

# Impact of Social Media on Consumer Behaviour in Indian Context

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**Abstract:** *Today social media is playing such a big role in our daily lives that we can't even imagine a single day without it. Technology has become so handy that every possible thing in the world is at our fingertips. In the present study, an attempt is made to find out as to how individuals more particularly the consumers are affected by the plethora of social platforms and how is it shaping their behavior in general, what motivates them and what kind of activities do they engage in and what challenges does it pose for marketers. Social media is now a key component of organization's marketing strategies. Surveys have shown that around 74% of shoppers make their purchase decisions based on social media. Not only B2C but also B2B companies are gaining from it.*

**Keywords:** Social Media, Consumer Behaviour

## 1. Introduction

Social media basically means any human communication or sharing information on internet that occurs through the medium of computer, tablet or mobile. There are numerous websites and apps that make it possible. Social media is now becoming one of the largest means of communication and is gaining popularity rapidly. Social media enables you to share ideas, content, information and news etc. at a much faster speed. In last few years social media has grown tremendously at an unexpectedly fast rate and has captured millions of users around the world. Social Media today has emerged as a game changer in the Indian market. With the advent of Information & Communications Technology (ICT), the market today is witnessing a plethora of social media platforms. Nowadays, people from different walks of life whether professional or unprofessional, male or female, old or young has gained an easy access to technology. This in turn has facilitated the social interactions amongst the individuals. People are becoming digitally addicted. Social networking sites are emerging as pervasive form of communication in society. Taking this cue, the marketers worldwide have got an opportunity to showcase themselves along with their products and services to a bigger volume of population that is spread geographically. The marketers have also started relying heavily on this platform to reach out to the masses. This paper attempts to analyze and study how the social media has taken over other marketing platforms and how has it changed the behavior of the consumers with reference to Indian markets.

Social media marketing is a process of gaining traffic and attention through social media sites. The most popular social platforms are:

- Facebook
- You Tube
- Instagram
- Snapchat
- Twitter
- Pinterest
- Google +
- LinkedIn
- Tumblr

- Whatsapp

After Facebook and Twitter, Pinterest is 3rd most popular social network in India. The site generates more than 400% revenue per click as Twitter and 20% more than Facebook. The other platforms in descending order were Instagram (35%), Pinterest (29%), Snapchat (27%), LinkedIn (25%), Twitter (24%) and WhatsApp (22%). Instagram usage grew from 28% to 35% over the two-year period. Consumer's online behavior is developing at a fast rate. Consumers are taking part in a variety of roles ranging from consumer content, participating in discussions and sharing knowledge with other consumers to contributing to other consumer activities.

Social networking allows for the dissemination of a great deal of information about a company or product. This information isn't limited to the company alone who puts out there, because many sites within a social media network are devoted to consumer-collected information. The increased availability has changed the common consumer into a researcher. Before making a purchase, the consumer can log on to a social media network and see what other people think about your products and how you handle customer service. The more information available, the more likely the consumer will make the buying choice that fits his or her needs.

## 2. Review of Literature

Various research findings have also supported and proved the fact that social media has become a weapon of modern marketers nowadays. It has become an easy and very convenient tool to reach out to their customers. Laeder, James (2018) in his paper has concluded that Social Networking sites are so designed as to make the consumers addicted to them in such a manner that they establish the feeling of belongingness with them. This view has also been strengthened by the studies of Gao et.al, 2017 and Yang et.al., 2016. These studies have helped in better understanding of the determinants that how an individual consumer's behavior is influenced by sense of belonging. These studies have primarily focused on the positive aspects of these on the consumer behavior, but it can result in negative consequences too. In marketing, there is currently a growing interest in digital interactivity, especially in consumer activity in social media. It has

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empowered consumers and their role is shifting from being passive participants to becoming active participants. (Stewart & Pavlou, 2002). This active consumer behavior is changing the media and marketing platform as consumers are invading marketing sphere (Berthon et.a.;2008). With the enormous interest in social media and user generated content i.e. UGC on sites such as You Tube, Facebook, Wikipedia, Consumers are seen to be actively contributing to the content.

