

## **ROLE OF SOCIAL MEDIA ADVERTISING IN BUYING DECISIONS AMONG THE YOUTH**

**Dr. Praneet Rangi Randhawa**

Associate Professor, Department of Commerce and Management, DAV College, sector 10-  
Chandigarh 160011

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### ***Abstract***

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*Firms spend a large amount on extensive marketing research. It helps them to gain an insight into the customers buying behavior. The basic thrust of marketing research has been on customer satisfaction, intent to purchase, brand positioning, brand image and advertising effectiveness. With the advent of digital technologies, the field of marketing research has been completely revamped. The challenge for the researchers is intense as they have to handle newer methodologies, more digitally aware consumers with fast changing preferences. Today the consumers search for the product online prior to making an actual purchase. They further quote their experiences on various social media sites. Market research is no longer the traditional long drawn process but is propelled by digital technologies. The rise and popularity of social media sites has opened new vistas of marketing for companies. Most of them find interacting with potential consumers on social media more rewarding. Apart from having their own dedicated page, the companies rely on the vast network of word-of-mouth publicity. The current research paper tries to study the impact of social media advertising on the consumer. The paper is based on data collected from respondents using a structured questionnaire. The objective is to find the impact of online advertisements on social media sites among the people on their buying behavior and understand the implication of the findings on the marketing plan. Analysis of the data has revealed that Facebook is the most popular social media site used by the youth. The key factors that affect the buying decision are the perceptions that the consumer has about the brand, the interest generated by the social media advertising, the extent of motivation in the consumer and the content of social media advertising message. The study reveals that social media advertising has a positive impact on the buying behavior of the consumer.*

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**Key words:** Digital technology, social media advertising, dimensions of consumer behavior

**INTRODUCTION:** The consumer lies at the core of the survival of any business and getting connected to the consumer is as vital for the organization as the heartbeat to the human body. Advertising is the most popular and the easiest method of communicating with the consumer. Advancements in technology have opened numerous options for remaining connected. The advent of smartphones, phablets and tablets has just made communication easy and possible for everyone. The traditional methods of advertising has been replaced and online advertising has come to play vital role. Online advertising uses the internet or the web to advertise and has a wide reach. Online advertising can be done in various forms like the e mail advertising, search engine advertising etc, social media advertising being one of them. Social media advertising is done through social networking sites like facebook, twitter, youtube etc. Kaplan and Haenlein (2010) define social media as “a group of internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of user-generated content.” The term social media includes all sharing sites (e.g., Flickr, Picassa, YouTube), blogs (e.g., Blogger, WordPress), wikis (e.g. Wikipedia,), microblogs (e.g. Twitter) and web- based social networks (e.g., MySpace, Facebook). According to Agichtein et.al(2008) social media differentiates from traditional/industrial media in many aspects such as reach, frequency, usability, immediacy, permanence and quality. Since the accessibility of information is quick and easy, social media has found a high degree of acceptance among the current generation. Hence social media has become the chosen media for advertising.

**RATIONALE FOR STUDY:** The digital marketing has grown annually at growth rate of 33% between 2010 and 2016. Further around 77% of online users buy products on social media sites. This has become the new buzz word, the new market for the sellers to sell their brands. The usage of the social media is not limited to the individuals at the personal level only but includes communication between organizations, communities, and individuals also. Social media is of interest to the marketing department as it serves a good avenue for promoting its product and it is used by the human resource department to understand the expected employee behavior by looking at the social profile of the individual on the internet. As per a study done by Neilson company (2013) there is a significant shift of the marketing managers who are now using the social media to reach their customers by sending messages, branding taglines and advertising on such site. The reason behind this is that the customers can develop a positive attitude with a brand if a trusted

friend has given a positive feedback about the product. Further the message would spread across a wide audience in a very short span of time. Hence, a small expenditure on the right kind of messaging can create a substantial benefit for the company. At the same time if things go wrong the social media might just write the demise of the product.

Social media offers immense opportunities to the companies to leverage the interactive and dynamic nature of social media to foster long lasting relationships with customers. These days most of the consumers search the social media sites for information about the products before buying. This is particularly true for college going students who rely heavily on the internet, and in particular the social media sites to solicit information about products and brands (Pelling and White, 2009). Hence it becomes imperative to understand the role and the extent of influence that social media has on the consumers in their buying decision.

**OBJECTIVES:** The key objectives of the study are :

- To determine the most popular social media sites used by the students of colleges in Chandigarh
- To identify the key dimensions of social media advertising that impact the youth.
- To study the impact of social media advertising on the buying behavior of the youth.

## **HYPOTHESIS**

The key hypothesis that the study aims to prove is as follows:

*H<sub>1</sub> : Facebook is the most effective social media site in influencing youth buying decision .*

*H<sub>2</sub> : Social media has a positive impact on consumer buying decision.*

**SCOPE:** The research is conducted among the graduate and post graduate students of colleges in Chandigarh. The rationale behind the choice of population lies in the fact that the biggest percentage of active social media users (almost 60%) are college going students and in the age group of 18 to 24. Hence this population represents a large portion of the target audience and is the appropriate segment for this kind of study.

