



Effect of Social Media Advertisement on Consumers of FMCGs

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ABSTRACT

Internet, Social Media, and Online Shopping have become an integral part of human life today. Compared to developing countries, India has yet to reach complete internet access in villages. However, a substantial portion of the total population uses the Internet and social networking platforms. Finding a person who does not have an account on any social media platform seems like an impossible task. In India, many such initiatives have been taken by state and central governments through which digital technology has become more accessible, even in remote areas. At present, marketers have started to use social media as a communication tool. They use social media networks to communicate with consumers about discount offers, new products and services. But still, all sellers do not use social media advertisements. They believe in traditional mediums of communication. Although marketers are using traditional advertisement tools, social media as an advertisement shows tremendous growth. Consumers started using social media to know about new products and their dimensions. The findings of this research suggested that people consider social media advertisements as an awareness tool.

Keywords: Internet, Social Media Advertisements, Consumers, Buying Behaviour, Communication Tools.

Introduction

A new term used at the current time regarding social media is Social Commerce. Social commerce refers to profit-making activities that occur in social networks. Social commerce can be stated as a mixture of social media and internet shopping **Yadav et al. (2013)**. A study conducted by Deloitte Touche, USA, found that around 62% of US buyers read comments of other consumers, 98% trust that they are believable, and 80% feel that these comments affected their buying behavior. In the same sense, positive reviews enhance the sale of a product **Pookulangaran et al. (2011)**. Negative reviews about a product also can have a significant impact on consumer attitudes, or these reviews are only a few **Schlosser (2005)**. The cultural aspects of consumers influence the usability of Social networks and impact online purchase intentions **Pookulangaran et al. (2011)**. A study also reveals that 90% to 95% of participants reported that social media has a vast or moderating impact on attracting target market tourists to the region, and 100% of participants said that a company should have a website to be successful in this competitive world **Jones et al. (2015)**. At the same time, while advertising manufacturers' products, social media removes one more limitation of traditional advertisement, which is Geographical Boundaries. Before the online presence, businessmen often said that only regional customers aware of new offers were buying their products. This is due to the use of local media for promotion purposes. Social media is so easy to use, so the number of customers is increasing no matter where they live. This is only possible due to the easiness and high accessibility of social media **Wollan & Smith (2010)**.

Evolution of social media

To stay connected with long-distance friends has been a concern for humans since ancient times. Humans, who are social animals, always try to reinforce their relationship by communicating with each other. When

face-to-face communication is not feasible, people try other ways. Written letters were used at the start stage to communicate with others. In 550 B.C., postal services were used to communicate with distant persons. Then, in 1792, the telegram was introduced. Though telegraph messages were short, they revolutionized how to transmit news and information. Then, in 1890, telephone and in 1891, radio were invented. In the 20th century, after the invention of supercomputers, engineers began to create networks among many computers. "Compu Serve" is the earliest form of the Internet developed in the 1960s. With improvement in networking technologies, in 1979, UseNet provided a platform to communicate through virtual newsletters. Thus, the growth of social media started from the late 70s. It has changed the way we communicate, collect or share information. Recently, social media has covered all parts of our day-to-day life. However, the first recognizable Social Media site, "Six Degrees," was established in 1997. It enables a user to create a profile and make friends. In 2000, it was said that the golden era of social media has started. From its starting (2000), a constant stream of social media innovation has started. In the early 2000s, Myspace (August 1, 2003) and LinkedIn (December 28, 2002) were popular social networking sites. Photobucket (May 8, 2003) and Flickr (2004) were photo-sharing sites at that time. YouTube came in 2005. Friendster launched on March 22, 2002. Myspace followed Friendster, and Facebook launched on February 4, 2004, and Twitter in March 2006. At the initial stage, Facebook was launched only for Harvard students. However, Mark Zuckerberg, founder of Facebook, realized the potential and released Facebook for the whole of the world. However, at present, Facebook and Twitter are two dominant players in the social media world. Domination of Myspace has decreased, but Myspace is still in working form. Some other sites like Tumblr, Spotify, Foursquare and Pinterest are targeting segments that big players do not target.

