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Impact of Social Media on Consumer Purchase Decisions

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ABSTRACT:

The ceaseless advancement of society in utilizing web resources has offered the chance to numerous business chiefs to use online media for their image advancement or acknowledgment. Associations use online media locales like Twitter, Facebook, LinkedIn, Flicker, Google Plus, and YouTube to advance their item, administration, or brand around the world. The expansion of shopper commitment oninternet-based social exercises has constrained organizations to coordinate web-based media factors into their showcasing methodology.The present study targeted to highlight the impact of social media network usage on the purchase decisions among the social media users in the Kadapa district. A convenience sampling technique has been adopted for the study to collect the data from 120 respondents. Factor analysis Cronbach alpha, and multiple regression analysis are used to analyze and interpret the data. The results specified that site design, reliability, and product availability significantly influence purchase decisions.

Keywords:social media networks, purchase decisions, site design, multiple regression

INTRODUCTION

Social media marketing is a process that allows individuals to promote their products or services through online social channels and tap into a much larger community(Yong & Hassan, 2019). The usage of social media marketing ranged from being not only in individual scope but also affecting the industry as a whole. Therefore, social media marketing also can be defined as a firm's marketing efforts to encourage (potential) customers' interest in the brand by using various internet marketing channels such as blogs, websites, social media, and others (Magasic, 2016; Jin *et al.*, 2019) stated that social media marketing is built upon the idea of interaction between the brand and its consumers, to listen to their valuable feedback so they can improve the experience. They added that the usage of social media platforms (such as Instagram) as one of the marketing tools can enable them to effectively and efficiently communicate the benefit of brands.

Social media thrived as a new era in marketing as companies can create more effective interactions with customers (Gallaugher & Ransbotham, 2010; Kozinets et al., 2010). Social media provides an advantage for companies to reach customers or communities and to develop relationships with customers (Quinn, 2016). Social media has changed the way brands are created, distributed, and consumed to develop a brand image from producers to customers (Tsai & Men, 2013).

Social media has changed the way consumers purchase (Chen et al., 2017), Several consumers even rely more on the information posted on their social media networks when they want to buy something. The trend of promotional activities through social media is a huge change in the world of marketing. Many firms used social media to spread out their promotional activities (Hutter et al. 2013), improve the level of brand awareness, influence purchase decision-making, and maintain engagement with customers (Gallaugher & Ransbotham, 2010; Godey et al., 2016). Ahmad et al. (2018) added that many firms decide to spend more of their promotional budget on social media as the cost of social ads is relatively low in comparison to traditional methods.

LITERATURE REVIEW

Many previous studies conclude that social media has proven to be a key factor in creating brand awareness (Goodrich & de Mooij, 2014; Prasad et al., 2017; Enyioko & Okwandu, 2019). Thus, the higher level of awareness and the positive reviews of social media user interactions will affect consumers' decisions positively (Yogesh & Yesha, 2014).

Joydip Dhar & Abhishek Kumar Jha (2014), have stated that the continuous progress of society in using online resources has given the opportunity to
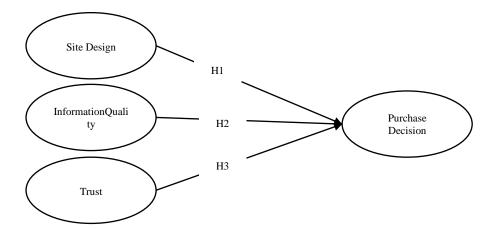
many businessexecutives to utilize social media for their brand promotion or recognition. Organizations utilize socialmedia sites like Twitter, Facebook, LinkedIn, Flicker, Google Plus, and YouTube to promote theirproduct, service, or brand worldwide. The increase of consumer engagement in online social activities hasforced companies to integrate social media factors into their marketing strategy. The objective of this was to find the important factors on which the online purchasing decision depends, based on thepersonality types of consumers and their attitude toward social media with brand perception. The study results revealed that there was a high correlation between social media and purchase decisions.

