

Impact Of Social Media On Online Shopping Behaviour: A Case Study Of Balasore District, Odisha

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ABSTRACT

Getting socially connected with others is a human instinct. Social media facilitates this human need. These internet driven platform includes various contact channels such as social networking, blogs, multimedia sites, company-sponsored websites, collaborative websites, podcasts etc. providing interaction, information and entertainment services Social media has become an integral part of our day to day life. Facebook YouTube, TikTok, Instagram, twitter, linkedin, pinterest, whatsapp, snapchat are the some of well known names among social medias. Business organizations use these as key marketing channels since their conception. They also played vital role in online shopping. Social media has revolutionized consumer purchasing behavior over the last few years, directly impacting the way they behave during shopping products and services. Business through Social media or social commerce is now an innovative market with very high growth trajectory. Covid-19 has accelerated these trends in shopper behavior. The pandemic has enforced more shoppers to be online than ever before. This study analyzes the way social media has affected the online shopping behavior.

Key words: Social media, internet driven platform, online shopping, marketing channels, Shopper's behavior,

Introduction

The rising trend of e-commerce is driven by continuous innovation, rapid technology adoption supported by the increased use of smart phones, tablets, and access to high speed internet through broadband like 3G, 4G, 5G etc. This is also increased online consumer base. In terms of highlights, the growth shown by home-grown players such as Flipkart and Snapdeal and the huge investor interest around these companies displayed the immense potential of the market. With the entry of e-commerce leaders such as Amazon and Alibaba, the competition is expected to further intensify. Both these international players come with deep pockets and the patience to drive the Indian e-commerce market. The impact of social media on online purchase is very high. It serves a vital purpose in online marketing by helping companies to establish stronger web presence, generate leads and increase traffic. A well-structured social media strategy is important for improving the development and growth of an e-commerce business. Social media continues to gain popularity owing to its commercial success around the world. A significant percentage of advertising campaigns take place through social media website. Including social media in an effort to advance e-commerce can be highly beneficial. It provides an effective way to attract the interest of the large audiences that uses social media. The use of social media has witnessed rapid growth over a time with several people making purchases through it. Many businesses have opted to take advantage of the opportunities presented by social media networks to obtain more customers. Although some business owners may be skeptical about using social media, the reality is that it is a worthwhile inclusion in online marketing campaigns.

The critical trust is a very important item that is considered one of the determinants for online shopping behavior, while the role of social media is very crucial to increase consumers' trust towards the e-commerce platform. Research has found through various reports that social media has a strong influence on how much trust the consumer places in online points of shopping through experience sharing and reviews. For example, Frooghi et al. (2015) and Kaur (2018) have shown this. Bhatti (2019) found that the risk of privacy was also an issue of trust. This therefore strengthens the point that, although social media can increase trust, at the same time, it offers a way for surfacing the risks in privacy that can detour online shopping behavior. This social media, under this influence, services will be a big determinant of online shopping behavior, stand to enable better engagement of

the consumer and the delivery of service in a personalized manner. And the online shopping experience of the consumer was positively influenced by service quality, responsive customer support, and personalized marketing through social media. On the downside, there was this over-reliance on digital platforms that threw up issues of service consistency and the power of managing consumer expectations, as not every social media interaction would have led to a service-related satisfied inquiry or complaint. Of these, convenience—an effect brought to the fore as an important determinant of online shopping behavior, and largely underlined by social media. In fact, social media platforms have made access to information on product comparison easier and thus allow buyers to make better and easy purchase decisions (Kaur, 2018; Kumari, 2020). The integration of shopping features within social media platforms further enhances the convenience of online shopping. On the other hand, with this convenience, which these platforms bring to people's life and job, they are also being concerned about impulsive shopping behavior and an overwhelming quantity of information that may bring analysis paralysis or decision fatigue to consumers. The above, therefore, clearly identified a further need to look at the long-term implications of social media with regard to sustainability in the area of trust, quality of service, and convenience of online shopping. Although mostly the available literature does point at their positive influence, not many studies have looked into how changes in algorithms for social media, increasing concern for privacy, and saturation of marketing content could limit or modify the influence of these factors on online shopping behavior with time.

Objective

The main objective is to analyze the way social media has affected the online shopping behavior. As different companies use social media to redefine and redesign their customer community and e-tail operations.