Review of Literature

Growing usage of Social Media

Neti (2011) A very recent study sponsored by Network Solutions, "The State of Small Business Report", LLC and the University of Maryland's Robert H. Smith School of Business attempt to show the increasing trend of social media. The study result reflects that the use of social media by tiny business houses increased from 12% to 34% in the last year. The study also found that one in five small corporate entities use social media as a promotion strategy. 75% of companies have pages on social media sites. 69% of companies give articles and update their status on social media sites. 54% of companies observe the feedback given by the users. Moreover, 57% of companies try to build a network through social networking sites. However, it is also seen that many companies still do not give top priority to social media sites for their promotion purpose.

On the other hand, in the case of Indian companies, 90% of Indian brands spent 15% on social media advertising from their total marketing budget. The United States of America and China are leading countries in spending on social media advertisement. In 2013, total worldwide spending on social media was 11.36 U.S. billion dollars.

In the last few years, there has been much progress in digital technologies. These digital technologies have completely changed how we do our daily routine tasks. Social Media has completely changed the communication strategies of business. Social Media advertising is a significant part of business life. Businesses have started using social media to inform consumers about their products.

The importance of social media advertising is known because 15% of print advertising trends decreased in 2020. The trend of digital marketing has increased by 12%.

Companies have started hiring social media marketing experts and getting their marketing done. Social Media Advertisement has become an integral part of today's business environment. Where earlier companies used to do their marketing work well using traditional advertisement tools, this has completely changed today. Today, it has become imperative for companies to make their marketing strategy based on digital marketing. That is why the demand for marketing professionals with good knowledge of digital technology has increased a lot. Many companies have used social media advertisements to get ahead of other companies. India is expected to have 974.86 million internet users by 2025.

Furthermore, the digital marketing industry will be worth US\$160 billion by 2025, making it three times its current value (Goldman Sachs, 2020). It is one of the hottest career options right now. If anyone wants to make a career in digital marketing, then the Centre for Executive Education at the Indian School of Business offers a good program for students.

Martinka's (2012) research investigated how social media communities affected customer buying decisions and how they helped to shape social norms and belief systems. The study was conducted on users of social media networks because these networks show impact on consumer attitudes. The results of the study suggested that Facebook has a significant effect on customers' online shopping experience. But, users of Twitter were relatively unaffected. **Balakrishnan & Yi (2014)** This Study found that to reach young age consumers and to increase sales of an enterprise, social media is one of the best instruments. The results of this study suggested that international players should use Internet-based advertisement as the best way to advertise their products.

Types of Social Media

There are many types of social media. Through which companies can advertise their products. On personal as well as managerial decision-making social networking sites like blogging, publishing (wiki), discussions (phpbb, skype), social networks, micro-blogs (Twitter), livestreaming (friend feed), video live casts (Justin.

tv), virtual worlds (Second Life, HABBO), Social games (pogo, doof), multiplayer games (World of Warcraft, Happy Farm) have significant impact **Auditore (2011)**. According to **Lee (2013)**, there are five categories in which we can classify social media.

Social Networking Sites

These sites provide a platform for users to make profiles and interact with each other. Here, consumers can make their own accounts with their name, photo etc. They can find their friends on this domain very quickly. Facebook, LinkedIn, Google Plus and Myspace are examples of these sites. These sites have become pervasive in the daily life of the online population. Marketers try to exploit these domains to promote their products.

Social Bookmarking Sites and Social News

Social Bookmarking Sites and Social News sites are similar. These sites are trendy in the online community. Now, social media sites have changed the image of newspapers. Here, people can organize their news flow according to their interests. Examples of these sites are Delicious, Pinterest and Digg. On these sites, people can tag collaboratively in these sites to comment on and categorize the content they find interesting. In education, social bookmarking sites play a significant role. The attention of educators has been drawn to the use of social bookmarking sites started by **Baird & Fisher (2006)**. Now, marketers have also analyzed how they can promote their products by these bookmarking sites **Kaplan & Haenlein (2014)**.

