

# Effect of Social Media on Consumer Behavior: A Study of Demographic Factors Influencing the Consumers Purchase Decisions

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## ABSTRACT

*Many studies have been conducted to show that the use of Social Media has a great impact on consumer behavior. Usage of Social Media as communication tools is changing consumer behavioral modern trends in developing countries such as India. This paper will offer an overview on how the consumers use social media in the stages of decision making process and the demographic variables that influence their behavior. A survey of 506 consumers selected randomly in Delhi NCR of India was conducted, to find out to what extent they are impacted by the use of social media, and what role it plays in their decision making process. The respondents reported to have made unplanned buying decisions based on the information obtained in the Internet, and some of them declared to be motivated for buying by social media reviews of their friends. The implication of these findings suggests in what segment businesses should focus their market research and marketing strategy.*

**Keywords:** Social Media, Consumer Behavior, Purchase Decisions, Demographic Factors

## INTRODUCTION

A firm's financial performance is determined by both the company's business activities as well as its communication efforts, which in turn determine the corporate reputation (Van Riel & Fombrun, 2007). Today companies cannot neglect that online tools are becoming an increasingly powerful tool in managing the corporate brand. Social media is all about one thing- Consumer Engagement. The communication practitioners should add the value of this interactive media at international level with no cost and staff to the company's communication strategies. This study will be very helpful for corporates, consumers and media organizations also because this study will explain why companies should use social media for their business? The work will be helpful to find out the relationship between demographic factors and purchase decisions of consumers because of the main feature of social media i.e. interactivity and /or Word- of- Mouth. How consumers or public can use social media as a Powerful Tool to Express their views about anything? The aim of Advertising Organizations is to get the ad placed in most popular media with least expenditure, as the social media networking sites are doing. Now, advertising organizations are providing this specialized service to increase the clientele/accounts for them. It is important to keep in mind that first and foremost social media is a communication tool. It should therefore be served as a supplement to already existing marketing activities and strategies by the policy makers.

## OBJECTIVE AND SCOPE OF THE STUDY

The main purpose of this study is to explore the role of demographic factors on consumer behavior using social media for making their purchase decisions. It is a study to explore how and when corporates should focus their target audience and prepare their promotion plans to target specific age group, gender, married/unmarried, educated/uneducated and poor/middle class/rich audience. Due to the demographic differences availability, choices, preferences and needs differ for every consumer.

1. To find out the influence of demographic factors on customer's purchase decision of products visible on social media.
2. To provide the base for further research to academia and implement the findings in industry for future research and development.

## RESEARCH HYPOTHESES

The research gathered intends to further the social media field by determining the most suitable ways to frame an online communication strategies in order to increase the business.

The following hypothesis was tested:

Here H0 represents Null Hypothesis while H1 represents Alternative Hypothesis.

Statement 1: To find the relationship between Demographic Factors and Purchase Decisions of Products visible on Social Media

Hypothesis 1:

H10: There is no significant relationship between Demographic Factors with that of Purchase Decisions of Products visible on Social Media

H11: There is significant relationship between Demographic Factors with that of Purchase Decisions of Products visible on Social Media

**SAMPLE SIZE:**

S.No.	City	Total Questionnaires	Questionnaires Filled	Filled Rate (%)
1	Delhi	845	396	46.86
2	NCR	350	110	31.43
	<b>TOTAL</b>	<b>1196</b>	<b>506</b>	78.29

Table 1: Sampling Distribution of Respondents

Out of 1196 questionnaires sent, filled were 537 and out of that 506 were considered for data analysis.

**DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS**

**Frequency Distribution of Age of Respondents**

		Age			Cumulative Percent
		Frequency	Percent	Valid Percent	
	15-20	24	4.7	4.7	4.7
	20-25	128	25.3	25.3	30.0
	25-30	238	47.0	47.0	77.1
	Above 30	116	22.9	22.9	100.0
Valid	Total	506	100.0	100.0	

Table 2: Frequency Distribution of Age of Respondents

From Table 2, it is clear that most of the respondents i.e. 47% are between the ages of 25 to 30 are considered for the study. It is also clear that 77.1% of the respondents considered for the study are below the age of 30 and for making the study more diversified, 4.7% of the respondents were considered below the age of 20 years or less also.