### 3. Objective

This paper is an attempt to discover the effects of rising social media on behavior of the customers in Indian context and how the marketers are responding to such changes in consumer behavior. Also an attempt is made to discover what activities consumers engage in social media and what motivates them to participate in social media activities and what challenges are emerging for marketers in Indian context.

### 4. Study

While using social media as a tool for purchasing, consumers generally look for:

1. Product related learning: By following a brand on social media, a user wishes to know more about what he will get if they decide to follow the company. It is also determined by the information of products that he can use if he decides to purchase one from company.
2. Information quality: When a user decides to start following a company or brand on social media platform, the key aspect that he /she looks towards is quality of information that the page provides him.
3. Economic benefits: Consumer is also interested in knowing if he /she can get a chance of some economic or other gains from making the deal with particular brand or offer.
4. Interaction & Collaboration: Social media platforms serve as a linking pin between consumers and the firm whereby the consumers can easily access the information they seek and clear their doubts and misconceptions if any.
5. Social presence: This digital age lets the users to influence others to certain extent; wherein on various company and product pages, they can establish themselves as opinion leaders and experts on usage of concerned products.

The survey has revealed that the most coveted reason for using social media was entertainment, spending leisure time, information seeking and social interaction, online shopping. This also shows their usage frequency and social media app usage which indicates how effectively or ineffectively people use their time on social media. Studies have also shown that to understand level of brand engagement through profile and page visits and to understand the same, the users should be divided into high and low level of engagement. This gives an idea of how much time the average user spends on profile/page visits. An active user would visit may be once or multiple times a day while a user with low level of engagement will visit

may be once a month or would only read the updates while not taking an active part in it.

Apart from consumers, the companies and marketers also are very keen on social media for:

1. Increasing Brand Awareness
2. Building a Community
3. Engaging the Customers
4. Reputation Management
5. Customer Service
6. Research of consumer

American Researcher Sean Gelles provides 3 key performance indicators for brands:

- Noticeability: The more consumers like an ad, the longer they tend to remember about the brand.
- Listening: Understanding the demands of the potential customers and what types of verbal and visual content might capture their attention.
- Reach: Determining which platform campaigns are suited to run.

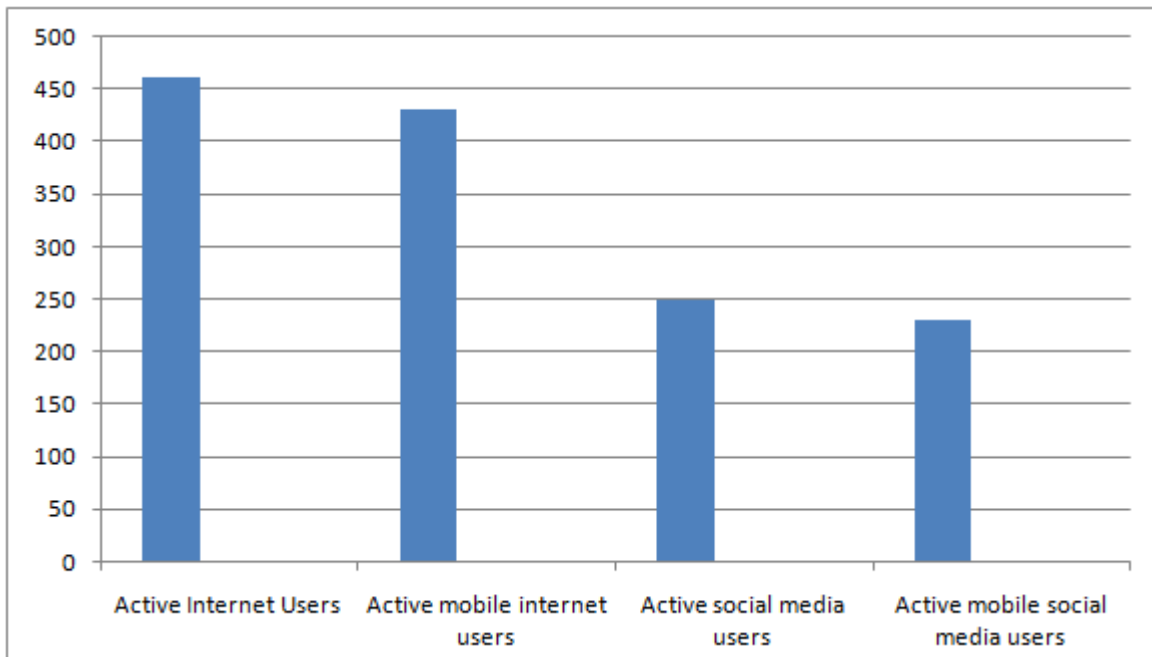
It has also been seen that Facebook has emerged as the primary platform that everyone is currently on, mainly due to its reach and popularity. However, twitter and linkedin are catching up as companies are realizing their effectiveness too.

