



Social Media's Impact on Consumer Decisions for Smart Phones

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ABSTRACT

The study seeks to find out the extent to which social media plays in influencing consumers' decision whilst buying a smart phone. Consumers seek information before buying any product or service. The researchers tried to understand how much consumers resorted to social media to get information about smart phones. They also sought to determine how they processed this information and what importance they gave to this information over the details available from traditional sources. The paper examines the popularity of various social media in today's times and how it is utilized.

By way of primary research, the researchers carried out a survey by administering a questionnaire which were answered by 200 respondents belonging to various age brackets. The aim behind choosing respondents from various age categories was to see whether people who were older in terms of age and who had not been exposed to technology unlike the millennials, also have learned to employ social networking websites for procuring information before purchasing a smart phone. The study also attempted to know whether traditional sources of information like word of mouth or print media or opinions of family members and friends and relatives still played a role in helping people choose the smart phone they wanted to buy. The researchers even sought to estimate how many buyers preferred going to brick and mortar stores to get more details about various brands before buying a smart phone.

Both men and females were included in the sample for the purpose of this research in order not to have a gender bias.

The researchers also gathered data from secondary sources

The findings showed that social media platforms were widely used to gain information about different brands of smart phones and also influenced the consumers' purchase decisions.

The study is important as it will help smart phone brands to formulate their online marketing strategies.

Keywords: Brick and mortar stores, Influence over consumers' decisions, Smart phones, Social media, Traditional sources of information.

Introduction

Social media is defined by the Merriam Webster dictionary as a kind of electronic communication which users utilize to form online communities for exchanging information about various aspects and issues. It is also known as digital media.

In fact, online networking has led to the growth of digital marketing. It has enabled businesses to avail of the opportunity of connecting with other businesses and make proposals for current and future business opportunities. Also, social networking has become a popular ground for the fulfilment of the needs and wants of the consumers for a particular company or brand.

The lockdowns in 2020 and 2021 increased the percentage of consumers referring to social media platforms before making purchases as there were restrictions on physical movements and people made many buying decisions online. People check social media platforms to find out whether or not a particular brand is favourably received or not. Social media today is affecting consumers' buying intention through online reviews

(Mo et al 2015). In fact, online buying in India is also gathering momentum with 780.27 million internet users in 2021 in spite of reduced buying by consumers and setback to the economy on account of Covid-19.

Literature Review

Social Media became popular in 2004 after the creation of Facebook. It was set up by Mark Zuckerberg, Eduardo Saverin, Dustin Moskovitz, and Chris Hughes, all studying at Harvard University. Soon Facebook soon went on to become the biggest social network in the universe, having around three billion people using it in 2021, out of which around nearly half were using Facebook on a daily basis.

Social media is a medium for buyers to connect with other buyers, offer guidance, suggestions and narrate their encounters with brands. It gives buyers many details just by clicking a button that wasn't possible earlier. Before the advent of social media, in the late 90s, organizations would rely on word of mouth for publicity among customers and employees.

By the end of the 90s the maximum preferred medium of advertising utilized was Word-of-Mouth; here the company would try to insert favourable feedback about themselves through buyers and their staff. Word-of-Mouth is a key source of details that impacts buyer's purchasing resolutions by moulding views and suppositions of brands, goods and services (Kimmel and Kitchen, 2014), and having an influence on all stages of buyer purchase decision making from knowledge of the product to final choice and after-buying assessment. Online social networking platforms are creating today appealing paths for the quick and extensive circulation of electronic WOM (e-WOM) among people who usually never meet one another in person. Social media platforms, in other words, enable online form of communication or reviews from consumers about various commodities that impact the buying decisions of other consumers (King et al., 2014). Thus, social media makes provision for incidental ways of WOM to spread across numerous people who may only be connected by a common concern or requirement which may be seen as weak ties (Keller, E. 2012).

While most organizations currently are utilizing social media to fulfil the goal of impacting WOM, usually such attempts are simply cursory, conducted with least accuracy relating to techniques for associating with buyers and exploiting buyer dialogues, and not having a well-planned social media plan or guidelines (Diaz, C. 2010). But at the most up to date extent of social media sophistication namely, the 'social advantage' or 'transformation' phase, companies make sure that the chats are practical through cogeneration and concerted issue resolution (van Luxemburg and Zwiiggelaar 2012). It is on account of its convenience and relevance that a lot of trades are using social media platforms for marketing, customer service, external promotions, and internal employee communications (Seo & Park, 2018).