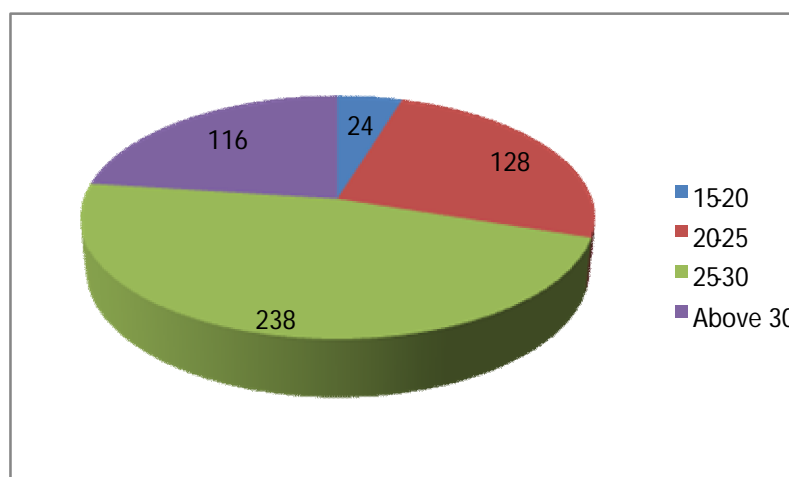


Fig. 1: Frequency Distribution of Age of Respondents

Frequency Distribution of Gender of respondents

		Gender			
		Frequency	Percent	Valid Percent	Cumulative Percent
	Male	250	49.4	49.4	49.4
	female	256	50.6	50.6	100.0
Valid	Total	506	100.0	100.0	

Table 3: Frequency Distribution of Gender of Respondents

From Table 3, it is clear that out of 506 respondents there were 250 males and 256 females were considered for the study which is about 49.4% are males and 50.6% are females.

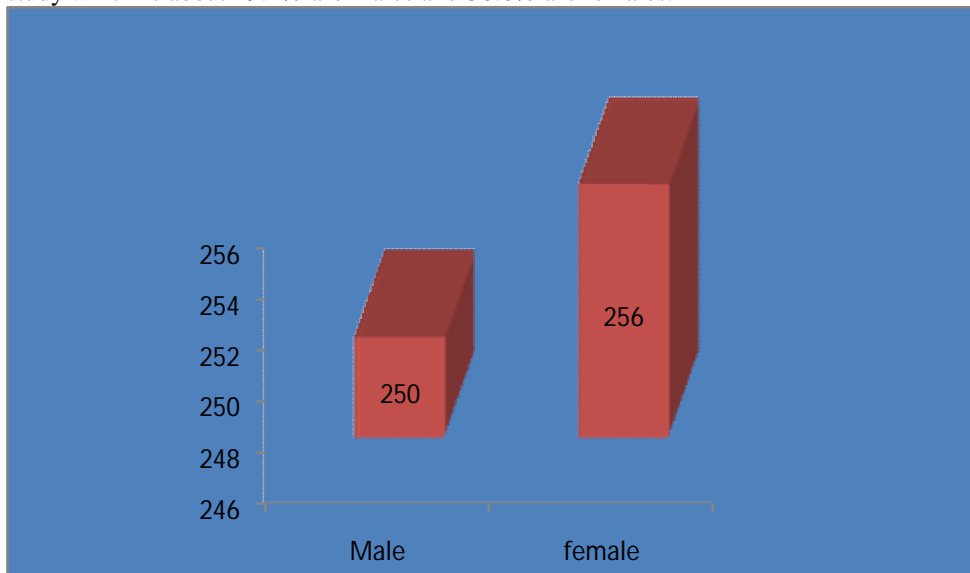


Fig. 2: Frequency Distribution of Gender of Respondents

**a) Frequency Distribution of Marital Status of Respondents**

		Marital Status			
		Frequency	Percent	Valid Percent	Cumulative Percent
	unmarried	224	44.3	44.3	44.3
	married	282	55.7	55.7	100.0
Valid	Total	506	100.0	100.0	

Table 4: Frequency Distribution of Marital Status of Respondents

From Table 4, it is clear that, 55.7 % of the respondents are married while 44.3% are unmarried which are considered for the study to find the effect of social media on Purchase Decisions.

