Social Media and Young Consumers Behavior

Jehangir Bharucha
Lincoln University, Kualalumpur, Malaysia

drjehbharucha@gmail.com

Abstract— The Indian market is growing at an exponential rate. Social media is now getting increasingly widespread and popular with young consumers in India. Does social media affect consumer decision-making in India? Consumers do see a torrent of content from firms on social media but does this content benefit them? Data collection is achieved by using an online consumer survey of 145 social media users from the ages of 16 to 30 years. The information was collected directly from respondents via the internet, from March 5th to May 16th 2017. The influence of social media in Mumbai and other parts of India among the youth cannot be ignored. Although social media has myriad benefits for consumers, they all boil down to one thing: information. Consumers need 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 study highlights several suggestions to businesses and social media platforms to optimize the advantages of social media for consumers through several ways and to consumers to enhance their social media experience.

Keywords— buying decision, young consumers, social media.

1. Introduction

India is today one of the fastest growing economies in the world. The market is growing at an exponential rate. Social media is now getting increasingly widespread and popular with young consumers in India. The number of youth in India who are becoming fans of social media is growing at an unprecedented rate. Companies are now realizing how important it is to utilize social media to reach out to their youth consumers. Social media strategies are constantly evolving and changing for the better. Companies are experimenting with all kinds of social media and this makes the study all the more interesting.

No doubt there has been a lot of recent research on social media marketing but it has been analyzed through experimental and theoretical research. In particular, studies in exhaustive detail the benefits young consumers in developing countries may derive have not yet been made. Despite the beginning made by authors in this particular field, the outcome has been limited. There is a need for greater formal studies which go beyond theoretical or predicted outcomes so that we get actual knowledge of real life applications.

2. Nature of social media

Nature of social media

For this study, we use the definition advanced by [1] “Social media are technologies that facilitate social interaction, make possible collaboration, and enable deliberation across stakeholders. These technologies include blogs, wikis, media (audio, photo, video, text) sharing tools, networking platforms (including Facebook), and virtual worlds.”

One of the advantages of the internet is that it enables businesses to reach a worldwide customer population, so that customers can survey, select, and purchase products and services from businesses around the world [2]. Social media is the background in which social networking takes place and has totally change the way consumer take their purchasing decisions. Social media is highly interactive and users share and process information with others [3]. Producers and firms have capitalised on this new channel and most firms now do a significant portion of their marketing via social media which allows them to engage their consumers in a more personal and cost effective way. Because of technology advancement, social media enables access to authentic information at opportune time even when the customers are at home and hence they can do comparisons and have better control from anywhere in the world [4].

According to a recent study by We Are Social; there are 3.175 billion Global Active Internet Users (almost half of the world’s population of 7.357 billion). Out of these, 2.206 billion are active users of social media. For many connected users in India, access to the Internet is primarily for accessing social media networks According to a report by the Internet and Mobile
Association of India (IAMAI), 66% of the 180 million Internet users in urban India regularly access social media platforms. While college students (33%) form the largest demographic of active social media users in India, working women and non-working women register just 7% and 11% respective share in that user base [5].

According to Telecom Regulatory Authority of India (TRAI) seven out of eight persons access internet through mobile phones. 89% of 198 million internet subscribers access it from mobile devices out of which majority are users of social media Roy 2014. Members of online brand communities participate and get relevant information and companies are exploiting this for the marketing of brands through such virtual relationship with customers [6].

This paper, however, investigates how young consumers benefit from social media. Consumers do see a torrent of content from firms on social media but does this content benefit them? Additionally, we will attempt to understand how social media is used to enhance the consumer experience, both by firms and by consumers themselves.

3. Influence of Social media to Reach Consumers

Social media refers to “online tools where content, opinions, perspectives, insights, and media can be shared … (and) at its core social media is about relationships and connections between people and organizations [7]. These tools include widgets, blogs, wikis discussion boards, video logs, chat rooms consumer product rating sites, and social network sites. Therefore social networks are defined to be websites which link millions of users from all over the world with same interests, views and hobbies. Blogs, YouTube, MySpace, Facebook are examples of social media that are popular among all level of consumers [8]. The phrase ‘social networking sites’ is often used interchangeably with social media. However, social media is different because it allows participants to unite by generating personal information profiles and inviting friends and colleagues to have access to those profiles [9].

