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Consumer's Behavior and Effectiveness of Social Media

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Abstract- Consumers began using more online sources today, thanks to the rapid development of technology and communication channels. The most important of these tools are social media. Consumers access to the information they need about goods and services which will be awarded through social media dramatically. It is clear that now day, social media components are popular like Facebook and Twitter have got an attention to consumer markets. Therefore, this study is aimed to determine the effect of social media in our lives in recent years and to determine the effects of social networks on the purchasing behavior of consumers in Pakistan. This study consisted of a sample of 1,000 young consumers between the age group of 18-50 years using social media platforms having an account in any of the social networks. Questionnaire was used to get the data of the study. The results form collected data indicate that the social media has a significant impact on consumption behavior in Pakistan.

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Consumer's Behavior and Effectiveness of Social Media

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I. INTRODUCTION

"Traditional marketing is not dying – it's dead!" (Zynman 1999)

The advent of Web 2.0 is most impressive development in memories of economic paradigm. Social media with Web 2.0 encourages user-generated contents and also allows the users to exhibit contents to share among networks. Social media has capacity to put the consumers at the central role of the business activities and provides a new aspect of tools for interaction of consumers. Basically, vendors have to think that how the social media has affected consumer buying behavior.

"Within 30 years, radio reached 50 million listeners, while it took only 13 years for television to reach 50 million viewers. Strikingly, the internet reached 50 million users in only four years, indeed, Facebook reached that figure in one and half years. Designed for students at Harvard University in 2004, Facebook is a single phenomenon. In 2009, Facebook had 100 million members, and by the end of 2010, that number increased to 500 million users worldwide. As social media grows at a faster rate than other communication programs, the importance of social media increases and following its development has become even more challenging." (Civelek, 2009; Şener, 2012).

The above stated figures show the significance of the social media in current digital area. A very large

number of people spend a lot of time for different activities including buying and buying decisions on social media. The market share for buying via adopting the source of social media is increasing rapidly day by day. For example, share of Facebook increased by 0.22 percent from November 2011 to October 2011. YouTube has the solid expansion amid online social media site with a 0.67 percent from November 2011 to October 2011. These measurements highlight the relationship of online social networking sites have been grown (Hitwise, 2011)

By keeping in view above such large amount of social media campaigns, entire companies are converting their marketing methods to the social media for the reason of its easy approach to their aimed customers and clients. Besides, it is also cost effective source for advertisement. That's why, most of the firms or companies have official pages on the websites of social media which are playing an important role to capture the market. This campaign and information leaves a significant impact on clients. It also provides a competitive picture of the firms and thus it is a new emerging trend which needed to be focused and analysis.

The altered trend of new internet users need to be focused and the factors of social media that has the impact on procuring objectives of buyer require to be properly analyzed. Social Media is altering customer's decisions but not much research has done on this aspect. Its effect on the customer's purchasing behavior may turn and to be altered. It is very reason that it is aimed to analyze the influence of social media on buying decision of consumers in a developing country like Pakistan in different age groups, territories and at different educational levels. Such an investigation could lead to know that how social media is affecting consumer's decisions when they are purchasing a product, duly influenced by social media.

To investigate the above, a survey research is employed for collection of data. A survey questionnaire is prepared that relates to users of social media

Now such type of market structure has emerged that consumers and producers have come very close by internet that did not happen before. "An average Internet user has 669 social ties. Approximately 500 million Tweets sent per day, at about 600 Tweets per second. Facebook has more than 600 million daily

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active users, with over 1.5 million business pages and 30 billion pieces of content shared on a monthly basis. LinkedIn has more than 225 million professionals worldwide, including all Fortune 500 companies. Changes in consumer behavior due to social media have an interesting dimension in the present day marketing.”(Hampton et al. 2011)

A study titled, "Social Networking Sites as Advertisement Environment" provide evidence that consumers change their choices by the comments of their acquaintance on social media while making a decision to purchase, and friends' outlook lead consumers to select a specific good or service(Haciefendioğlu, 2011).

By keeping in view the above stated statistics, this study has objectives to explain that how consumers are receiving, dispensing and deciding to choose the information on social networking sites prior to buying and to examine whether opinions provided by social media communities affect consumer's behavior or not among the different age, gender and education groups.

II. SOCIAL MEDIA

a) What is Social Media

The terms "social media" and "Web2.0 are very interrelated but not precisely identical, and they are different for their utilization. First of all, we define these

terms in order to avoid any confusion; in spite of that social media is the central part of this study.

