that allow buyers and sellers to discuss their online shopping experiences and compare transactional information.<sup>4</sup>

### 3.6 Effect of Social Media on Sales

Following two points from the 2016 Social Media marketing Industry<sup>5</sup> Report reflects the importance of social media on sales:

*Facebook ads dominate:* A surprising 86% of social marketers regularly use Facebook ads, while only 18% use Twitter ads.

*Tactics and engagement are top areas marketers want to master:* At least 90% of marketers want to know the most effective social tactics and the best ways to engage their audience with social media

According to blog on Social Media Marketing Report 2017<sup>6</sup>, the importance of social media on sales is proved with the following points:

- A significant 92% of marketers said that social media is important to their businesses.
- More than half of marketers who've been using social media for more than 2 years report it helped them improve sales.

### 3.7 Factors that Influence Consumers to Obtain Information through Social Media

Social media is accessed online from the consumer's convenient place and time and hence it is becoming very important source of information. Some of the points that influence consumers are as follows:

*Timings:* Information on social media can be obtained any time. There is no restriction of time.

*Reviews and discussion on Product and Services:* Consumer reviews on product and services are helpful information for the consumers and it influences to obtain further information before taking a purchase decision.

*Images and Videos:* Images and videos of products and services also influences the consumers to obtain information through social media.

### 3.8 Factors in Social Media that Influence the Brand Perception

Social media is the most efficient and effective medium for changing brand perception in a very short period of time due to various factors. Some of them are explained below:

*Provides input for the Advertisements:* Social Media can be used to understand the various facilities, items, characteristics and issues that is found in most of the discussions and accordingly these can be used as input for advertising so as to build the brand perception.<sup>7</sup>

*Helps in identifying the Targetable audience:* Social media is helpful in identifying the target customers and this can be used to influence the brand perception.<sup>8</sup>

*Provides Platform:* Social media provides a platform to increase brand awareness and to reinforce the brand's proposition.

*Helps to know Consumer's Perception:* The importance of brand largely depends on the perception of the people. It is important to know that perception is a reality.

### 3.9 Factors in Social Media that Affect the Purchase Behavior of the Customers

*Word of Mouth Publicity:* Social Media affects the purchase behavior on the basis of reviews and discussion about the goods and services. The influence can be understood by lines in an article on Forbes.com which states as "In a recent study, 64% of marketing executives indicated that they believe word of mouth is the most effective form of marketing. However, only 6% say they have mastered it."<sup>9</sup>

*Opinion Leaders and Opinion Seekers as Reference Groups:* In social media purchase behavior of some people (opinion seekers) is influenced by the experts (opinion Leaders). Opinion leaders can be defined as people who have knowledge about the products and whose advice is important for many other people. Opinion seekers seek help of these experts on the products and services.

*Advices by Friends:* Consumers influence other consumers in numerous ways. They act as models that inspire imitation among those who observe their purchase and consumer behavior, either directly or indirectly. They further influence one another by directly giving out advice and verbal direction for search purchase and use, Flynn et.al (2001).<sup>10</sup>

*Two-way dialogue:* Discussion on social media can take place in real time and instantaneously and this is influencing in purchasing decisions.

*Reference Groups:* Reference group are also helpful in influencing the purchase behavior.

## IV. RESEARCH METHODOLOGY

*Type of Data:* The literature has been reviewed to understand the various terms and concepts in the study. The factors in social media that affect the buying behavior of customers have been identified through the literature. The primary data has been collected to measure the effect of social media on the buying behavior.

*Population:* The population for the study includes all persons in the city of Allahabad who use social media. This is in fact an infinite population.

*Sampling Method:* There are two types of sampling methods: Probability and non-probability sampling methods. For the purpose of this research work non-probability sampling has been used and sample has been drawn from the population on convenience basis.

*Sampling Size:* 100 Questionnaires have been sent to respondent on their e-mail id.

*Data Collection Tool:* Questionnaire has been used as primary data collection tool. The questionnaire has been given to respondents through their e-mail.