- Facebook had 2.2 active billion users despite being banned in several places.
- Twitter has 327 million active monthly users
- Instagram , biggest photo sharing portal had 200million active users.
- YouTube accounts for over 1billion users.
- LinkedIn connects over 500million professional across the world.

It would not at all be wrong to mention here that social media has played such a tremendous effect that today it has knitted itself so cleanly in the fabric of Indian culture & society. As a result of which our society, consumers in particular have undergone a drastic change, from being gullible and naive they have turned out to be more matured and responsible ones. Role of social media in business and consumer market in India cannot be undermined. It has transformed itself into a very convenient tool for marketers to promote their brands by building various communities for interactions and spreading awareness about their services.

Any organization be it large scale, medium scale or small scale has its online presence on various social media platforms. This has made them visible to their customers 24\*7 that too with their convenience of place and time. Besides this, it also helps the marketing firms to observe and analyze the behavior of customers on regular basis.

Digital population in India as of January 2018 (in millions)

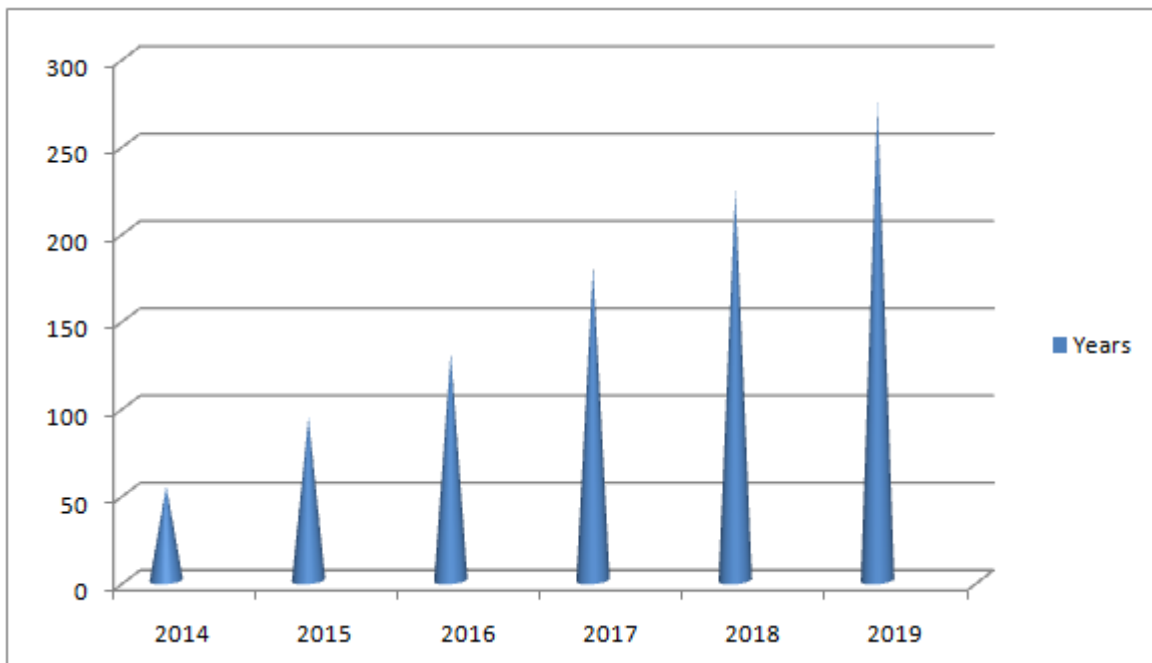


Source: <https://www.statista.com/statistics/309866/india-digital-population/>

This statistic presents the digital population in India as of January 2018. During this period of time, it was found that

the country had 250 million active social media users during the measured time period.