"Web 2.0 is the business revolution in the computer industry caused by the move to the Internet as platform, and an attempt to understand the rules for success on that new platform."(O'Reilly 2006). O'Reilly presented a business view of relationship with Web 2.0 as the "harnessing of collective intelligence", where Web 2.0 gives a place with user-generated substance."Alternatively, Web 2.0 is a platform whereby content and applications are continuously modified and exchanged by all users in participatory and collaborative manner, and no longer merely created and published by individuals" (Kaplan and Haenle in 2009).

There is a lot of discussion regarding general definition of social media because social media has been converting and integrating into the budding expansion of new media. By keeping in view the following figure, Dann and Dann (2011) showed that social media is structured upon the basis of interconnected components like communication media, content, and social interaction. Social media provided a different dimension of socialization of information so communication flow has been easier and much people are able to spread useful information with a number of online audiences and conversation leads to a worldwide effect.

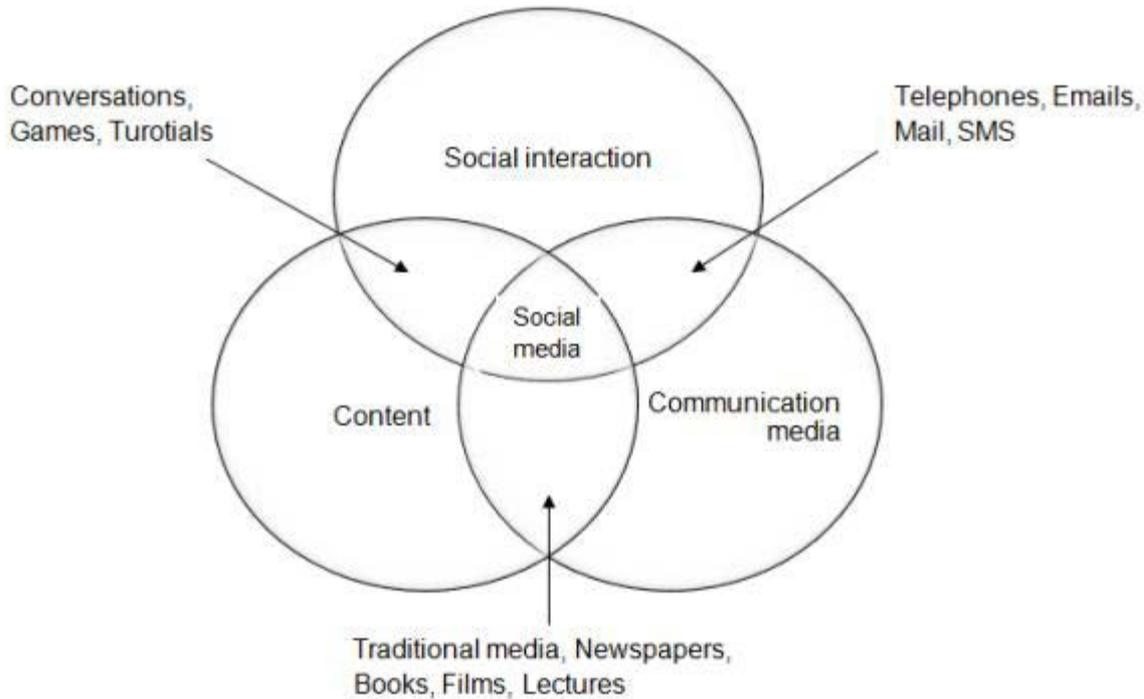


Figure 1: Social Media Components (Dann and Dann 2011)

The social media make a place for actions and attitudes between people of different communities that meet by internet for sharing of opinions and knowledge by operating chatty sites or sources. Basically, social media depicts the new ways to emphasize and facilitate the process of editing, creating, commenting, and sharing.

b) *Types of Social Media*

According to Lee E. (2013), there are following five different categories of social media that are highlighted here.

- 1) Social networking sites
- 2) Social news
- 3) Media sharing sites
- 4) Blogs
- 5) Micro blogging

i. *Social Networking Sites*

Social Networking Sites (SNSs) provide the facility for individuals to connect with others having similar backgrounds and interests like Facebook and MySpace etc. These sites have generally some common features which are following;

- Consumers are capable to make interacting accounts.
- A catalog of recommended friends.
- Users navigate their list of recommended friends and those provided by other users in the system.