**Data Presentation Tools:** Excel tables and charts have been used for the purpose of presentation of data.

**Data Analysis Tool:** Excel charts have been used to analyze the data and Chi-square test has been used to test the hypothesis as the data is non-parametric in nature.

V. DATA PRESENTATION AND INTERPRETATION

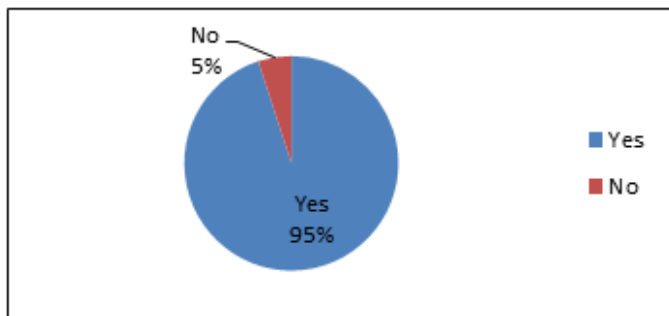
The data has been prepared using excel tables and charts for the purpose of analysis and interpretations.

*Data Presentation*

There are nine different questions which have been asked to collect data on nine different aspects of the social media and its effect on buying behavior. The data on each question have been prepared as follows:

(1) Does Social Media affect your perception towards a Brand?

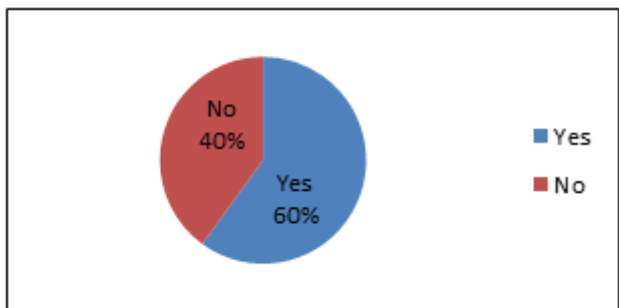
Response	Frequency
Yes	38
No	2



It is found that the majority of the respondents have said that Social Media affects their perception towards a brand.

(2) Does Online Branding affect your purchasing behavior?

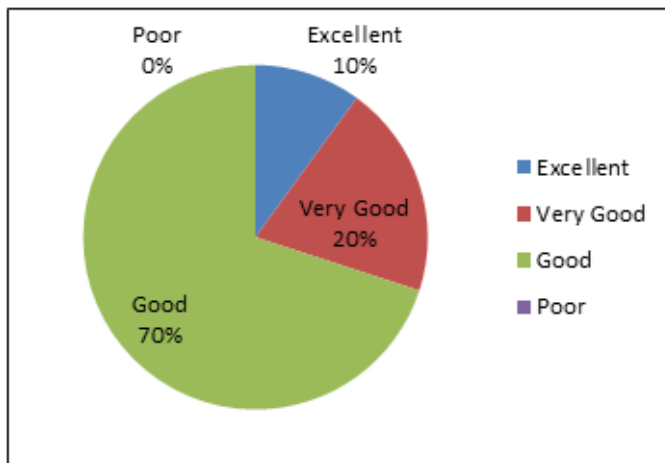
Response	Frequency
Yes	24
No	16



It is found that the majority of respondents have said that Online Branding affect their Purchasing Behavior.

(3) How will your rate online branding?

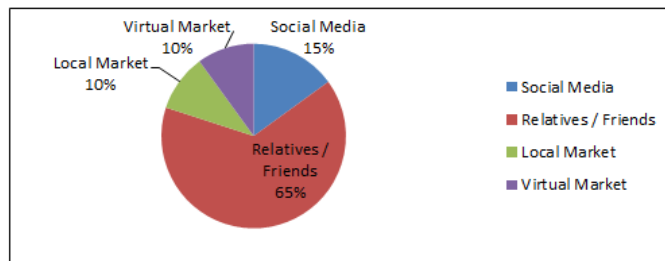
Response	Frequency
Excellent	4
Very Good	8
Good	28
Poor	0



It is found that the majority of respondents have rated online branding as good and none of the respondents consider it as poor.