Media Sharing Sites

These sites provide online users with facilities to share pictures, audio, videos etc. Examples of these sites are YouTube, Flickr, Instagram etc. Initially, media-sharing sites were introduced for individuals to share their information material. However, as time passes, these sites become communication tools for companies to promote their products. These sites provide opportunities for online learning to the students. Today, many educational institutions use online learning classes to teach their students **Bonson & Flores (2011)**.

Blogs

Blogs make hubs for other social media marketing tools like videos, hyperlinks and audio. These can be used to post updates like pictures with some thoughts. The blog provides several features such as comments, blog rolls etc. Blogs and microblogs are put in the push technology category. Here, authors post their writings and information and think that someone will read them. Blogger.com is a blog site **Zarrella (2009)**.

Micro Blogs

Microblogs are also very similar to blogs. Here, messages are quickly replaced and disappear. Thus, they considered a short half-life. Examples of microblogs are Twitter, Plurk and Weibo. The arrival of internet phones introduced microblogs. This limits the words to 140 instead of long messages as blogs. Microblogs allow people to write short messages through mobile phones or the internet **Weinberg & Pehlivan (2011)**.

Above, One more social media tool is Virtual Communities. E-mail, chat rooms, and forums are examples of the Virtual world. Lonely Planet and Yahoo Answer also come in this category. Websites do not have geographical and political boundaries; thus, these platforms receive attention and have become influential in the current era.

Consumer Behaviour

Consumer Behaviour: All human beings are consumers. Consumers consume many products daily as regards their wants. When we study how individuals, groups, and organizations select, buy, use and dispose of goods/services to satisfy their wants, it is called consumer behaviour. This behaviour is affected by many factors, like cultural, social, and personal. At the current time, social media also has become a major impacting factor **Kotler (2000)**.

Consumer Buying Behaviour: It is concerned with the activities performed by people when they buy goods. In what manner they behave, such as when, where, what they purchase and how much they spend. Alternatively, it is defined as a collection of consumers' attitudes, preferences, intentions and decisions when purchasing a product/service.

Kotler (2000) studies how consumers, groups, and organizations behave while buying and disposing of goods, services, and ideas to satisfy their wants. A predominantly known and famous standard behavior model consists of five steps.

Problem identification---Information Search---valuation of alternatives---buying decision---Post purchase behaviour

Objective of Study

To study the effect of Social Media Advertisements on the buying behaviour of consumers of FMCGs

Research Methodology

'To study the effect of Social Media Advertisements on the buying behaviour of consumers of FMCGs' was the primary objective of the study. Data from six hundred respondents was taken to accomplish the goal. After

studying vast literature, a self-structured questionnaire was developed. After the pilot study, the reliability and normality of the data were checked.

Linearity and Multicollinearity conditions were checked to conduct regression analysis of data. There is linearity in the data and no multicollinearity issue with the research data.

Sampling Method

Sampling Plan

It comprises sampling units, sample size and sampling technique. The target population for the study was active Social Media Users.

Sampling Technique

Judgmental and convenient sampling methods were used. Haryana was divided into six zones by the Government of Haryana on administrative basis, and then respondents were chosen judgmentally from rural and urban areas of Haryana.

Area for Study

Based on the Civil Administration and Revenue Divisions of Haryana, the researcher has randomly selected three divisions out of six divisions. The researcher has selected Bhiwani, Hisar and Mahendergarh Districts out of three divisions based on convenient sampling method for conducting the research work. Data was collected from 100 respondents from each district. Data was taken from two villages of each district, and data was taken from 50-50 respondents from each village.

Target Population

The population consists of all the People living in rural and urban areas of Haryana who use Social Media between the ages of 18 to 35.

Hypothesis of the Study

H_{1.1}: There is a significant impact of Awareness through Social Media Advertisement on Consumer Buying Behaviour.