But today, studies show that a lot of people fall back on the details and feedbacks on social media as a basic measure for working out what they will buy in future. Studies show that 54% of the social media browsers use these platforms for finding information about products (Global WebIndex 2018). So, today, social media is now not just about chats; it's about business. Social networks popularity is still growing as per the 2023 global social media statistics research summary (Chaffey, Dave, 2023). **60% of the globe's populace utilizes social media. On an average the usage on an everyday basis is 2 hours and 24 minutes (April 2023).**

Popular social media platforms have incorporated a lot of alternatives for consumers to connect with brands and companies alike, by enabling them to buy products or services directly on an app. For instance, Facebook first incorporated a "buy" exhortation tab on announcements and page posts in 2014. This facility enabled users to buy an item without stopping their browsing (Kowalewicz, Rebecca 2022). Other platforms imitated Facebook. Registering products in the dedicated "Shop" tab gives your products publicity to an extensive range of viewers that were earlier unreachable if your products were in a brick-and-mortar site that needed consumer assemblage to do shopping.

Datareportal (April 2023) found that importance and use of social media is increasing as is seen below:



On account of this growing use of social media by consumers to get information and reviews, companies are recognizing today the need to establish strong ties with consumers through online platforms; the latter in fact are increasingly being regarded as the latest mediums of advertising and reaching out to huge audiences (McClure & Seock, 2020). Studies show that a tailored offer for sale that is viewed as in sync with consumers' specific requirements and interests impact brand trust in a positive manner (Thaker et al., 2020).

Companies therefore are paying a lot of resources on social media advertising. Social media marketing (SMM) are the endorsement campaigns of companies for promoting their goods and services on Social Networking Systems (SNSs) in order to extend to a vast buyer foundation online. Social media facilitates the interchange of varied kinds of information in automated networks. People who use these platforms create their profiles on them or in a smartphone app created and looked after by social media organizations. They can get in touch with other users' profiles and labels and start networks (Obar & Wildman, 2015). With the help of social media, tradenames can connect and be in more touch with their customers and increase their relation with them, enhance buyer facilities, build customer associations, update them regarding new items, offers, etc (Yadav & Rahman 2018). Facebook, Instagram, Youtube, and Twitter are the most favoured SNSs that are extensively utilized by organizations and star personalities in nurturing themselves and their images.

It was noted that Facebook is the most favourite network worldwide, with more than 2.6 billion monthly people actively using it as of the first quarter of 2020. (Clement, 2020). In 2020, there were more than 3.6 billion social media users across the globe, and this figure is likely to grow to 4.41 billion by 2025 (Tankovska, 2021).

Smart Phones and Consumer buying Patterns

The smartphone is a device that offers standard wireless voice services along with the capacity to interact with and operate services that work on internet like social networking and emailing services (Kenny and Pon, 2011). The difference between a smartphone and a cellular phone is the incorporation of a mobile operating system (Kirk, 2011).

Mobile phones today are used not just as a tool for communication. On account of the smartphone the difference between browsing and shopping is getting obliterated. As of now, India has become the second-biggest market offering mobile handsets across the globe (Niyogi, 2014). But only a few studies have studies distribution channels for mobile and mobile appendages in India. In the present scenario, consumers depend a lot on the digital mode and have become more refined in getting product information, which complicates their buying process and makes it difficult to comprehend (Lee & Lee, 2019).

Customers today expect a unified experience wherein they can seamlessly shift between the digital and physical channels (Ailawadi & Farris, 2017). A study revealed that mobile phone attributes, shape, price, look and technology applications are the main qualities that have an effect on mobile phone brand preferences (Mudondo, 2014).

Harun et al. (2020) found that E-WOM messages that are positive in nature have greater effect on buying objective of smart phones than E-WOM messages that are negative, and that trust also is a positive moderator between E-WOM and the intention to buy.

As a result, a lot of smartphone brands, in order to stay afloat in the competition and to reach their present and future anticipated buyers directly and in a economical manner, have expanded their existence on SNSs by opening their Twitter account, Facebook pages, YouTube channels, Instagram accounts, etc.

It is thus evident that with internet connection reaching newer places, the number of people using digital platforms in India is rapidly increasing and people are getting used to operating the internet. Further, the fast growth in digital consolidation has promoted the digital promotion sector. Organizations now acknowledge the requirement of including social media into their trade and as a result, at present, India's digital promotion sector's value is more than 160 billion Indian rupees, and it is reckoned to be 560 billion rupees by 2023 (Keelery, 2020).