It is quite unfortunate that many businesses and organizations dive into the social media bandwagon without a clear strategy and as a result, they end up disappointed [10]. If the right approach is followed, it can prove to be very advantageous as companies can use it to influence purchasing decisions. Research has repeatedly shown that there is a high probability consumers will purchase an item based on social media referrals.

People, some times, have more faith on these media as compared to traditional promotional mix sponsored by companies [11]. Technology related developments such as the rise of powerful search engines, advanced mobile devices and interfaces, peer-to-peer communication vehicles, and online social networks have extended marketers’ ability to reach shoppers through new touch points [12].

Social network sites, which are the focus of this study, allow users to create profiles on the site, to post information and share that information and communicate with other users of the site [9]. In an online environment, [13] pointed out that people like the idea of contributing, creating, and joining communities to fulfill needs of belongingness, being socially connected and recognized or simply enjoying interactions with other like-minded members. Social media — or more accurately, the content that is easy to spread via social media — has the ability to make people act in very specific ways that are positive to business owner. Customers develop relationship with each other by content sharing and interaction through participating in new social networks [14].

Many companies have now started having pages on social networks to share more information about their products. Some preliminary talk with customers in Mumbai revealed that consumers tend to relate more with a company’s products after reading all kinds of reviews and remarks of the existing consumers. Now a consumer instead of buying a product he hardly knows anything about has actually become an intensive researcher. Now all consumers can read and understand other people’s views on a particular product. Many online buyers consider the social sites as a reliable source of information and trust the views expressed on these sites. Social media websites allow companies to interact with new and potential consumers, and build lasting relationships with them. In today’s world for the slightest reason consumers may change their loyalties and then publicize this online with negative repercussions for the company.
There is also a prominent humanization effect that with social media brands start acting like people do. This is perhaps most significant as we all like doing business with other people; not with companies. Additionally, studies have shown that social media has a 100% higher lead-to-close rate than outbound marketing, and a higher number of social media followers tends to improve trust and credibility in your brand, representing social proof [15]. On that note, social media can be extremely effective as when people see their friends buying a product, it establishes credibility and trust. Success stories have a very huge impact on consumers. Social media is a marketing hit because of the crowd mentality and people will buy what their peers are buying. Research by Harris Interactive shows that 71% of consumer says that reviews from friends and family members exert a great deal of influence in their buying decisions [10].

Damasio in his book, Descartes Error, says that emotions play a key role in almost all buying decisions and even rational buyers could get swayed by emotions. Several times people buy products they had not thought about buying because they might have seen a photograph on the social media post of the company and then rationalized the buying decision by some more reading.

Consumers give more importance to brands mentioned in blogs and the “likes” the brands get on social networking sites than the information provided by the companies for their brand [16]. It is now seen in India some people buy to get a “like”. They read reviews on social media for instance they prefer movie reviews from other buyers rather than film critics. Companies which analyze and understand the interests and need of audience and formulate the social media marketing strategy accordingly are successful [17].

4. Virtual Brand Communities

In recent times a main topic being researched as part of social media as a marketing tool is Virtual Brand Communities (VBC). A brand community is a group of people who share the same interest in a particular brand or product [18]. When a consumer trusts the VBC he gets more involved in it and participates more. So trust is very critical. The study done by Casaló, Favián and Guinaliu (2008) shows the very strong control VBC and an online interaction between consumers has on the buying behavior.

Many new forms of social interactions are taking place such as Electronic Consumer to Consumer Interaction (eCCI), which are interactions between consumers of e-services [19]. These give consumers an opportunity to mingle with one another. [19] came up with the concept of electronic consumer to consumer interaction quality (eCICIq). They found that seven factors contribute to the success of eCICIq. These include content, security, hedonic (meaning the emotional aspects of consumers’ interactions with products), quality, atmosphere, convenience, and social [20].

An example of eCCI (which is any interaction between consumers of e-services) is when a consumer posts a question about the fit or color of a product displayed online and another consumer answers the question. This eCCI event would presumably be of high quality if the question is answered by another consumer quickly, correctly, and in a friendly manner [20].

5. Peculiarities of Indian Consumers

India has a population of 1.2 billion people which speak 130 different dialects & languages. Indian consumers are noted as one of the most discerning consumers in the world. The Indian society is very family oriented and brands that get linked with family values are readily bought. With the onset of social media and social reviews, the buying volume of Indian consumers has increased. The major change is also seen in the rural areas as though disposable incomes have risen, there are no big stores to buy from, so using smart phones with internet, they now simply order brands they wish to purchase.