H_{1.2}: There is a significant impact of Awareness through Social Media Advertisement on Perceived Ease in Usefulness.

H_{1.3}: There is a significant impact of AWSMA on Social Media Advertisement Usage.

Data Analysis and Findings)

Table – 1.1 Frequency Based Distribution (sample socio-demography)

Demographic Variables	Categories	Frequency (N=600)	Percent (%)
Age	18-26	426	71.0
	27-35	174	29.0
Gender	Male	376	62.7
	Female	224	37.3
Locality	Rural	300	50
	Urban	300	50
Marital Status	Unmarried	418	69.7
	Married	181	30.2
	Any Other	1	0.2
Occupation	Student	419	69.8
	Entrepreneur	44	7.3
	Private Job	91	15.2
	Government Job	46	7.7
Educational Qualification	Metric/Senior Secondary	154	25.7
	Graduation	181	30.2
	Post-Graduation/ Professional Degree	219	36.5
	Any Other	46	7.7
Family Income (Annual)	0-2.5 Lakh	336	56
	2.5 to 5 lakh	141	23.5
	5 to 10 lakh	97	16.2
	More than 10 lakh	26	4.3

Source: Primary Survey

Table 1.1 describes the socio-demographic profile of the data in detail, which includes basic informational variables like age, gender, locality, marital status, occupation, educational qualification, and family income. After data collection, Exploratory Factor Analysis (EFA) was conducted to find constructs. Out of a total of 42 statements, 9 constructs were found out. Correlation and regression analysis were used to analyze the impact of independent variables.

Correlation and Regression Analysis

Pearson's correlation values for 'Awareness through Social Media Advertisement' are reported .825. This indicates a clear positive correlation between Awareness through Social Media Advertisement and Influence on Consumer Buying Behaviour.

Table no. 1.2

Correlation (significant at the 0.01 level) (2- tailed)	Awareness through Social Media Advertisement	Influence on Consumer Buying Behaviour	Sig. (2-tailed)
Awareness through Social Media Advertisement	1	.825	0.000
Influence on Consumer Buying Behaviour	.825	1	0.000

H_{1.1}: There is a significant impact of Awareness through Social Media Advertisement on Consumer Buying Behaviour.

The hypothesis tests if Awareness through Social Media Advertisement has a major impact on shopper Buying Behaviour. The dependent variable, Consumer Buying Behaviour, was regressed on predicting variable Awareness through Social Media Advertisement to test hypothesis H1.1. Awareness through Social Media Advertisement considerably predicted Help in Rational Buying Decisions, $F(1,599) = p < 0.001$, which indicates that Awareness through Social Media Advertisement plays a significant role in shaping Help in Rational Buying Decisions ($b = .367$, $p < .001$). Results clearly show the positive impact of the Awareness through Social Media Advertisement. Moreover, the $R^2 = .681$ shows that the model explains 68.1% of the variance in Influence on Consumer Buying Behaviour. Table 1.3 reflects the findings.

Table no. 1.3

Regression	Beta Coefficient	R ²	F-statistics	P
Awareness through Social Media Advertisement → Influence on Consumer Buying Behaviour	.367	.681	1274.386	.000

According to the table below, Pearson's correlation values with respect to the independent variable Awareness through Social Media Advertisement reported a correlation value of .819. This indicates a clear positive correlation between Awareness through Social Media Advertisement and Perceived Ease in Usefulness through social media advertisement.

Table no. 1.4

Correlation (significant at the 0.01 level)	Awareness through Social Media Advertisement	Perceived Ease in Usefulness through social media advertisement	Sig. (2-tailed)
Awareness through Social Media Advertisement	1	.819	0.000
Perceived Ease in Usefulness through social media advertisement	.819	1	0.000

H_{1.2}: There is a significant impact of Awareness through Social Media Advertisement on Perceived Ease in Usefulness.