**RESEARCH METHODOLOGY:** The research is based on primary data. The target population for collecting primary data has been defined as the students studying in the colleges of Chandigarh. The method of convenience sampling was used to draw a sample of 120 students. Out of the 120 responses, only 115 have been found to be complete and valid. Hence the analysis has been done on a sample of 115 students. The data was collected using a structured questionnaire comprising

of 16 questions. Responses were sought on a five point likert scale with score 1 implying a highly favourable attitude and a score of 5 pointing towards an unfavourable attitude.

**DATA ANALYSIS:** The data has been analyzed using SPSS 24. Factor analysis was done to identify the key dimensions. Thereafter one sample t test was done on the variable with highest loading on each factor to test the hypothesis.

The reliability of the 16-item scale was tested using cronbach's alpha, whose value has come out to be 0.855 or 85.5% which shows that the scale is highly reliable. The KMO measure is 0.798 which shows that the sample is majorly adequate. The Bartlett's test of sphericity is significant (582.188) at 5% level of significance.

The basic demographic profile of the respondents is shown in Table 1

**Table 1: Demographic Profile of the Respondents**

Characteristic	Frequency	Percentage Share
<b>Gender</b>		
• Males	62	53.9 %
• Females	53	46.1 %
<b>Monthly Family Income</b>		
• 0-20,000	21	18.3 %
• 20,000-50,000	22	19.1 %
• 50,000-80,000	20	17.4%
• 80,000-1,0000	15	13.0%
• More than 1 lakh	37	32.2%
<b>Age Group</b>		
• 18-21	78	67.8 %
• 21-24	34	29.6 %
• More than 24	03	02.6%
<b>Area of Study</b>		
• Humanities	52	45.2 %
• Science	25	21.7%
• Commerce	31	27%
• others	7	6.1%

The sample has an equitable gender representation with 54% as male respondents and 46% as females. The largest group of respondents (32% approx) had a monthly family income above one lakh, with the rest of the sample falling in income brackets lower than one lakh. Majority of the respondents (67%) belonged to the age group of 18-21 years and the remaining respondents were in the age group of 21-24. Respondents were largely from humanities stream while respondents from commerce and science had an almost equitable representation.

**FINDINGS: Popular Social Media Sites among the Students**

As per the data collected, Facebook and Instagram are the most social media sites with almost 51% of the respondents having an account on both these sites (Table 2). Twitter and Pinterest do not appear to be very popular among the students.

**Table 2 : Share of Social Media Sites**

Social Media Sites	Responses	
	N	Percent
Facebook	98	28.0%
Twitter	21	6.0%
Instagram	83	23.7%
Snapchat	47	13.4%
Youtube	66	18.9%
Pinterest	19	5.4%
Others	16	4.6%
Total	350	100.0%

Hence the hypothesis that facebook is the most popular social media site among the students is true and stands accepted

*1. : The key factors in social media advertising effecting the Buying decisions*

Factor analysis has been used to identify the key effects of social media advertising on consumer behavior. Factor analysis reveals four distinct factors based on Principal component analysis method. These four factors account for 57% of the total variance.

**Table 4: Rotated Component Matrix<sup>a</sup>**

		Component			
		1	2	3	4
1	How often do you check social media for information on brands before buying	.184	.694	.021	.075
2	How often do you post reviews on social media about brands	.186	.744	.027	.143
3	How often do you tag other people online to photos of the product/brand	.015	.366	.494	-.057
4	How often do you rate the products of brands	.088	.555	.388	.099
5	How often do you upload photos and videos of products bought by you	-.004	.535	.404	-.010
6	How often do you read or watch advertisements that appear on your profile	.197	.026	.697	.206
7	How many times have you taken action (i.e. buy) based on the advertisement you saw on social media	.180	.104	.693	.135

8	What is the impact that the presence of brand on social media has on your opinion of the brand	.530	.420	.115	.464
9	What is the impact that the comments, content or shares a brand receives on social media have on your perception about the brand	.685	.276	.246	.122
10	How much trust do you place on the information and reviews posted by your family about a brand	.808	.069	.151	.022
11	How much trust do you place on the information and reviews posted by friends and connections about a brand	.829	.101	.121	.180
12	How much trust do you place on the information and reviews posted by company	.431	.097	.466	.148
13	How relevant is the advertisement that appears on your social media profile to your interests	.347	.125	.495	.356
14	Social media has the ability to change your opinion about a product or a brand	.191	.364	.100	.678
15	Marketing communication provided by social media is more complete and comprehensive	-.010	.027	.150	.736
16	Exposure to marketing communication through social media helps to make buying decision easy	.185	-0.22	.114	.794

**Factor 1:** It includes items 8,9,10 and 11. Most of the statements are concerned with the impact that presence of brand on the social media has on the mind of the consumer regarding the brand. Hence, the first dimension that is identified is the *impact that the social media advertising has on the perception of the consumer about the brand*.

