



GLOBAL JOURNAL OF MANAGEMENT AND BUSINESS RESEARCH: A  
ADMINISTRATION AND MANAGEMENT  
Volume 17 Issue 6 Version 1.0 Year 2017  
Type: Double Blind Peer Reviewed International Research Journal  
Publisher: Global Journals Inc. (USA)  
Online ISSN: 2249-4588 & Print ISSN: 0975-5853

# The Effect of Social Networks and Google on Consumers' Buying Behavior in Dhaka City, Bangladesh

By Md. Abu Jafar, Md. Aminul Islam & Arifur Rahman Khan

*Green University of Bangladesh*

**Abstract-** Social network is a buzzword which contributes in increasing number of customers and consumers thus companies are getting huge response from the market. Comparing with the traditional business, modern business is booming too fast but in some cases they can't sustain for the longer period of time because competitors are not limited to the local areas only so do the consumers. Once a customer moves from one site to another site, it is difficult to back him/her to the previous track. In the analysis, Principal Axis Factoring has been used for variation explained and Principal Components Factoring for rotated component matrix. To justify the appropriateness of the study we run KMO and Bartlett's Test. Result showed that, positive word of mouth, branding, search engine category, product customization, interaction with the customers, effective SEO, trust play significant roles in this case. In fact, this paper aims at identifying the effect of Social Networks (SNs) and Google on the buying behavior of the consumers.

**Keywords:** social networks, google, consumer, buying behavior, dhaka city, bangladesh.

**GJMBR-A Classification:** JEL Code: D12



*Strictly as per the compliance and regulations of:*



# The Effect of Social Networks and Google on Consumers' Buying Behavior in Dhaka City, Bangladesh

Md. Abu Jafar <sup>α</sup>, Md. Aminul Islam <sup>σ</sup> & Arifur Rahman Khan <sup>ρ</sup>

**Abstract-** Social network is a buzzword which contributes in increasing number of customers and consumers thus companies are getting huge response from the market. Comparing with the traditional business, modern business is booming too fast but in some cases they can't sustain for the longer period of time because competitors are not limited to the local areas only so do the consumers. Once a customer moves from one site to another site, it is difficult to back him/her to the previous track. In the analysis, Principal Axis Factoring has been used for variation explained and Principal Components Factoring for rotated component matrix. To justify the appropriateness of the study we run KMO and Bartlett's Test. Result showed that, positive word of mouth, branding, search engine category, product customization, interaction with the customers, effective SEO, trust play significant roles in this case. In fact, this paper aims at identifying the effect of Social Networks (SNs) and Google on the buying behavior of the consumers.

**Keywords:** social networks, google, consumer, buying behavior, dhaka city, bangladesh.

## I. INTRODUCTION

The global online business environment, in recent years, is seen commercially. The development along with the emergence of online stores has made it possible to turn users into consumers. Social media creates a platform for the consumers and marketers to make communication. (Hennig-Thurau et al., 2004). (Kozinets, 1999) said that social media creates a new podium to collect product information by peer communication. Consumers can motivate other buyers by reviewing of products and services they use. There are several factors on which consumers can be influenced to buy the products and services such as income, brand's value, purchase motivation (on social networks), age, sex (Demographic), payment method, stores type (online or physical). Companies are trying to use modern marketing tools and techniques to get the competitive advantage. Modern users use Google to find the list of suggestions for their desired goods and services. They compare the goods and services among

multiple sellers, shoppers. Those companies are listed top in the search results and have positive viewers' feedback sustain in the market.

People purchase consistently with their requirements both from online and in their physical presence. They consider several issues while making their purchase decision especially in case of online shop. (Mersey et. al. 2010) mentioned that due to the development along with quick growth of social networks, customers do several activities including blogging, chatting, and entertainment and messaging. (Ross et al. 2009) found that Facebook has been recognized as the top most popular as well as widely used social media networks. Social relationship, dealings with people have a great impact on consumers' buying decisions.