The Indian consumers are indeed very price sensitive and prefer to buy value for money products. Indian buying behavior is greatly influenced by discounts, free gifts and the like. A study by consulting firm Kantar TNS conducted among 70,000 Internet users across 57 countries states that although 21% of Indian consumers ignore social posts or content from brands, they are big fans of social media. Facebook is the most popular social media platform with 75% of the total respondents, followed by YouTube (64%), Twitter (34%), Instagram (25%) and Snapchat (19%). According to the study there is also a rise in social trust among Indian consumers and more than half of the online consumers trust what people say about brands on the Internet rather than sources like company websites, newspapers or advertisements.
6. Review of Literature

A report by Deloitte based on a sample of 1,000 young consumers between the age group of 18-50 observed that Social media works well with most groups but especially with Millennials and one in three U.S. consumers are influenced by social media in their purchases. 47 percent of millennials are influenced in their purchases by social media, compared to 19 percent for all other age groups [21]. According to the same report, 56 percent of consumers buying baby products are influenced by social media, compared to 40 percent for home furnishings, 33 percent for health and wellness and 32 percent for automotive.

Previous research has indicated that even a small amount of negative information from a few postings can have substantial impacts on consumer attitudes [22]. [23] also investigated the correlation between age and attitude and found that users who fall in the 18-28 age brackets had strong positive attitudes towards blogs, video, and brand channel ad formats. The 35-54 age groups preferred ad formats on video and brand channels because they found them to be more eye catching, informative, and had better placement within the online page layout [23].

A report by Deloitte Touché' USA reveals that 62% of US consumers read consumer generated online reviews and 98% of them find these reviews reliable enough; 80% of these consumers said that reading these reviews has affected their buying intentions [24]. [25] researched 23 social media sites and analysed that the most widely used were Twitter (56.7%) and Facebook (53.7%) and other significant social sites were YouTube (38.8%), Flickr (26.9%), and TripAdvisor (23.9%). According to them all hotels appear to do their marketing activities through various social media sites and they also found that approximately 22% hotels used blogs for such activities, and few of them used LinkedIn, MySpace, Second Life to communicate with the customers.

[26] concludes that security is a major factor affecting a consumer’s opinions toward social networking sites and can ultimately impact trust. Forbes conducted research in 2012 to see how consumers engage with different organizations and businesses such as retail, hospitality, entertainment and financial business through social media networks. They found that a whopping 81 percent of respondents admitted that recommendations and posts from family and friends directly impacted on their buying decisions, while 78% of people said that social media posts of companies influence their buying decisions[10].

7. Research Methodology

7.1 Research Objectives

The present research aims to observe whether social networks in any way influence the decisions of consumers in India.

The present research has the following objectives:

- To assess how important social media sites are in India among the youth
- To understand the possible advantages and disadvantages for the youth using social media
- Identifying the popular social media sites in India
- Determining the frequency of young Indians buying products online
- To assess the influence of social media advertising campaigns
- Determining the main kind of posts online
- To assess youth consumer attitudes study toward online advertisements

7.2 Research Design

This study is based on exploratory research whose primary objective is to provide insights into the patterns of using social media and social networking sites while making purchasing decisions. The paper uses a combination of primary and secondary data to understand how consumers benefit from social media platforms. The study is set in India’s commercial and financial capital, Mumbai.

Data collection is achieved by using an online consumer survey of 145 social media users from the ages of 16 to 30 years. The information was collected directly from respondents via the internet, from October 5th to December 16th, 2017. The responses to this questionnaire were then analysed to investigate what people really use social media for and what benefits to they receive from it as consumers, if at all. The convenience sampling technique was used which implies a non-probability sampling.
8 Results and Discussion

8.1 Importance
Social networks are important to 52% of the respondents and particularly important to 17%. They hold no particular importance for 23% whereas they are totally unimportant to 8%. It appears that women consider social networks to be of far greater importance than men with 74% considering them important compared to 26% of the males and 84% considering them very important.