1. To investigate the influence of social media on trust as determinants of online shopping behavior.
2. To investigate the influence of social media on service as determinants of online shopping behavior.
3. To investigate the influence of social media on convenience as determinants of online shopping behavior.

Development of Model and Hypothesis

Users have started to view the Internet world in a new light in recent years. As a result social media's have revolutionized the way buyers and advertisers can communicate with each other effectively (Hennig-Thurau T., et. al., (2004)). In this way, consumer behavior has been influenced by social media. Thus social media platforms have been a key vehicle for promoting businesses since its introduction by allowing consumers to engage in the selections of a product or service that they are interested in (Mersey R. Davis, et.al. (2010)). Social networks play a role in determining consumer preferences in virtual worlds, especially when it comes to the level of trust and the relationship built with the reliability on the confidentiality of personal information provided in the website. Online purchase behaviour is highly influenced by the trust factor. Buyers must be satisfied that their confidential and private information is safe from illegal point of view, and that no one may use these facts without their consent (Pan and Chiou (2011), Brannigan and De Jager (2003)). There are numerous online shopping sites available to the consumers. Shoppers are keen to explore such portals in order to enjoy a buying experience. The most convenient feature on customers' perceptions of online shopping is the easiness of shopping to access a variety of products within a short period of time. People find on line shopping more convenient as they can reach at any product at anytime as per their requirement (Jones et al., 2006; Seiders et al., 2007). Trust is extremely essential in e-commerce since it is one of the most effective methods for decreasing buyer inherent risk in online purchases. As a result, trust is essential for reducing perceived risk and uncertainty among online customers. The greater the level of trust, the smaller will be the threat and there will be more positive feeling toward online purchasing (Reichheld & Schefter, 2000, Lee et al. (2011)). The key aspects that influence online purchasing include availability, cheap pricing, offers, comparisons, customer service, user friendliness, time, and variety to pick from (Jayasubramanian et al., 2015).

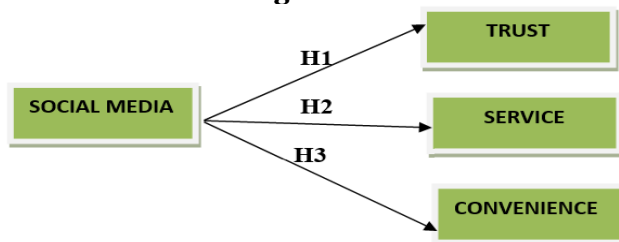
The following hypotheses and model are thus proposed by the author based on these literatures.

H1: Social media has positive impact on the factor “Trust” as a determinant of online shopping behaviour.

H2: Social media has positive impact on the factor “Service” as a determinant of online shopping behaviour.

H3: Social media has positive impact on the factor “Convenience” as a determinant of online shopping behaviour.

Fig-1: Model



Methodology

Different stages of conducting the study are given below.

Population

Balasore is a coastal district in Odisha. It is located in the far north of the state. It was a part of the old Kalinga, which afterwards became a province of Toshali or Utkal. Balasore was established as a distinct district in October 1828. It was once located in the Bengal Presidency. According to the 2011 census, the Balasore District has a total population of 23,17,419 people spread in 3634 square kilometers. The district is bounded on the north by Medinipur District of West Bengal, on the east by the Bay of Bengal, on the south by Bhadrak District, and on the west by Mayurbhanj and Kendujhar Districts. The total population of Balasore constitutes the population size.

Sample Size

$$n = \frac{z^2 p (1-p)}{1 + \frac{z^2 p (1-p)}{N e^2}} = 384$$

N = Total population in Balasore = 23,17,419

e = Margin error = 5%

Z = Critical value for large sample at 95% confidence level = 1.96

P = Population Proportion of online shoppers = 0.50

Finally, it is decided to include 384 people of Balasore district in the sample.

Sampling Technique

The sample respondents are selected by using judgment sampling technique in the sample area. The respondents who showed willingness to take part in the study were included in the sample. Both male and female respondents of different age groups with different educational background have been included in the sample.

Data Collection

The study makes use of primary as well as secondary data to justify the objective. The information about different indicators that can explain the effect of social media on online shopping practices are obtained from secondary sources. The primary data were collected through a well designed questionnaire pertaining to objective of the study. The sample respondents were requested to give their views on various indicators of social media and the constructs "Trust", "Service" and "Convenience" explaining online shopping behavior of people of Balasore district on five points scale ranging from strongly disagree (1) to strongly agree (5). A total 430 questionnaire were prepared and distributed among the rural people but the questionnaire in complete form could be collected from 300 only.