Objectives of the Study:

1. To pinpoint the role of social media on buyer's purchasing decision.
2. To identify the association between consumer commitment on social media and brand recall resulting in purchase.
3. To identify the degree of commitment on social media of customers for smart phones vis a vis an automobile, clothing, FMCG brand.

Research Methodology:

Hypothesis

Hypothesis: Social media impacts consumer behaviour positively resulting in purchase of smart phone

Null Hypothesis: social media does not impact consumer behaviour positively and does not result in purchase of smart phone

Sample Size

The sample size comprised of 200 respondents, of various profiles and different age groups. The reason for this is that while the millennials are well versed with the usage and the know-how of social media, it is also essential to see if the older generations who have not been exposed to technology early in their lives are also exploring and tilizing the avenues of social media and technology.

Profile 1: Age category of 16-20

Students residing in urban cities with liberal access to social media network

Profile 2: Age category of 21-30

Young professionals working in metro cities

Profile 3: Age category of 30+

Individuals who were established professionals, parents etc.

Data collection tool

The data will be sourced both through primary and secondary research. For primary research, the mode of collecting data will be a questionnaire.

Data analysis tool

The data analysis is done by qualitative data analysis

Analysis & Discussion

Demographics of the respondents

Figure 1. Age representation of the respondents

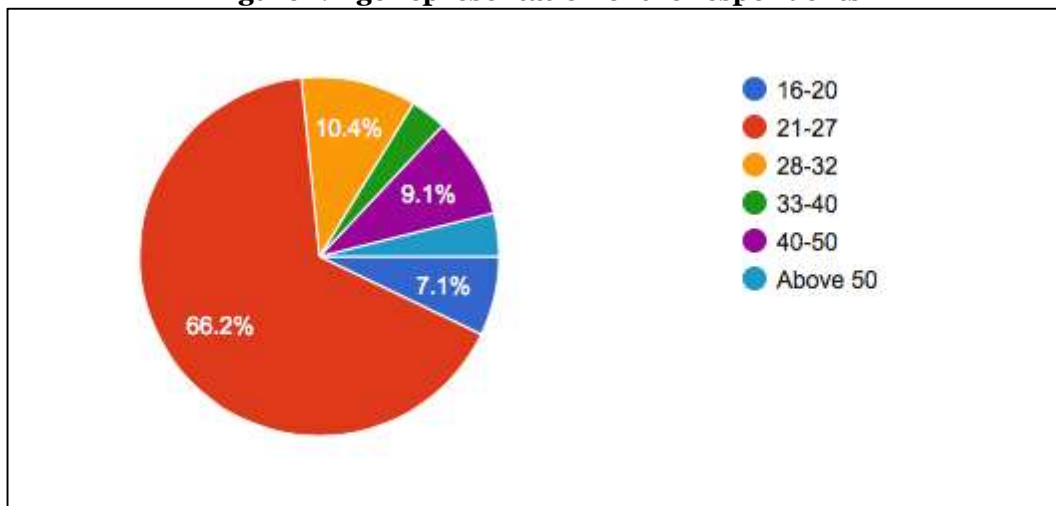


Figure 2. Gender Bifurcation

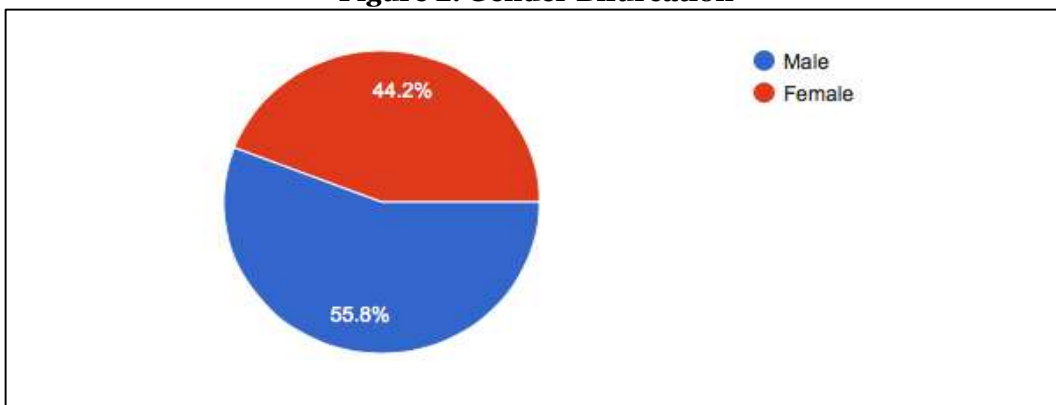


Table 1 : Gender bifurcation

Gender	Responses
Male	112
Female	88

As per figure 1 and 2, it can be seen that the study has touched upon various age groups. The study represents the responses and attitudes of people from the age group from 16 to 50s, table 1 showcases the breakup of the ages.