## II. LITERATURE REVIEW

Internet has created a platform on which organizations of all sizes and categories can compete. Businesses using modern marketing techniques such as Internet marketing, Facebook marketing, viral marketing, search engine marketing, and e-mail marketing has become more successful in meeting the competition (Dwyer, Schurr & Oh, 2015). Flint and Woodruff (2015) reviewed the advantages related to new technology, such as shortening the product life cycle and altering standards. Social network has given scope to the marketers for product customization and targeting customers in a better way (Crosby & Johnson, 2015).

Initially starting out as a means for people to stay connected worldwide, social networking has now grown into a crucial business tool for both social as well as commercial needs. Social media provides an opportunity for businesses to involve and interact with potential consumers, inspire an increased sense of intimacy with consumers, and make all important relationships with potential consumers. (Mersey, et al., 2010). With the increasing impact of social networking on daily lives, its impact spans beyond global boundaries, transcending even social and cultural limitations (Dwyer, Schurr & Oh, 2015). Many researchers think that social media plays the role of a special touch point for today's consumer decision process, from the stage of consideration to the stage of post purchase. Similarly, companies are also

**Author α:** Assistant Professor, Department of Business Administration The International University of Scholars. e-mail: jafar.du@gmail.com

**Author σ:** Senior Lecturer, MIS Green Business School, Green University of Bangladesh. e-mail: aminul.research@gmail.com

**Author ρ:** Lecturer, MIS School of Business, Independent University, Bangladesh. e-mail: wms.arif@gmail.com

endeavoring to boost customer engagement, create brand awareness, drive traffic for marketing properties, and also raise the number of communication channels (Zarrella & Zarrella, 2010). Many companies today have pages on social networks to reveal the information about products. By using social media, consumers have the power to influence other buyers through reviews of products or services used (Kozinets, 2014).

Consumers are using several online formats to communicate to share ideas about a given product, service, or brand and contact other consumers, who are seen as more objective information sources (Kozinets, 2014). The distinctive features of social media along with its popularity have given revolutionized platform for marketing practices like advertising, promotion (Hanna, Rohn and Crittenden, 2011). (Mangold and Faulds, 2009) mentioned that social media has also effect on consumer behavior (information acquisition to post-purchase behavior) such as dissatisfaction statements or behaviors about a product or a company. The advanced level of efficiency of social media comparing to other traditional channels has impelled industry leaders to participate in Facebook, and others sorts of social media in order to be successful in online environments (Kaplan and Haenlein, 2010). A study done by Deloitte Touche' in USA found that 62% of US consumers read consumer generated online reviews where 98% of them found these reviews trustworthy; 80% of these consumers said that reading reviews has influenced them to buy products and services. (Pookulangaran, et al., 2011). Prior research has shown that negative information from a few posts can have significant effects on consumer attitudes (Schlosser, 2005).

Researchers from social psychology have identified the sheer presence of observers who have the power to change behaviors. At the same time, in online social media there are options for subscribing contents permitted by sites and user subscriptions allow some content generators to keep record their audience size which indicate levels of trust for the content developers who allow them to push in an easier manner when it comes to their followers' pages or walls. The presence or absence of a captive audience can influence behavior (Trusov et al., 2009). Hoand Wu (1999) stated that consumers are much more likely to post reviews when they are highly content with the offerings of the product. However, in earlier times, consumers of a product tended to be more enthusiastic about it, and thus with the span of time average ratings tend to be decreased in the end. Along with all this it has seen that the uniqueness of consumers may be effective their decision of providing important reviews or their feedback about products or services. Social relations and dealings with individuals play a great role in changing people's mind sets regarding their purchasing decisions. Merseyet al. (2010) noted that the

development and quick growth of online social networks enables customers to do several kinds of activities that include blogging, chatting and interaction, gaming and entertainment, as well as messaging.