Duangruthai Voramontriand Leslie Klieb (2019), have carried out their study to examine the role of socialmedia in consumers' decision-making process for complex purchases. Data were gathered from active users of social media with 158 respondentsof Thailand. Results showed that social media usageinfluences consumer satisfaction in the stages of information search andalternative evaluation, with satisfaction getting amplified as the consumermoves along the process towards the final purchase decision and post-purchaseevaluation. The research was done among internet-savvy consumers inSouth-East Asia, and only considered purchases that were actually made byconsumers, not including searches that were abandoned.

Fajar Ardiansyah and Endi Sarwoko (2020), have aimed to explore the mediation role of brand awareness on the relationship between social media marketing and purchase decisions. The study conducted is quantitative research based on a survey approach. Purposive sampling and ordinary least square regression were used as sampling techniques and data analysis. The study revealed that social media marketing has a positive and significant influence on both brand awareness and purchase decisions. Unfortunately, this study failed to prove the direct and indirect effect of brand awareness on purchase decisions.

Based on the existing literature survey, the following hypotheses are formulated for the study.

H1: Social media site design has a positive effect on purchase decisions
H2: Information Quality has a positive effect on purchase decisions
H3: Trusthas a positive effect on purchase decisions

METHODS AND MATERIALS

The present study target is to highlight the impact of social media network usage on the purchase decisions among the social media users in the Kadapa district. Convenience sampling technique has been adopted for the study to collect the data from the users ofdifferent social media networks like Facebook, Instagram, WhatsApp, YouTube, Twitter, LinkedIn, Quora, etc. in the YSR Kadapa district. A structured questionnaire with essential factors of social media network usage and purchase decision is used to collect the data. Out of 150 distributed questionnaires, A total of 120 questionnaires from respondents are found valid and suitable to perform analysis. Reliability and descriptive statistics are used for the analysis using Jamovi 2.2.5.

ANALYSIS AND DISCUSSION

For achieving the hypotheses, a regression model with dimensions of social media impact on the purchase decision is developed. social mediadimensions are treated as the independent variable and purchase decision is treated as the dependent variable in the model. multiple regression analysis is carried through JASP and jamovi. The results are mentioned below.

Regression model fit

Various measures are used to assess the model fit of the regression model influencing factors of job satisfaction like R^2, Adjusted R^2, Root Mean Squared Error (RMSE).

Table 1:
Social Media Model Summary

Model	R	R^2	Adjusted R^2	RMSE
H_0	0.000	0.000	0.000	1.073
H_1	0.793	0.629	0.609	0.671

The results of the regression model impact of social mediaon consumer purchase decisionsare presented in the above table1. R^2 explains the proportionate variance explained by dimensions of social media in the prediction of purchasedecisionsamong users ofsocial media networks. It means that 0.629 or 63% of the variation in purchase decisions is explained by social media dimensions. Adjusted R^2 describes the explanatory power of multiple predictors in the regression model.

Reliability and Validity

Item factor loadings and Cronbach's alpha are used to assess the reliability and validity of the regression model.

Table:2
Reliability and Validity

Factor	Item	Factor Loading	Average Factor Loading	Cronbach Alpha
Site Design	I enjoy using my favourite social network accounts.	0.880	0.761	0.825
	I think SNS is engaging and entertaining.	0.878		
	Easy Navigation in SNS makes it more convenient to shop	0.865		
	SNS equipped with audio assistant makes shopping easy.	0.823		
	I feel delighted with color combination (attractiveness) of the SNS.	0.795		
Information Quality	I enjoy using my favourite social network accounts.	0.852	0.819	0.892
	I think SNS is engaging and entertaining.	0.812		
	Easy Navigation in SNS makes it more convenient to shop	0.801		
	SNS equipped with audio assistant makes shopping easy.	0.799		
	I feel delighted with color combination (attractiveness) of the SNS.	0.785		
Trust	My desired product is present and appealing in SNS.	0.892	0.786	0.794
	Product display over social networking sites (SNS) is good	0.867		
	Varieties and style of products through SNS attracts me	0.810		
	Size, weight, colours of the products are tempting in SNS	0.783		
	SNS are helped in checking the special festival discounts, offers,	0.763		
Purchase Decision	social media induce me to go for repeat purchases	0.825	0796	0.836
	Product selection is easy and enjoyable for me through social media	0.814		
	social media enable me to purchase unique products	0.801		
	After sales service is important for me to purchase the product	0.792		
	social media reduce risk taking and paves way for quick decision making	0.752		
	The way the organisation providing special aids and appliances for facilitating office work	0.721		