The hypothesis tests if Awareness through Social Media Advertisement carries a significant impact on Perceived Ease in Usefulness. The dependent variable, Perceived Ease in Usefulness, was regressed on predicting variable Awareness through Social Media Advertisement to test hypothesis H1.2. Awareness through Social Media Advertisement significantly predicted Perceived Ease in Usefulness through social media advertisement, $F(1,599) = p < 0.001$, which indicates that Awareness through Social Media Advertisement plays a significant role in shaping Perceived Ease in Usefulness through social media advertisement ($b = .572$, $p < .001$).

Results showed the positive impact of Awareness through Social Media Advertisement on Perceived Ease in Usefulness through social media advertisement. Moreover, the $R^2 = .670$ depicts that the model explains 67% of the variance in Perceived Ease in Usefulness through social media advertisement. Table 1.6 represents the findings of the regression analysis.

Table no. 1.5

Regression	Beta Coefficient	R ²	F	P
Awareness through Social Media Advertisement → Perceived Ease in Usefulness through social media advertisement	.572	.670	1216.358	.000

According to the table below, Pearson's correlation values for the independent variable Awareness through Social Media Advertisement reported a correlation value of .784. This indicates a clear positive correlation between Awareness through Social Media Advertisement and Social Media Advertisement Usage.

Table no. 1.6

Correlation (significant at the 0.01 level)	Awareness through Social Media Advertisement	Social Media Advertisement Usage	Sig. (2-tailed)
Awareness through Social Media Advertisement	1	.784	0.000
Social Media Advertisement Usage	.784	1	0.000

H_{1.3}: **There is a significant impact of AWSMA on Social Media Advertisement Usage.**

The hypothesis tests if Awareness through Social Media Advertisement has a large impact on Social Media Advertisement Usage. The dependent variable, Social Media Advertisement Usage, was regressed on predicting variable Awareness through Social Media Advertisement to test hypothesis H_{1.3}. Awareness through Social Media Advertisement significantly predicted Social Media Advertisement Usage, $F(1,599) = p < 0.001$, which indicates that Awareness through Social Media Advertisement plays a significant role in shaping Social Media Advertisement Usage ($b = .488$, $p < .001$). Findings of table no. 1.7 reflects the impact of Awareness through Social Media Advertisement on Social Media Advertisement Usage. Moreover, the $R^2 = .615$ depicts that the model explains 61.5% of the variance in Social Media Advertisement Usage. Table 1.6 displays the findings of the regression analysis.

Table 1.7

Regression	Beta Coefficient	R ²	F	P
Awareness through Social Media Advertisement → Social Media Advertisement Usage	.488	.615	953.479	.000

Conclusion

Based on the available literature on Social Media (SM) Advertisement and its impact on consumer buying (CB) behaviour, Social Media (SM) Advertisement is becoming a significant tool of communication for marketers. Social media can be stated as the most cost-effective and information spreading and customer dealing tool (**Wang et al., 2012**). Past research states that social networks help in spreading information and also ease relations between customers and people in business (**Chung & Buhalis, 2008**). The research study's findings are corroborated by Funde & Mehta's research study. Funde & Mehta discovered that the primary purpose of social media is to obtain product and quality-related information. They found that social media comments and reviews influence consumers' purchasing decisions (**Funde & Mehta (2014)**). The results of this research also support the high impact of Social Media (SM) on consumer buying (CB) behaviour. People believe in social media advertisements, and this trend will increase in the near future, too. If marketers want to survive in the market, they must use social media advertisements for their products and services.

Limitations and Future Research Directions of the Study

This study has some limitations, as all studies have some shortcomings. The study is restricted to a 600-person sample of social media users. Only respondents who are between the ages of 18 and 35 are included in the study. Only three Haryana districts are included in the study area due to financial and time constraints. As a result, we are unable to extrapolate the study's conclusions to other Haryana divisions. Future research on this subject can be done in any other division of Haryana, India, and with respondents of any other age. The present study is limited by its sample size and its concentration on a single state.

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