Similarly, there is a good and almost equal representation of the gender wherein both men and women/ boys and girls were reached out to such that the study does not face any sort of gender bias.

Responses to the questionnaire

Q. Do you use social media platforms daily as a source of information?

Table 2. Frequency of use of social media

Frequency of use	Responses
Yes (1-2 hours daily)	128
No (Once a week)	48
Sometimes (once in 2-3 days)	24

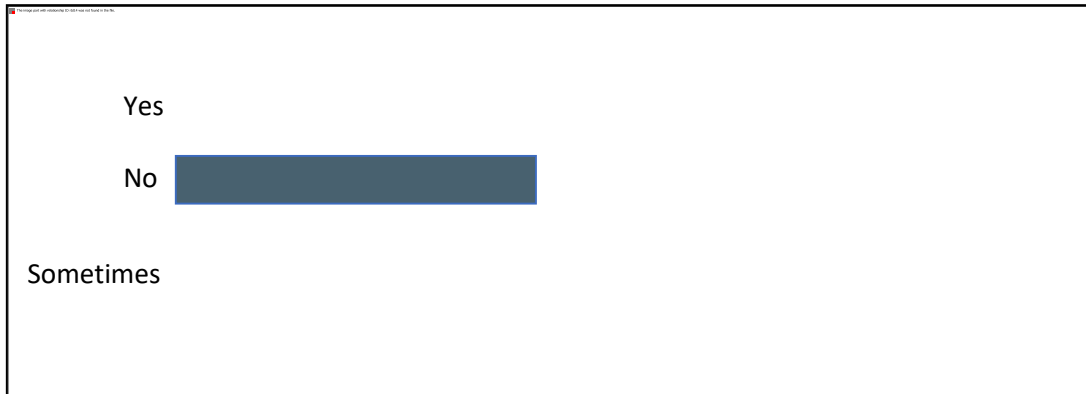


Figure 3. Frequency of use of social media

Time spent on social media has increased in the years. As per report by TNS, the millennials have started to prioritise their activities on social media in their everyday lives. As per the survey it can be seen that 64% of the respondents spend close to 1-2 hours on social media on a daily basis. While there is a minor percentage of 12% of the respondents who only check their social media accounts on a weekly basis and are not very active. The TNS report also highlights that the content which is being consumed by the youth is primarily video content ie. Video on demand and even TV shows. This fact is essential for companies to notice as a lot of the content online is shifting to the video side rather than plain simple text.

Q. Which is your most preferred platform for gaining information?

Table 3. Platform preference of social media users

Platform	Preference
Facebook	134
Twitter	37
Instagram	49
YouTube	47

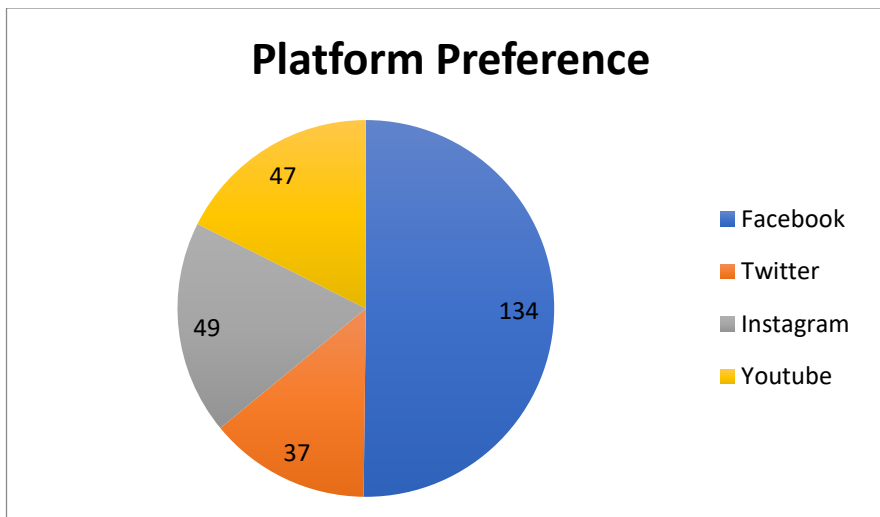


Figure 4. Platform preference of social media users

Statistics released by these popular platforms showcase the monthly users they have and the amount of traffic they generate on their website as well as apps. Facebook had 1.79 billion MAUs for the third quarter while platforms like Instagram, Twitter and YouTube have 500 million MAUs, 288 million and 1 billion respectively.