(4) From where did you get information about various online brands / products?

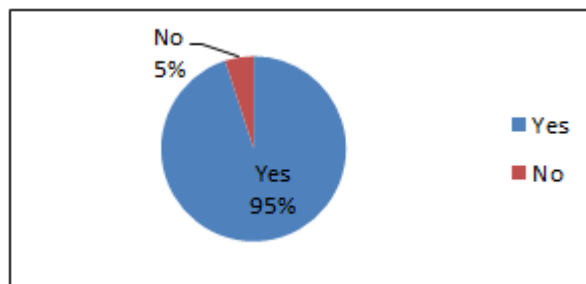
Response	Frequency
Social Media	6
Relatives / Friends	26
Local Market	4
Virtual Market	4



It is found that the majority of respondents get the information regarding various online brands/products from their relatives/friends.

(5) Does social media influence your buying behavior?

Response	Frequency
Yes	38
No	2

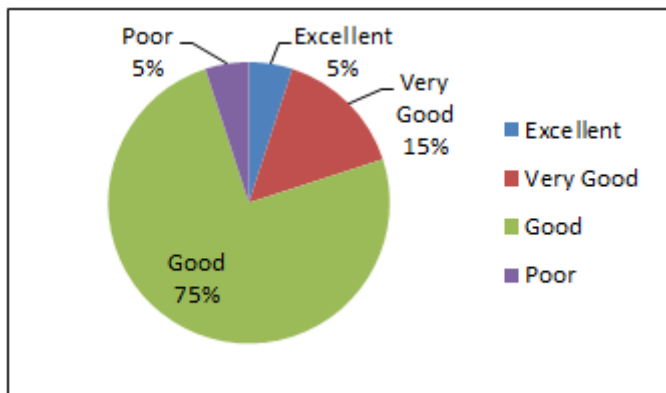


It is found that the majority of respondents have said that Social Media do influence their Buying Behavior.



(6) What opinion you have about online buying behavior of the society?

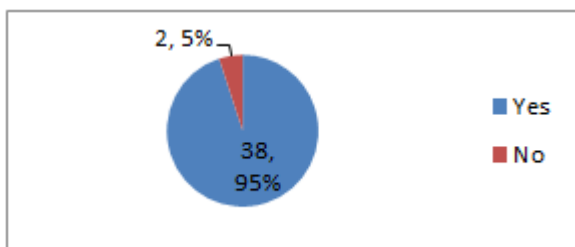
Response	Frequency
Excellent	2
Very Good	6
Good	30
Poor	2



It is found that the majority of respondents have a good opinion about the online buying behavior of the society.

(7) Did you get satisfaction by the purchase you have made in the past?

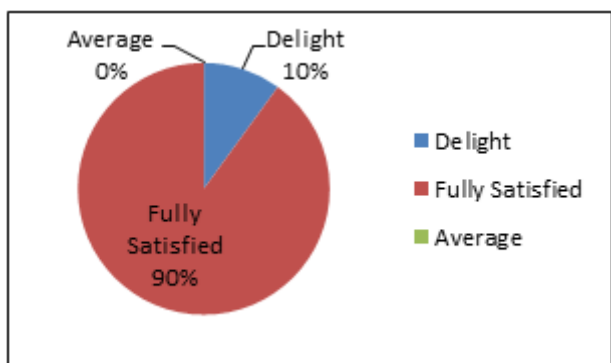
Response	Frequency
Yes	40
No	2



It is found that the majority of respondents got satisfied by the purchases they have made in the past.

(8) If yes, then, how will you rate your level of satisfaction?