**Factor 2:** It includes items 1,2,4 and 5. The above items discuss the various actions that the consumers perform on the social media relating to the brand and its advertising. Hence the second factor can be labeled as *the interest that social media advertising arises among the consumers*.

**Factor 3:** Items included in this factor are 3,6,7,12 and 13. The third factor covers the various actions that follow because of advertisement on social media. Hence it can be labeled as the *extent of motivation in consumer to act on account of the social media advertising*.

**Factor 4:** This factor has items 14,15 and 16. The last dimension is defined as the *effectiveness of the social media advertising message in promoting brands* since it talks about the exhaustiveness and completeness of the social media advertising communication.

**3: The impact of Social Media Advertising:** The above analysis has revealed that advertising on social media influences the consumer buying behavior across various dimensions. Using one sample t test, the significance of the impact of social media advertising on the consumer buying behavior is established.

**Table 5: One-Sample Statistics**

	N	Mean	Std. Deviation	Std. Error Mean
Q1	115	3.0000	1.36369	.12716
Q2	115	4.0348	1.14655	.10692
Q3	115	3.9913	1.16601	.10873
Q4	115	3.7130	1.15292	.10751
Q5	115	4.1565	1.12071	.10451
Q6	115	3.4783	1.18727	.11071
Q7	115	3.9043	.94566	.08818
Q8	115	2.9739	1.02136	.09524
Q9	115	2.9391	1.09454	.10207
Q10	115	2.8870	1.11422	.10390
Q11	115	2.8870	.91542	.08536
Q12	115	3.1217	.85990	.08019
Q13	115	3.0435	1.09538	.10214
Q14	115	2.5652	.94711	.08832
Q15	115	2.7304	.99403	.09269
Q16	115	2.5478	1.06987	.09977

Majority of the items in the scale scored between 2 and 3 which implies that social media advertising has a favourable impact on the consumer buying decision. The mean score for few items (2,3,4,5,7) were high and inclined towards the unfavourable. Most of these items are loaded on factor 2 and 3. The significance of the differences in mean score is tested using one sample t-test. Hypothesis testing is done for each of the factors identified by taking the item which has the maximum loading on each factor.

**Table 6 : One sample t-test**

	Mean	Std Dev	T value	Sig (N)	95% confidence interval	
Factor 1: How much trust do you place on the information and reviews posted by friends and connections about a brand	2.8870	0.91542	33.820	.000	2.7179	3.0561
Factor 2: How often do you post reviews on social media about brands	4.0348	1.14655	37.738	.000	3.8230	4.2466
Factor 3: How often do you read or watch the advertisements that appear on your profile	3.4783	1.18727	31.417	.000	3.2589	3.6976

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Factor 4: Exposure to marketing communication through social media helps to make buying decision easy	2.5478	1.06987	25.538	.000	2.3502	2.7455
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Across all the four factors the p value is less than the significance value of .05, hence it is safe to conclude that there is a significantly positive impact of social media advertising on consumer buying behavior. It can be said that

- Social media advertising plays a significant role in capturing the interest of the consumers.
- Social media advertising can significantly alter the perception of the consumers about the brand
- Social media advertising is successful in motivating a consumer to act upon the advertisement
- Lastly, social media is an effective and exhaustive means of promoting the brand.

The hypothesis that social media advertising has a positive impact on the buying decision of the consumer stands accepted.

**IMPLICATIONS OF THE STUDY:** Accepting the importance of social media the study provides an insight into the dynamics of social media advertising. It has been found that Facebook and Instagram are the most popular social media sites being used by the users in the age group of 18-24. Thus considering that almost 60% of the active social media users are people in the age group of 18-24, it goes without saying that Facebook and Instagram should be the potentially preferred sites for marketing, with Youtube and Snapchat being the next best preferred choices.

The social media advertising has a significant impact on the consumer buying, which makes it a more acceptable as a channel of marketing communication than the traditional methods of marketing. The desire to avoid advertisements is very strong among the consumers and this makes social media advertising even more relevant since its impact is more subtle. The paper reveals that social media advertisement has a very strong ability (Factor 1) to change the perception of the consumers by sublimely bombarding the consumer. Further, the research shows that social media is considered as a more complete and convincing form of marketing communication (factor 4). Hence it can thus be stated that the marketing that is interactive, personalized and involves consumer participation is gaining foothold and digital media is leading the revolution. Within this the importance of social media has risen and advertising on these platforms is perhaps one of the more effective ways to market the product.



**SCOPE FOR FUTURE RESEARCH:** The current research is descriptive in nature trying to study the impact of social media advertising on consumer buying. The findings can be taken further to understand the factors that predict the success of using any social media site for advertisement. The two most popularly identified social media platforms in this paper; namely facebook and Instagram can be explored further. While there is a plethora of research on using facebook for advertisement, the scope of newer upcoming platforms that are gaining foothold among the 18-24 age group like instagram, snapchat can be researched specifically.

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