Q. Have you ever visited any social media site such as Facebook, Twitter or Instagram to decide or influence your purchase decision of a smartphone?

Table 4. Impact of social media influence on purchase

Visited sites to influence purchase	No. of Responses
Yes	157
No	43

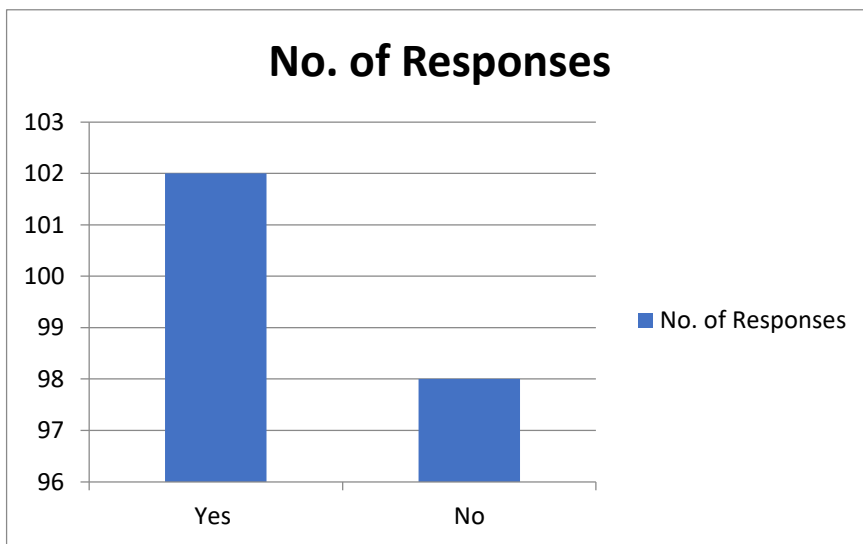
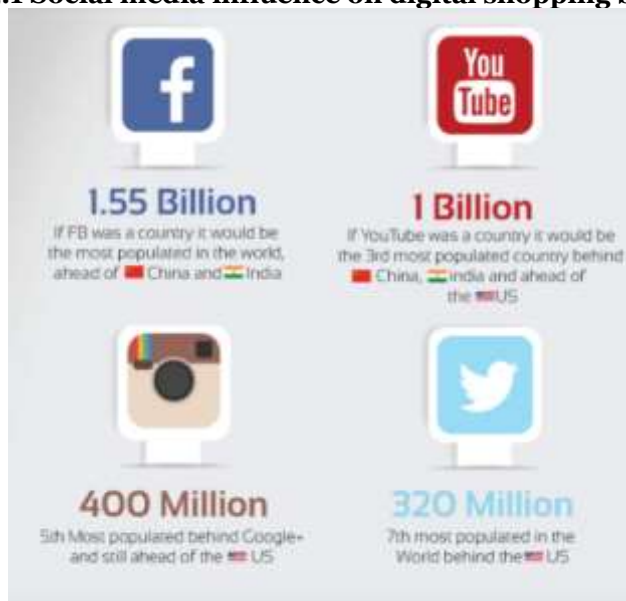