### III. METHODOLOGY OF THE STUDY

This is a descriptive research where both quantitative and qualitative data have been used. Quantitative data was used as primary source and for this reason a survey with structured questionnaire, containing the 5-points Likert Scale statements, has been conducted and qualitative data was collected through secondary sources like journals, periodicals, articles, books etc. 160 respondents who are experienced with online buying and search their products to find the desired online business or e-commerce sites on using goggle and social networks. Out of 160 respondents, 30% was male and 70% was female. The average age of the sample was 25. 66% of respondents had undergraduate or graduate level of education. We have conducted Exploratory Factor Analysis (EFA) to decide if multiple variables comprise single dimension. And to do the analysis, we used Statistical package SPSS 20.0.

### IV. ANALYSIS AND FINDINGS

For this study, we have identified 10 variables which are consequent of reviewing the literature review. These variables are included:

V1 Product customization, V2 Interaction with customers, V3 Intimacy with customer  
V4 Brand awareness, V5 Update content, V6 Effective SEO, V7 Positive word of mouth  
V8 Key word search, V9 Type of Search engine, V10 Trust

We have used Bartlett's sphericity test to assess the null hypotheses which states that the population correlation matrix is an identity matrix where all diagonal terms are 1 and all off-diagonal terms are 0. Test statistic with large value will favor the null hypotheses rejection. The factors' appropriateness will be questioned if this hypothesis is not rejected. On the other hand, the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy is termed to be useful to compare the magnitudes of the observed correlation coefficients with the magnitudes of the partial correlation coefficients. Small values (below 0.5) of the KMO statistic, in case of larger number of factors, indicate that the correlations between pairs of variables cannot be explained by other sort of variables thus factor analysis may not be appropriate.

Table 1: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.634
Approx. Chi-Square		198.776
Bartlett's Test of Sphericity	df	45
	Sig.	.000

Consequently, from the above table, it is apparent that factor analysis is appropriate. Here, the KMO value is .634, which is between 0.5 and 1.0, and the approximate chi-square statistic is 198.776 with 45 degrees of freedom, which is significant at the 0.05 levels. Therefore, the null hypotheses can be rejected and the alternative hypotheses that all variables are correlated to each other can be accepted. To analyze the variables ranging from V1 to V10, factor analysis has

been used for data reduction. This analysis divulges the most important factors that have influence on customer loyalty. From the above table, only 4 factors have been extracted, as cumulative percentage is greater than 63% at the very next cell and Eigen value is greater than 1.0 (it is recommended that factors with eigenvalues greater than 1.0 should be retained) that indicates the adequacy of the analysis using derived factors.

Table 2: Total Variance Explained

Factor	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.496	24.962	24.962	1.934	19.340	19.340	1.276	12.758	12.758
2	1.346	13.462	38.424	.807	8.067	27.407	1.258	12.584	25.342
3	1.247	12.465	50.889	.591	5.908	33.315	.736	7.359	32.701
4	1.064	10.642	61.531	.428	4.276	37.591	.489	4.890	37.591
5	.851	8.510	70.041						
6	.768	7.678	77.719						
7	.721	7.212	84.931						
8	.584	5.837	90.767						
9	.541	5.413	96.180						
10	.382	3.820	100.000						

Extraction Method: Principal Axis Factoring.

From the above table, only 4 factors have been extracted, as cumulative percentage is greater than 61.53% at the very next cell and Eigen value is greater than 1.0 (it is recommended that factors with

eigenvalues greater than 1.0 should be retained) that indicates the adequacy of the analysis using derived factors.

Table 3: Rotated Component Matrix

ITEMS	FACTOR			
	Searching Attributes	Product/Content Attributes	Customer Behavior Attributes	Customer Relationship Attributes
Effective SEO	.732			
Key Word Search	.517			
Type of Search Engine	.434			
Brand Awareness		.612		
Update Content		.412		
Product Customization		.401		
Positive Word of Mouth			.444	
Interaction with Customers			.415	
Trust				.567
Intimacy with Customer				.455

Extraction Method: Principal Components Factoring.

a. Attempted to extract 4 factors. More than 30 iterations required. (Convergence=.003). Extraction was terminated.