Number of digital buyers in India from 2014 to 2020 (in millions)



Source: <https://www.statista.com/statistics/309866/india-digital-population/>

This timeline displays a forecast of the number of digital buyers in India up to 2020, based on factual numbers from 2014 to 2016. In 2020, over 329 million people in India are expected to buy goods and services online, up from 130.4 million in 2016.

following on social media and they also have a tremendous role in shaping or influencing the purchase decisions of an individual. These individuals post their reviews about some products or services which they personally may or may not use. Therefore, marketers try to identify such influencers because even surveys have proven that approximately 45% of respondents round the world read the reviews, comments, suggestions, feedback before making a purchase decision which ultimately have

Apart from buyers, another segment of social media users is cropping up and that is social influencers. These influencers are those individuals who have a significant

a bearing on their shopping behavior. These social influencers are well versed with the social media and they often tag the product, brand or service in their reviews. Not only this, today's consumers are so enlightened that they have adopted the role of researcher as well.

## 5. Conclusion

As consumers are increasingly performing activities previously controlled by companies, the entire marketing landscape is changing. Therefore, companies need to better understand the changing behavior of consumers, in order to create mutual benefits from the use of social media.

Emergence of social media has made the world a small market by allowing mass cultural exchange and intercultural transactions. Social media and use of networking websites has become a trend that almost every Indian follows. It helps to improve an individual sense of connectedness with the virtual marketing communities. It has proved itself as an effective marketing tool for corporations, entrepreneurs, new start ups. At the same time, it might turn out to be a curse rather than being a boon to the consumers and marketers both, just as every coin has two sides, same is with social media. Its impact on our Indian consumers totally depends on the way they use it and take advantage of it rather than being a victim of it.

Many of the marketers have not completely accepted social media platform for promotion of their goods and services. Consumers also want the brands to take care of them and society at large. Therefore, marketers must try to understand their target audience and try to focus on such platforms and networks that provide a good opportunity to connect with them. Next, they should try to interact more and more with their customers through these social media platforms. Customers also like it when a company directly responds to them and social media makes it easier. Marketers should be willing to engage directly with customers regardless of whether they are offering praise or making complaints about their goods or services. Marketers should also try to admit their errors and mistakes in order to be successful in this world of digital marketing.

Being able to communicate directly with a brand representative online can increase a consumer's loyalty to company by establishing a personal connection that the consumer might not be able to achieve with other companies. Even when the consumer has a complaint, if the company representative is professional, compassionate and understanding, much of the consumer's ire can be abated. Although this is no different from a customer service worker operating in a store with an angry patron present, the online environment allows the company to take its time in formulating the best response and ensures consistency in responses to different consumers. Word-of-mouth advertising has always been an important part of achieving sales for a company. No ad is as convincing as having someone you trust recommends a product or service. With social media, word-of-mouth advertising

can go worldwide in an instant with a single message sent from a single consumer. With some networks, the consumer can communicate with thousands of people at the click of a button, easily spreading a message about the company.

Also, they should try to make their brand more and more visible to customers by trying to post frequently and consistently. The marketers should also try to create strong emotional bond with their audiences thereby strengthening relationship with them. They should try to respond quickly and appropriately as every customer issue is unique and therefore, needs to be handled accordingly. Customers these days are relying heavily on social media networks for customer support & service, so companies should make themselves visible in the digital media for rendering this support. This would enable them to maintain their brand reputation in eyes of public. Last but not the least, the marketers should also try to develop a thorough and achievable set of goals which they should be able to measure and analyze and figure out how far they have been successful in their brand building.

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