For users, these sites are the same as outlets by offering many chances to accumulate the wealth and to establish a nearer connection to the commodity by many different ways.

ii. *Social Bookmarking Sites and Social News*

Social News sites and Social Bookmarking are very alike and have popularity in online social community. Social News provide the facility to people not only to be in organize of their news flow, but also permit persons to "submit and vote on content around the Web" but the center significance of the second one is to permit users "to collect and interesting links they have discovers and may wish to revisit." (Zarella 2010) These sites permit the users to find other networking sites which have been explored by a great number of users already. Now, social news sites have altered the image of newspapers. These sites empower the users regarding personal and targeted news by bringing the users in the center of debate and free interaction.

iii. *Media-Sharing Sites*

Media-Sharing sites (e.g. YouTube and Flickr) are channels where users can save and share their files like pictures and videos etc. with other community members. There are countless prospects by the linkages to these sites because of specific places inside

the social media sector has been an iron grip to online communities having inexpensive technology. One of the main factors of media-sharing sites has to be underline is the *tag*. "A tag is a word assigned to a piece of content that helps describe it, which means that businesses have to acknowledge the importance of the search words on the search engines" (Zarella 2010).

iv. *Blogs*

"Blogs create good hubs for other social media marketing tools (videos, hyperlinks, pictures, and so on), because they can be integrated into the platforms and posts; besides, blog software provides a variety of social features such as comments, blog rolls, trackbacks, and subscriptions" (Zarella 2010). Blogs permit every user to circulate and to connect online debate. Some of them bloggers have no view point restrictions and have approach to the entire Web so the posts on blogs can impact personal, products, or brand reputation freely that much helps the consumers.

v. *Micro Blogging*

Micro blogging permit people to share their short messages via mobile phones, e-mails, or the internet. Micro blogging is a type of information network that is similar to blogging but it restricts the limit of words for every message and inspires a quick way of communication like Twitter. "Twitter, launched in 2006, is one of the primal and leading micro blogs that currently has over 140 million users as of 2012 and handles over 1.6 billion search queries per day" (Twitter 2012). Many firms are operating Twitter for stretching the sphere of business and influencing the decisions of customers by taking the advantage of the relationship binding and building.

III. LITERATURE REVIEW

Symbolic interactionism theory by Mead describes that how people shape their individuality and make a veracity of informal norms by having interaction with other people. The methods of human interaction are going to change over time but this theory is still applicable in modern world of digital age. If we apply the theory of symbolic interactionism to social media, it can be postulated that users of social media communities form individuality and offer a gigantic sphere to establish correlation. This literature review will provide a further look at Mead's theory of symbolic interactionism and its applicability to social media. It will be helpful to examine that how social media users establish the links that have an impact on their buying decisions.

a) *Symbolic Interactionism Theory*

"The theory of symbolic interactionism consists of three fundamental principles that narrate how people interact with each other through meaning, language, and thought to create our self. Interactions are central to the development of one's social identity and functioning

according to combined norms and values”(Griffin, 2009). It elaborates that how an individual forms a social truth. The method one works with other people, obtains from the sense one allocate to diverse relations. For example, a person may observe a protestor on the street shouting. This observer may perceive the protestor as horrible and disturbing while a second observer may consider this protestor as inspiring and progressive. Both observers allocated a meaning to the protestor, which builds a reality.

The language is a medium that is used to assign a meaning. When a person observes the protestor then s/he utilize a language to allocate a specific perception to the protestor. Calling the protestor disturbing allocates a negative sense to the protestor through language. Finally, thought arises by deciphering the symbols and their perceptions. When all these three principles of meaning, language, and thought take place, the indication of a “self” commences to appear.

Mead presented the theory before the launching of internet but it may be applicable to social media interactions. If we have a look upon the Mead’s concept of the looking protestor, we can analyze that how a Facebook page creates our “self.” Symbolic interactionism theory plays a vital role for formation of Facebook profiles and how users discover themselves by making online interaction.

b) *Hyper-symbolic Interactionism Theory*

Hyper-symbolic interactionism is a modified theory of symbolic interactionism for social media because early theories were constructed before the invention of the advent of Internet.

According to Lynch & McConatha (2006), “Hyper-symbolic interaction theory explains the creation of a new type of reality based on symbols found digitally. The theory comprises the smallest symbols such as the I's and O's of computer language and the tiny pixels of digital imagery, as well as the complex contemporary imagery of advertisements and commercials produced daily. The larger symbols and imagery that these details create lead to new values and norms different than other non-digital communities. This digital community is filled with marketers and advertisers, which in turn affect the reality humans’ construct, including the norms and values we abide by, as well as the meaning we give to symbols. We socialize very differently in digital reality than we do in real life. Additionally, the increase in digital advertising causes us to perceive marketers and ads as reality.”