Material and Method

The structural equation model (SEM) is a multivariate statistical tool for studying structural connections. This approach is preferred by the researcher since it estimates several interrelated dependencies in a single study. This test is significant because it uses a range of fitness indicators to assess the level of fitness of the data in the theoretical model. The concept behind utilizing SEM is to identify the weight of a collection of independent/observed factors on the dependent variables. The loadings are nothing but the general regression model's regression coefficients. As a result, it is conceived as graphic picture of 'factor analysis' through 'multiple regression analysis'.

Reliability and validity

The reliability and validity of the instruments used in SEM are tested through "Cronbach's Alpha", "Composite Reliability (CR)" and "Convergent validity". The value of Composite reliability (CR) needs to be greater than 0.7 for the data reliable. (Fornell, C., & Larcker, D. F. (1981)).

Table No-1: Reliability Statistics

Reliability Statistics	
Cronbach's Alpha	N of Items
.843	14

The values of Alpha for all the constructs are more than 0.70, indicating a strong level of internal consistency reliability for the scale used as measuring instrument.

Convergent validity

Convergent validity is established through “Composite reliability (CR)” and “Average Variance explained (AVE)”. The collected data set meets the validity test if $CR > 0.7$, $CR > AVE$ and $AVE > 0.5$ (Hair, J.F., Tatham, R.L. & Anderson, R.E., (2010).

Table No-2: Validity

Variable		Construct	Estimate	AVE	CR
S5	<---	Social_Media	0.895	0.703	0.89
S4	<---	Social_Media	0.88		
S3	<---	Social_Media	0.842		
S2	<---	Social_Media	0.649		
S1	<---	Social_Media	0.755		
B1	<---	Trust	0.955	0.71	0.875
B2	<---	Trust	0.559		
B3	<---	Trust	0.953		
B4	<---	Service	0.887	0.72	0.88
B5	<---	Service	0.884		
B6	<---	Service	0.779		
B7	<---	Convenience	0.861	0.63	0.83
B8	<---	Convenience	0.726		
B9	<---	Convenience	0.787		

Table No-3: Model fit

Variable	Value(Model-I)	Suggested value
“Chi-square value”	175.714, d.f =74	
“CMIN/DF”	2.375	“less than 3”
“GFI”	0.968	“More than 0.90’
“AGFI”	0.955	“More than 0.90”
“CFI”	0.986	“More than 0.90 ”
“RMR”	0.048	“Less than 0.08”
“RMSEA”	0.043	“Less than 0.08”
“P-CLOSE’	0.929	“More than 0.05”

It is clear from the table no-3 that, all the model fit indicators are within their suggestive range, indicating a good model (Hu and Bentler (1999, Daire et al. (2008)