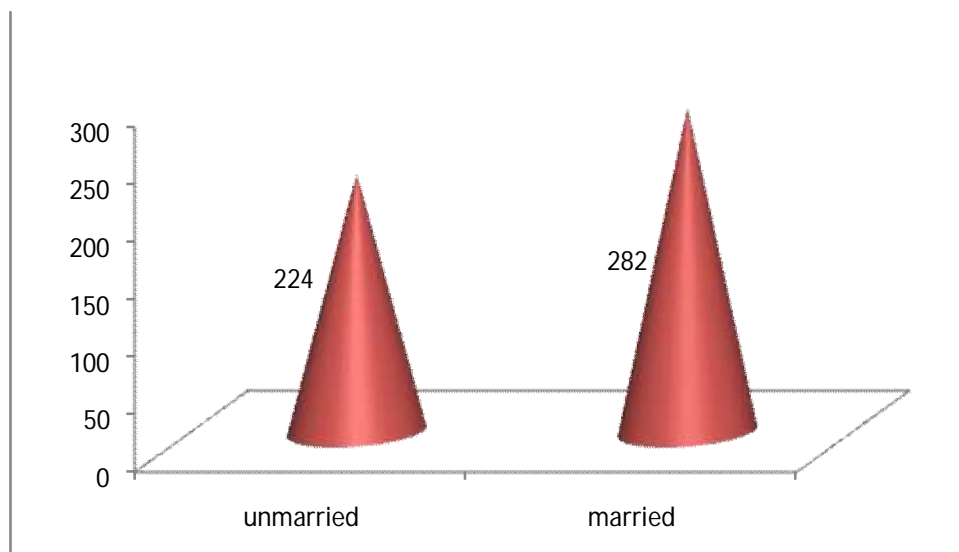


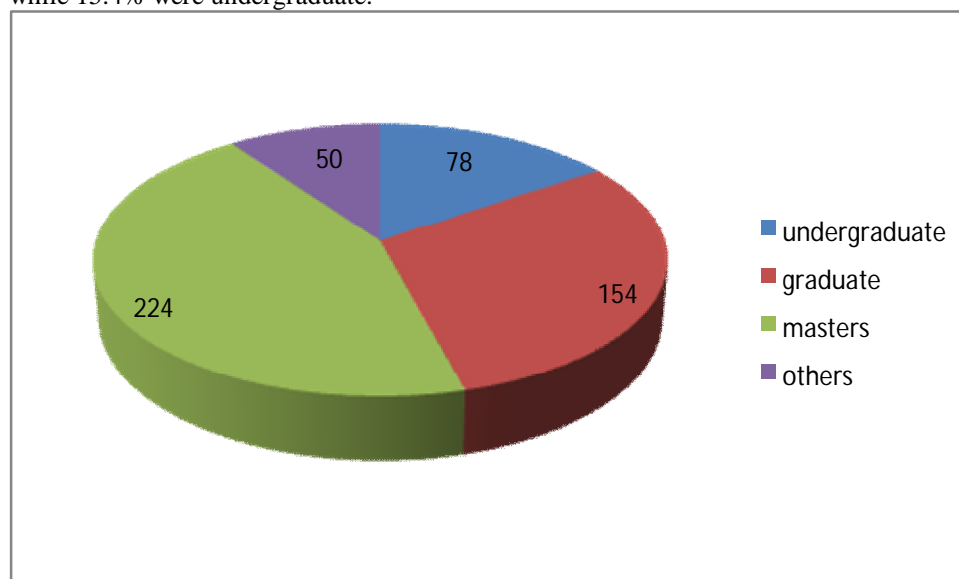
Fig. 3: Frequency Distribution of Marital Status of Respondents

**Educational Status of Respondents Education**

	Frequency	Percent	Valid Percent	Cumulative Percent
	78	15.4	15.4	15.4
	154	30.4	30.4	45.8
	224	44.3	44.3	90.1
undergraduate	50	9.9	9.9	100.0
graduate masters				
Valid others Total	506	100.0	100.0	

Table 5: Frequency Distribution of Educational Status of Respondents

From Table 5, it is clear that most of the respondents approximately more than 50% are masters and more educated while 15.4% were undergraduate.