8.2 The popular social networks used

Facebook and What’s App prove to be the most widely used social networks used in Mumbai. Facebook is one of the widely used social media platforms in the world and it is also the most flexible in terms of what content can be posted. Its popularity can be explained by the wide variety of content it hosts that includes text, images, video and more. The rise of smartphones has fuelled the popularity of What’s App which is now not only a basic messaging application for cellphones but a mobile social media platform in its own right. The rise of What’s App signals the popularity and the potential of mobile social media.

8.3 Reasons for using social media

95.8% use social media to keep in touch with friends and family which shows that social media is still perceived as a tool for interaction rather than anything else and most of its other benefits are secondary. However, the second most cited reason is ‘to follow news and celebrities’ which was mentioned by 50.3% of the respondents. This proves how social media has made people bigger consumers of news due to the ease of reading the new on websites such as Facebook or Twitter. Most news agencies now have a Facebook and a Twitter page which makes news more interactive and reader based. Additionally, most celebrities now use online social networks which have made them more accessible to their fans, which can also be called consumers of the celebrity brand. 33.6% of the respondents use social media to follow trends, which again is beneficial for consumers as a source of information.

8.4 The kind of pages followed on social networks

70.6% used social media to follow news pages which only supports the earlier statement about social media benefitting readers/consumers of news by allowing them to follow the pages of news agencies and receiving the latest news directly in their feed.

60.3% also followed fashion and lifestyle brands that show how consumers can use social media for online shopping by following their favourite brands online. 50% of the respondents follow social causes online which allows them to donate to and volunteer for causes more easily, not to mention raise awareness about them.
follow celebrities which again supports that social media has made celebrities more accessible to their fans/consumers of the celebrity brand. The most followed social media account was of the Prime Minister of India, Narendra Modi who is the only politician in the most followed pages.

39.7% follow technology pages. Such pages not only help consumers make better purchase decisions but also show them how to make best use of the technological devices they already own. 32.4% follow social media icons such as bloggers and vloggers (video bloggers). Although such icons are more popular among the youth, they benefit people of all ages. Not only do they allow consumers to follow topics they are interested in but they often recommend products to their following and, like technology pages, show how consumers can make the most of what they already own. This is often done by online tutorials such as makeup tutorials, technology how-tos and do-it-yourself tutorials.

8.5 Frequency of shopping online

Consumers who shop online can maximise the pros of social media as a lot of social media content is aimed at online shoppers. Only 20.3% of the respondents said they never shop online. However, majority of the respondents’ (81.2%) answers fall on the lower scale of frequency of shopping online which shows that although social media may have an impact on consumers, for consumers in India the change is taking place slowly as most people still prefer shopping in person.

8.6 Frequency of a social media post or campaign influencing a purchasing decision

65.7% of respondents admitted that a social media post ‘has some influence at times’ on purchasing decisions. Although this may not strongly indicate the importance of social media for consumers, when we take into account that most people are unwilling to disclose or unaware of how influential an advertising campaign can be, we can safely infer that what brands post on social media influences customers. This can prove to be beneficial to consumers by providing information about products and trends as well as personalising the advertising process. However, it may also be possible that consumers are coerced into or feel pressurised into buying things they do not require. This could be one of the negatives of social media for consumers.

8.7 Kinds of posts/activity on social networks

46% of respondents use social media to express their opinion on politics and current affairs, whereas 34.1% raise awareness about social causes via their social networks, 22.2% participate in
discussion forums and 20.6% write reviews. These statistics highlight how social media is becoming an important information sharing tool for the people. This information is often vital to consumers who can use social networks to access it quickly and assimilate it easily. 35.7% of respondents use social media to track sales and discounts on brands and stores which is another vital piece of information for consumers made readily available through social media. 15.9% of respondents make consumer complaints via social media. Although this number is small it shows how social media has the potential to change the way firms and consumers interact with each other. Through social media, consumers can pressure firms to change their practices as the risk of bad publicity is far too great for the firm to ignore.

8.8 Whether consumers block advertisements/promotional messages on social networks

![Figure 7. Blocking of promotional messages](image)

38% of respondents block advertisements and promotional messages on social media, although only 6.3% block them often. However, an excess of such social media posts not only leads to information overload for the consumer but is often unwanted. This demonstrates the cons of social media for consumers. But blocking advertisements on social media means that consumers cannot avail of the other pros of social media such as being able follow trends and track discounts and offers. To maximise the benefits of social media a balance must be found between the two.

8.9 Whether consumers check information online before buying a product

In response to this question, 25% claimed to check this information with 42% checking it occasionally 21% of the respondents check it sometimes whereas 12% claimed not to check it at all.