The extracted 4 factors can be interpreted on the basis of variables that load high coefficients. From the rotated component matrix table, factor 1 includes high coefficients for Effective SEO (.732), Key Word Search (.517), and Type of Search Engine (.434). Thus, factor 1 can be named as "Searching Attributes". Factor

2 has high coefficients for Brand Awareness (.612), Update Content (.412) and Product Customization (.401). Hence, this can be entitled as "Product/Content Attribute". Factor 3 generates high coefficient for Positive Word of Mouth (.444), Interaction with Customers (.415). Therefore, this factor can be titled as

"Customer Behavior Attribute". We termed factor 4 as Customer Relationship Attributes which generate high coefficients for Trust (.567) and Intimacy with Customer (.455).

## V. CONCLUSION

This study tried to identify the effect of Social Networks and Google on consumers' buying behavior by investigating various related attributes and factors originated from both literature review and feedback of the questionnaire. According to the analysis of the data generated by SPSS 20, four components together explain 61.53% of the variety. But this explanation is not enough rather there are different components also and further research can be possible to find out the other factors. Moreover, city or country-wise research can also be done based on this topic.

## REFERENCES RÉFÉRENCES REFERENCIAS

1. Crosby, L. A., & Johnson, S. L. (2015). What to do before going 1-to-1. *Marketing Management*, 9(4), 15-21.
2. Dwyer, F. R., Schurr, P. H., & Oh, S. (2015). Developing buyer-seller relationships. *Journal of Marketing*, 51(2), 11-27. doi:10.2307/1251126
3. Flint, D. J., & Woodruff, R. B. (2015). The initiators of changes in customers' desired value: A theory building study. *Industrial Marketing Management*, 30(4), 321-337. doi:10.1016/S0019-8501(99)00117-0
4. Hanna, R., Rohm, A. & Crittenden, V., (2011). We're all connected: The power of the social media ecosystem, *Business Horizons*, 54, 265-273.
5. Hennig-Thurau T., Gwinner K., Walsh G. & Gremler D., (2004) Electronic Word-of-Mouth Via Consumer Opinion Platforms: What Motivates Consumers to Articulate Themselves on the Internet? *Journal of Interactive Marketing*, 18, 38-52.
6. Ho, C., & Wu, W. (1999, January). Antecedents of consumer satisfaction on the Internet: an empirical study of online shopping. Paper presented at the 32nd Hawaii International Conference on System Sciences, Wailea Maui, Hawaii.
7. Kaplan A. and Haenlein M., (2010). Users of the world unite! The challenges and opportunities of social media, *Business Horizons*, 53, 59-68.
8. Kozinets, R. V., (2014). E-tribalized Marketing? The Strategic Implications of Virtual Communities of Consumption, *European Management Journal*, 17(3), 252-64.
9. Mangold G. and Faulds D., (2009). Social media: The new hybrid element of the promotion mix, *Business Horizons*, 52, 357-365.
10. Mersey R., Davis, Malthouse E. & Calder B., (2010). Engagement with Media, *Journal of Media Business Studies*, 7(2), 39 -56.
11. Pookulangaran S. and Koesler K., (2011), Cultural influence on consumers' usage of social networks and its' impact on online purchase intentions, *Journal of Retailing and Consumer Services*, 18, 348-354.
12. Ross, C., Orr, E. S., Sisic, M., Arseneault, J. M., Simmering, M. G., & Orr, R. R. (2009). Personality and motivations associated with Facebook use. *Computers in Human Behavior*, 25(2), 578-586. doi:10.1016/j.chb.2008.12.024
13. Schlosser A., (2005). Posting versus Lurking: Communicating in a Multiple Audience Context, *Journal of Consumer Research*, 32(2), 260-5.
14. Trusov, M., Bucklin, R. E., & Pauwels, K. (2009). Effects of word-of-mouth versus traditional marketing: findings from an internet social networking site. *Journal of Marketing*, 73(5), 90-102.
15. Zarrella, D., & Zarrella, A. (2010). *The Facebook marketing book*. North Sebastopol, CA: O'Reilly Media.