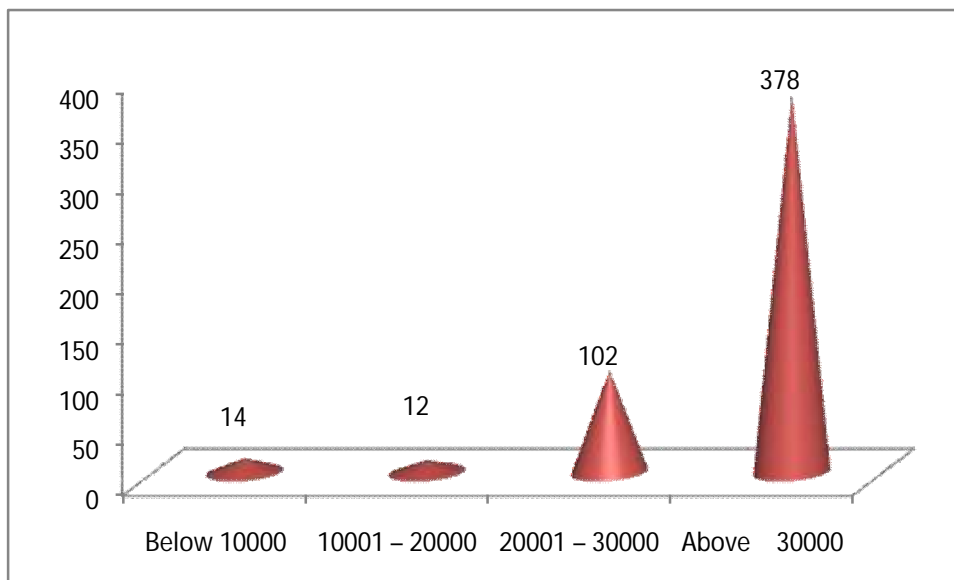
**Fig. 4: Frequency Distribution of Educational Status of Respondents**

1. *Income Status of Respondents*

	Frequency	Percent	Valid Percent	Cumulative Percent
	14	2.8	2.8	2.8
	12	2.4	2.4	5.1
Below 10000	102	20.2	20.2	25.3
10001 – 20000	378	74.7	74.7	100.0
20001 – 30000				
Above 30000				
Valid Total	506	100.0	100.0	

**Table 6: Frequency Distribution of Income Status of Respondents**

From Table 6, it is clear that most of the respondents considered for the study are in the Income group of Rs. 30000 or more in a month.



**Fig. 5: Frequency Distribution of Income Status of Respondents**

2. *DESCRIPTIVE STATISTICS OF DEMOGRAPHIC PROFILE OF RESPONDENTS*

**Descriptive Statistics**

	N	Mean	Std. Deviation	Variance	Skewness		Kurtosis	
					Statistic	Std. Error	Statistic	Std. Error
	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Gender	506	1.51	.500	.250	-.024	.109	-2.007	.217

Education	506	2.49	.870	.757	-.211	.109	-.686	.217
Income	506	3.67	.660	.436	-2.334	.109	5.698	.217
Age	506	2.88	.812	.659	-.315	.109	-.437	.217
Marital Status	506	1.56	.497	.247	-.231	.109	-1.954	.217
Valid N (listwise)	506							

**Table 7: Descriptive Statistics of Demographic Profile of Respondents**

**3. RELATIONSHIP BETWEEN DEMOGRAPHIC FACTORS AND PURCHASE DECISIONS OF PRODUCTS VISIBLE ON SOCIAL MEDIA**

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.418 <sup>a</sup>	.174	.166	1.084	.174	21.118	5	500	.000

a. Predictors: (Constant), Marital Status, Education, Gender, Income, Age

b. Dependent Variable: Purchase Decision of products affected by reviews on social media

**Table 8: Model Summary between Demographic Factors and Purchase Decisions**

This Table 8, provides the *R* and *R*<sup>2</sup> values. The *R* value represents the simple correlation and is 0.418 (the "**R**" Column), which indicates a good positive degree of correlation. Thus there is positive relationship between the dependent variable Purchase Decisions and independent variable Demographic Factors. The *R*<sup>2</sup> value (the "**R Square**" column) indicates how much of the total variation in the dependent variable, purchase decisions can be explained by the independent variable, Demographic Factors. In this case, 17.4% can be explained, which is quite fair. Thus it can be explained that 17.4% of the variation in purchase decisions of products is explained by the independent variable Demographic Factors.

**ANOVA<sup>a</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	124.137	5	24.827	21.118	.000 <sup>b</sup>
Residual	587.831	500	1.176		
Total	711.968	505			

a. Dependent Variable: Purchase Decision of products affected by reviews on Social Media

b. Predictors: (Constant), Marital Status, Education, Gender, Income, Age

**Table 9: Anova between Demographic Factors and Purchase Decisions**

This Table 9, indicates that the regression model predicts the dependent variable Purchase Decisions significantly well. It can be explained from the "**Regression**" row and quite clear from the "**Sig.**" column.