On the basis of the data collected when the relationship between the consumers income and attitude on checking the product online was analyzed it is observed that those with lower and middle level income levels frequently checked all information about the product online before deciding to purchase it.

9. Conclusion

The influence of social media in Mumbai and other parts of India among the youth cannot be ignored. Not only is there a rise in social media users, but also in the types of social media and number of social media platforms. Now, all applications have a ‘social’ element; even ordinary application whose primary purpose is different can act as a social media platform by connecting users to one another. In these circumstances, social media is bound to play a part in the lives of consumers. Social media undoubtedly is both important and valuable to businesses.

As demonstrated by this study, social media can have several advantages for young consumers. Although social media has myriad benefits for consumers, they all boil down to one thing: information. Consumers need 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 than real world and this has become some kind of an addiction. This platform also serves well to those who seek attention. Companies in India have been significantly increasing their outlay on social media marketing even though the effectiveness of this needs further investigation. This study would like to suggest that each corporate should select the most appropriate social media as per organization specific traits.

Out of many consumer decision-making models the model which is broadly at the core suggests three steps broadly: search of information, evaluation of different alternatives, and post-purchase behavior [27]. Consumers thus evaluate different products and then take a decision. This becomes the most important reason why today all corporate and businesses must have a presence on.
social media. This is because 74% of consumers rely on social media to making a buying decision [10].

Businesses and social media platforms can mitigate the harm done by the disadvantages and optimize the advantages of social media for consumers through several ways, such as-

- Filtering advertisements and promotional messages according to audience so that they only reach the targeted segment.
- Making websites and servers more secure to avoid hacks and information leaks.
- Keeping an eye out for pages that are possible scams and seem unreliable. Such pages should be removed immediately.
- Using specialised, dedicated social media platforms as opposed to general social networks. Although the audience decreases, it becomes more likely that the post reaches the target segment and does not bother other social media users.
- Showing customers you really do care about their experiences
- Constantly following up, taking polls and monitoring keywords on social media
- Creating long-term customer loyalty through digital thank you notes, personalized messages and other interactions.

Young consumers are also responsible for their social media experience and can enhance it through methods such as-

- Using specialised, dedicated social media platforms where it is more likely that they find information that helps and interests them.
- Giving limited personal information to stay safe on the Internet.
- Checking that the website they use is secure.
- Searching for pages on social networks by topic to find a larger variety that interests them.
- Trying to connect to users with similar interests.
- Posting actively on social networks and giving feedback to firms when necessary.
- Avoiding the use of too many social media platforms at one time to prevent information overload.

These suggestions, if implemented, could ensure that social media is not only a platform for firms to market but also platform consumers can make the most out of. If businesses find their social media campaigns is not working the answer is no to shelve the idea but revamp it. Today the Indian consumer is extremely cautious how he spends his hard earned rupees. Businesses need to create innovative pages that have correct data, facts and figures, and reviews from satisfied customers rather than fill the pages with company information.

The future of social media marketing in India looks very promising. Social media platforms themselves are evolving and going through phases of innovation along with new features. Companies should test out a variety of strategies, take note of which ones work best and concentrate on those strategies. Treating social media as a means to serve the customer, and enrich the overall buying experience is vital to businesses in the future. By doing so, businesses can create loyalty and communicate their dedication to the customers.

10. Limitations of this Research and Scope for Further Research
The results are susceptible to the limitations of online surveys. The responses on which this study is based were given only by people in online media which participated voluntarily, and the concentration of responses is slightly more from women than from men. The reach of the study is restricted to the demographic profile of the social media users. This study is based in Mumbai which cannot be taken as representative for the whole of India. It might be interesting to study to what extent social media marketing is used by the rural population. Also research is needed that while consumers like to receive information about products from social media, how long they remain loyal to the brand and what kind of relationship exists between the two, it may be of use to study further attributes of the buyers and how these factors affect the buying decisions.

References
[2]. Al Kailani, M., & Kumar, R., “Investigating Uncertainty Avoidance and Perceived Risk for Impacting Internet Buying: A study in


http://digitalcommons.uri.edu/tmd_major_papers/2


Industry in Hong Kong Perform in Marketing on Social Media Websites?,” *Journal of Travel & Tourism Marketing*, vol. 28, no. 4, pp. 345-368, 2011.