Fig-2: Graphic Output of SEM

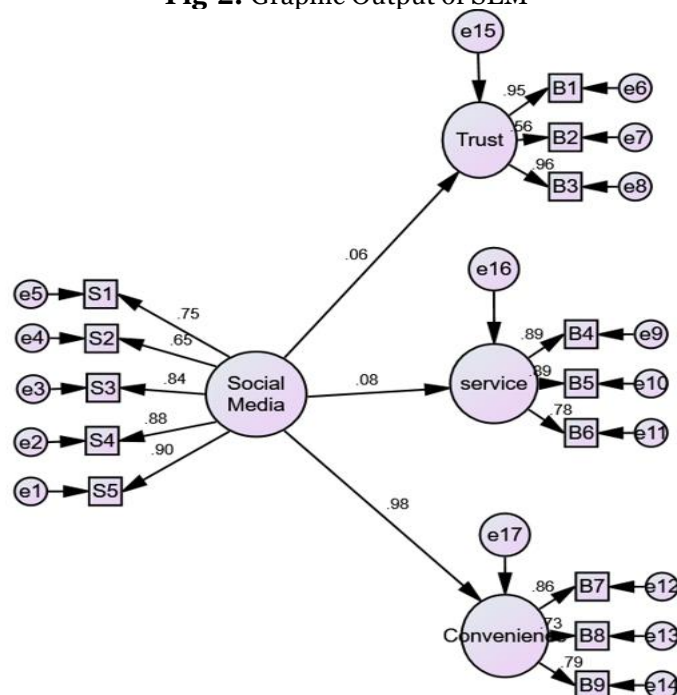


Table No-4: Un-standardized Regression Weights

			Estimate	S.E.	C.R.	P
Trust	<---	Social_Media	.071	.044	1.605	.109
Convenience	<---	Social_Media	.973	.030	32.311	***
service	<---	Social_Media	.087	.042	2.080	.038
S5	<---	Social_Media	1.000			
S4	<---	Social_Media	.988	.028	35.537	***
S3	<---	Social_Media	.981	.030	32.287	***
S2	<---	Social_Media	.801	.038	20.834	***
S1	<---	Social_Media	.915	.035	26.341	***
B1	<---	Trust	1.000			
B2	<---	Trust	.564	.033	17.256	***
B3	<---	Trust	.993	.029	34.488	***
B4	<---	Service	1.000			
B5	<---	Service	.986	.034	28.920	***
B6	<---	Service	.907	.036	25.385	***
B7	<---	Convenience	1.000			
B8	<---	Convenience	.857	.037	23.435	***
B9	<---	Convenience	.888	.033	26.579	***

The value of critical ratios (C.R) getting more than 1.96 is an indication of the significance of the path with 95% confidence level. Similarly the P-value with (***) indicates that the regression weights are significant. In table no-4, the effect of all the observed variables have significant loading on their constructs. The impact of the construct “Social Media” on “Convenience” is significant and positive. Similarly, the impact of “Social Media on the constructs “Trust “and “service” is positive and not significant. It is therefore concluded that “Social Media” positively influences all the aspects of shopping behavior but the effect on “Convenience” is significant. Hence H1, H2, H3 are accepted.

Table No-7: Standardized Regression Weights

			Estimate
Trust	<---	Social_Media	.062
Convenience	<---	Social_Media	.980
service	<---	Social_Media	.082
S5	<---	Social_Media	.895
S4	<---	Social_Media	.880
S3	<---	Social_Media	.842
S2	<---	Social_Media	.649
S1	<---	Social_Media	.755
B1	<---	Trust	.955
B2	<---	Trust	.559
B3	<---	Trust	.953
B4	<---	Service	.887
B5	<---	Service	.884
B6	<---	Service	.779
B7	<---	Convenience	.861
B8	<---	Convenience	.726
B9	<---	Convenience	.787

In table no-7, the regression weights of “Social Media” on “Trust” and “Service” is positive and low. But, the weight of “Social Media” on “Convenience” is positive and high. It is therefore interpreted that there is a lower degree of positive impact of “Social Media” on “Trust” and “Service” and higher degree of positive impact on “Convenience”. Regression weights of all other observed variables on their respective constructs are comparatively high indicating higher degree of positive impact. The impact of the variable “S5- I find products or services through Social Media to be stimulating” on “Social Media” is 0.895, highest amongst all. Similarly, the loadings of the variables B1 (The information I provide to an online shopping site is not used for other purposes), B4 (The online shopping websites provide in-depth information to answer my product related questions) and B7 (I buy from online stores as I am

saving my time, the same time I give back to my family) have the maximum loadings on the constructs “Trust”, “Service” and “Convenience” respectively.

Findings

1. The measuring instrument is tested to be reliable and valid
2. “Social Media” positively influences all the aspects of shopping behavior but the effect on “Convenience” is significant.
3. The loading of the variable “protected information” is highest on the construct “Trust”.
4. The variable “answers to product related question” has highest loading on the construct “Service”.
5. Similarly, the variable “time saving” has highest loading on the construct “Service”.

Conclusion

Following the footsteps of e-commerce and mobile shopping, social shopping is causing a stir in the retail business. It's a new method to shop online that combines retail and social networking. With the help of social media, shoppers may consult friends and family before purchasing an item whether in-store or online. Social media is the most extensively used information source for entertainment, networking, and learning about new products. And the customers of this era use social media to learn about innovative products and services. The importance of social media has been recognized to create significant impact on shopping behaviour since a last few years. Companies are now contemplating the potential of social media in moulding consumer perceptions; strengthen brand value, and influencing buyer decisions. In this way the social media has changed the way people communicate and share information. The study identified the positive impact of social media usage on online purchasing behaviour. It was also resulted from the study that people find online shopping as more convenient method of shopping. Marketers now have a new way to reach clients as a result of the increasing rise of facebook and other social connecting sites, particularly in emerging countries like India.

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