This indicates the statistical significance of the regression model that was run between the dependent variable **Purchase Decisions** and independent variable demographic variables. Here,  $p < 0.05$ , and indicates that the regression model statistically significantly predicts the outcome variable (i.e., it is a good fit for the data).

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error				Beta	Lower Bound
(Constant)	6.704	.387		17.341	.000	5.945	7.464
Gender	-.415	.100	-.175	-4.149	.000	-.612	-.219
Education	-.255	.060	-.187	-4.243	.000	-.374	-.137
1 Income	-.110	.079	-.061	-1.394	.164	-.265	.045
Age	-.517	.090	-.354	-5.724	.000	-.695	-.340
Marital Status				7.984			
	1.160	.145	.486		.000	.874	1.445

a. Dependent Variable: Purchase Decision of products affected by reviews on social media

**Table 10: Coefficients between Demographic Variables and Purchase Decisions**

The **Coefficients** table 10, between the dependent variable **Purchase Decisions** and independent variable demographic variables of the model provides us with the necessary information to predict **Purchase Decisions** from demographic variables of the model, as well as determine whether demographic variables contributes statistically significantly to the model (by looking at the "Sig." column). The significant value in —Sig.l column is found to be .000 which is less than .05, which means it is significant at 5% level of significance.

From Table 10, it is clear that Gender, Education, Age and Marital Status are found to be statistically significant while Monthly Income is found to be statistically insignificant.

**HYPOTHESES RESULT**

NUMBER	HYPOTHESES	RESULT
<b>Statement 1</b>	<i>To find the relationship between Demographic Factors and Purchase Decisions</i>	
<b>Null HypothesisH01</b>	<i>There is no significant relationship between Demographic Factors and Purchase Decisions</i>	
	Gender	REJECTED
	Education	REJECTED
	Income	ACCEPTED
	Age	REJECTED
	Marital Status	REJECTED

The Coefficients between the dependent variable 'Purchase Decisions' and independent variable 'demographic variables' (Age, Gender, Education, Marital Status and Income) model provides us with the necessary information to predict **Purchase Decisions** from demographic variables of **Purchase Decisions** model, as well as determine whether demographic variables contribute statistically significant to the model (by looking at the "Sig." column). The significant value in —Sig. column is found to be .000 which is less than .05, which means it is significant at 5% level of significance. It is clear that Gender, Education, Age and Marital Status are found to be statistically significant while Monthly Income is found to be statistically insignificant.

#### **4. CONCLUSION OF THE STUDY**

Social Media due to its interactive nature have generated a favorable environment for businesses to increase their efficiency to create brand awareness and good reputation among the customers. The main aim of this study was to determine the effect of Social Media on Consumer Behavior and how Demographic factors influencing the Purchase Decisions of products visible on Social Media. On the basis of findings of this study:

It can be explained that the Demographic Factors as independent variables found to be .000 in —Sig. column which is less than .05, which means it is significant at 5% level of significance. It is clear that Gender, Education, Age and Marital Status are found to be statistically significant while Monthly Income is found to be statistically insignificant effect on dependent variables Purchase Decisions of products visible on social media. This specifies that monthly income i.e. below 10000 and between 10000-30000 and above all participants use social media and buy online. **It depicts that irrespective of income status people use social media and buy products visible on social media.** The internet connections and compatible handheld devices are available at very low cost everywhere is making it possible. It gives great exposure to people to evaluate products and get in touch with the seller for details quickly. That's make the whole phenomenon easy for everyone to adopt.

This study sought to investigate the relationships between social media and purchase decisions. It was asked if the independent variables have an influencing effect on the dependent variables such as purchase decisions. The findings indicate that independent variables i.e. demographic factor (monthly income) has no relation with the dependent variables i.e. purchase decisions of products visible on social media. Affiliation with the factors age, education, gender and marital status have a significant influencing effect in terms of reviews and products exhibited on social media for making any decision regarding purchase or reputation or image of the brand. Additionally, respondents see trustworthiness, factuality and credibility as key factors influencing their subsequent attitudes and behaviors towards an organization and the brand. This is good news for practitioners currently working in the industry. **It is found in this study that if a practitioner targets the right audience (after analysis of demographic factors such as gender, marital status, education, and age) at right time on social media influence purchase decisions.** If a practitioner can establish a sincere base of trust with the help of feedback, reviews and advertisements for customers between themselves, the organizations they represent, and the publics associated with their company the practitioner can turn the present credibility crisis into a credibility success. The practitioner can build an encouraged perceiving customer base for the organization.

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