Now a bird look of different studies has been given here that describes the relationship between social media and consumer’s behavior.

According to Drell (2011), 20% users of Facebook utilize the famous social media to search a commodity before its purchase, and 42% inquired about a product by online means. This study analyzed the

online behavior of social media consumers and showed two main classes of online sharing: low sharers and high sharers. High sharers of online consumers are judged 20% who were teenagers, devoted to brands, and had many of electronic instruments. Low sharers are 80% of online consumers, were normally older, much interested with quality rather than brand.

There is another investigation regarding the behavior of millennials using social media having an impact on buying decisions. Millennials are consumers who are mid-teens to mid-30s. According to Greenleigh, (2012), millennials “are hyper-social, constantly connected to social media and they care that about what others are doing, buying, and enjoying, strangers as well as friends.” This study elaborated that 51% millennials trust strangers when they are buying goods, over relatives or friends. The study shows that 84% of millennials takes view form social media communities before buying a commodity which is a proof of shifting the traditional buying to the modern digital era for choices and impacting the consumer’s behavior.

Forbes & Vespoli (2013) made analysis on a sample of 249 consumers' purchases to examine the category of purchased product, and the prices of goods. The conclusion of this study show that buying decision of consumers whether they are purchasing expensive or inexpensive goods are affected by the opinions of their online friends or contacts. According to the study that 59% of responded users of Facebook used social media to receive a product recommendation from friend or contacts. These results support the view that social media has impact on buying behavior of consumers.

Lehmann, Ruitter & Kok, (2013) investigated the impact of social media on consumer's decision-making. In this study, advertisement of influenza vaccination has been made on social media websites and Dutch news sites during February, March, and April, 2012. The study concluded that both types of media have different impact on people. Therefore, this study makes the conclusion that people responded more to the news on social media as compared to news media. Internet or social media is an important and attractive tool to influence the decision making of people and source of information.

IV. RESEARCH METHODOLOGY & DATA COLLECTION

In this type of study, in essence, primary data answers the objectives that are stated. The primary data of this research is gained by questionnaires from social media users in Pakistan. The questionnaire is sent to colleagues, friends, family, and other persons from different localities, culture, language and provinces of Pakistan which would yield the sample size to be 1000

persons. Participation was voluntary and the questions were formulated in English.

The empirical section concentrates to find out that how people in Pakistan decipher the information on social media when they are intended to buying. By having an overall view on the buying pattern of consumers, this study is also intended to provide a different aspect about the impact of social media on different groups of age and gender in the decision making process.

SPSS package program is used for the data which is supposed to obtain by the respondents.

For the purpose of this study, quantitative data is intended to be gathered and utilized. With described strategy of survey, data is collected from a selected population. Since the span of the research concentrates on a multi-dimension; so the objective of the research methodology is to reach individual consumers who are in different age, education, locality, culture and gender groups in Pakistan.

V. RESULTS & CONCLUSIONS

After the collected information, it is concluded the fact that 47% of consumers buy items online are really young, holding bachelor degree and get rid between 25-29 years. Consumers who buy online are usually young females as compared with males, working in the company, with more than 30,000 Pakistani rupees monthly salary and mostly have one account at least in the social network. Before buying a product on the Internet, 53% of consumers usually have information from forums, social media accounts, company websites, and peer review. Moreover, one of the reasons that most consumers prefer online transactions are convenience (47%), and the fact that the product is easily home delivery (43%).

In conclusion, we can say that social networks have a role in influencing consumer behavior in a virtual environment, especially when the degree of exposure to messages and relationship that develops between a variety of information given and the consumer who is about to make a purchase.

If we look from the perspective of the company, it should use the tool of mixed control policies to increase sales, and therefore, the net sales and market share. By improving the product details or to develop the concept of complete information of output, the company may promote the relationship between potential buyers who follow continually social networks. The pricing strategies are closely linked to the product and influence directly shopping behavior for the buyer.

As for the distribution policy, companies can send information of products digitally only, and may reduce shipping costs or conversion to physical formats. Another method used by companies can be to stock data on the cloud servers that both the company

and the buyer will have access. It also can be used to connect communications strategies through interactive games, signs that consumers leads to the website of the company or of behavioral communication (to convince the public to embrace the ideas or certain practices by publishing the relevant product information, advertising short, movies, links, etc.).

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