The reliability and validity results of the regression model influencing factors of job satisfaction are presented in the above table. Factor loadings and average factor loadings indicate convergent validity and Cronbach alpha denotes the reliability of the model. All the factor

loadings and average factor loading were well and above the standard value >0.5. Cronbach alpha for all fourdimensions is also meeting the minimum requirement of >0.7. Hence, it is deemed that the regression model possesses reliability and validity.

Regression Model Significance

ANOVA is performed to identify the statistical significance of the model. ANOVA results are presented in below table 3. It explains the overall significance of the regression model impact of social media on purchase decisions. Residual values, F value, and p values are used to judge the significance of the model.

Table 3:

ANOVA

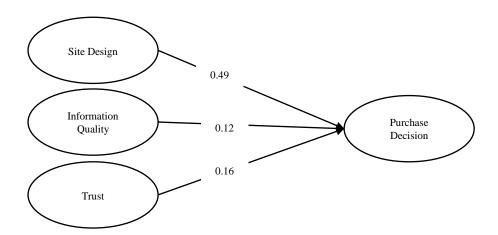| Model		Sum of Squares	df	Mean Square	F	p
H_1	Regression	86.793	6	14.465	32.173	< .001
	Residual	51.257	114	0.450		
	Total	138.050	120			

The results of the ANOVA show that the residual sum of squares between actual and estimated 51.527 with F statistic 32.173 is significant as the resultingp-valueof 0.001 is less than 0.05. So, the model is found statistically significant and it can be said that at least one of the foursocial media dimensions is going to be significant.

Specific path effects

Regression-specific path estimates and effects with significant values are presented in table 4. Standardized estimates, t statistic, and p values are used for assessing the path effects in the linear regression model.

Table 4:

Coefficients

	Unstandardized	Standard Error	Standardized	t	p
(Intercept)	3.760	0.098		38.565	< .001
(Intercept)	0.498	0.269		1.855	0.066
Site Design	0.470	0.074	0.498	6.374	< .001
Information	0.117	0.088	0.124	1.326	0.187
Trust	0.141	0.058	0.166	2.435	0.016

Positive unstandardized co-efficient beta values for **Site Design**(0.490), **Information Quality**(0.124), **Trust**(0.166) mean that there is a positive relationship between social media dimensions with the purchase decision. P values for the individual paths from SD->PD(<0.001), and PP->PD (0.016) are less than significant value 0.05. It denotes that, only these two paths were significantly affecting the purchase decision of the social media users.

Standardized Regression co-efficient beta values explain the size of the effect of social media dimensions on the purchase decision in the model.

Standardized Beta value for the path SD->PD (0.498) is maximum followed by Trust->PD (0.166), andIQ ->PD (0.124). It means that 49.8 % of the influence is stretched out from site design alone. The framed hypotheses H1, and H3 are supported and the remaining H2 is not supported.

CONCLUSION

The present study was initiated with the aim of assessing the impact of social media network usage on purchase decisions. The social media network usage factors considered for the study are site design, information quality, and trust. The multiple regression model was developed for this purpose and executed with software like JASPS and Jamovi. The results of the regression model revealed that site designand trust strategies are significantly influencing the overall purchase decision of the social media users largely than other media.

LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH

As the study was limited to the district, Kadapa, further studies may concentrate on other relevant districts in the state of Andhra Pradesh. The present study was restricted to exploring the important influencing factors of social media like site design, Information Quality, and trust, future studies may focus on including other components like Communication/relationship with others, ease of use, acceptance/awareness, etc in detail.

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