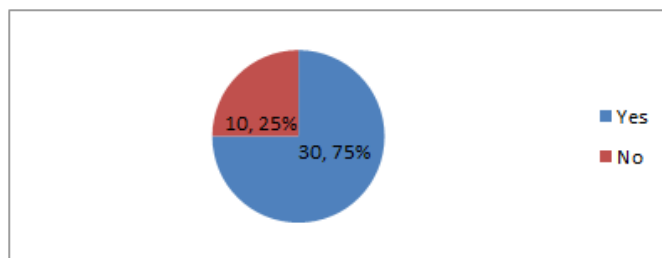
Response	Frequency
Delight	4
Fully Satisfied	36
Average	0



It is found that the majority of respondents rated their level of satisfaction as fully satisfied, with the purchases they have made in the past.

(9) Do you feel that social media can be referred as an essential source which provides information or spreads brand awareness?

Response	Frequency
Yes	30
No	10



It is found that the majority of respondents feel and consider Social Media as an essential source which provides information and spreads brand awareness.

## VI. FINDINGS

Based on the data collected and analysis on that, the study has been able to generate important findings. The specific findings which have been extracted from the data are as follows:

- Social Media Helpful in Building Brand Perception:** It is found that 95% of the respondents have said that Social Media has been helpful in the development of their perception towards a particular brand.
- Online Branding affects Customer Buying Behavior:** It is found that 60% of the respondents have said that Online Branding affect their Buying Behavior to an extent.
- Online Branding Gaining Momentum:** It is found that 70% of the respondents have given a good rating to Online Branding.
- Information on Social Media Affects Buying Behavior:** It is found that 95% of the respondents' Buying Behavior has been influenced by the Social Media.
- Great Satisfaction on Online Buying:** It is found that 99% of the respondents have got satisfied by their Online Purchasing which they have made in their past.
- Positive Approach towards Online Branding:** It is found that 90% of the respondents have positive approach and a positive point of views towards Online Branding.
- Significant Role of Social Media in Providing Information and Increasing Awareness:** It is found that 99% of the respondents refer and consider Social Media as a very essential source which provides them information and spread awareness regarding any brand or product.



List of Findings

## VII. CONCLUSION

The relationship between social media and consumer buying behavior present that social media affects advertising attitudes, brand attitudes, and purchasing intentions of consumer. Social media can build brand attitudes that affect buying behavior. When consumer's friend on social media shares or recommends services or products on their social media, it affects brand attitude and influences their decision-making.

### Limitations of Study

1. This study has been conducted using the sample which was selected on convenient method. Though the care has been taken to remain unbiased while selecting the sample, there are chances of error due to being a non-probability sampling technique.
2. The study has not included any hypothesis for testing, the interpretations and inferences are based the analysis of excel table and charts.

### Suggestions

1. *Research on audience:* To build a brand online, one must have clear understanding of target audience especially before one begins creating content, strategies and communication plans.
2. *Give the brand a voice:* Based on research, determine what the audience wants to hear and what message business firm want to put forward. Remain consistent in messages as people look for consistency in a brand.
3. *Balance Online Media Mix:* Firm should work to build its brand through multiple channels. Display and content networks shall be used to build the brand through repetition and get the advertisements out in front of the target audience.
4. *Building up Organizational Reputation Online:* For building up the reputation online, it is important to have a clearly defined strategy and plans for reaching the customers.

### Future Scope

The generally accepted definition of Social Media spans to cover a wide spectrum of innumerable online tools. The extensiveness of existing social media platforms spans further than this research study is able to cover. The scope of social media can be further explored in new dimensions not covered in this study.

Social media is not only for advertising, but it can also be a tool for brands or services to connect with their consumers. It also allows prospective consumers to communicate directly to a brand representative. Since, the online consumers represent a booming market worldwide however if they have some problems on products or services, consumers could reach the company via social media, which is an easy way to connect and contact with them. Companies are challenged by how they chose to react to comments or responses on social media. Their reactions and responses can build strong brand images and get more consumers to purchase products or services. When a consumer wants to make decision on product, every single detail could be an influence to their decision-making. Consumer motives for engaging in social media provide insights into consumers' activities. Those reviews can motivate purchases or support buying behavior of consumers by make it more reasonable to spend the money on it.

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