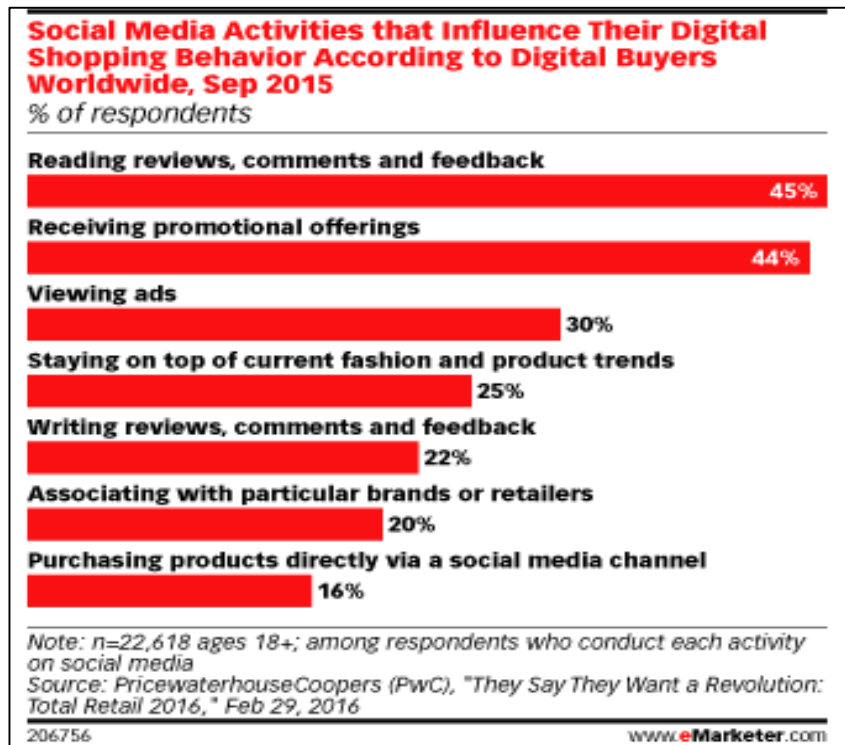
Figure 5. Impact of social media influence on purchase

Information gathering is one of the integral parts of the decision-making process for a consumer. The consumers usually rely on sources like WOM, friends, advertisements and reviews from experts. However social media has impacted the decision-making process to a great level. The research shows that close to 78 % of the respondents visit social media websites when deciding to make a purchase decision on a specific item. Previous studies have also shown that social media is becoming a growing platform from where people gather information regarding the product they seek to buy. The infographic below shows the same.

Figure 5.1 Social media influence on digital shopping behaviour



Source: TheSocialMediaHat.com



Source: emarketeer.com

Q. If no, what other sources do you use to help you decide or influence your purchase decision of a smartphone?

Table 5. Influence of Sources of information apart from social media

Sources	No. of Responses
Word of Mouth	131
Print media	66
Advice by sales person	34
Others	47

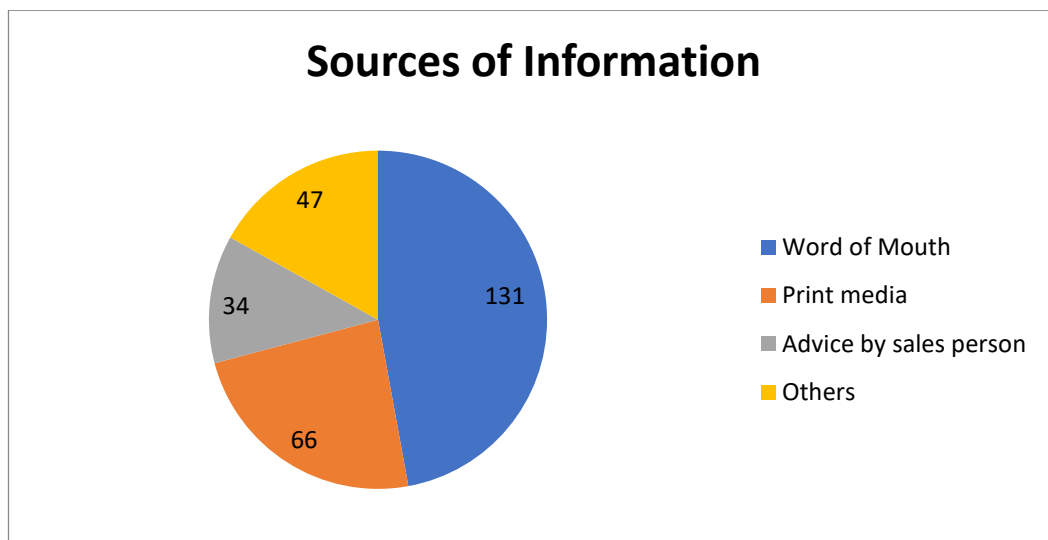


Figure 6. Influence of sources of information other than social media

While social media is the growing form of information gathering regarding a purchase decision, it is only natural that the old and traditional forms of sources of information continue to exist. The research shows that the most popular source of information for the purchase of a smartphone is word of mouth, which is basically the opinion of the friends and family of the individual buying the phone.

Word of mouth which constitutes 65% of the information source, it is followed by print media (33%), advice by sales person (17%) and other sources such as blogs, reviews online etc as 23%

Q. What are the various reasons as to why you follow social media sites of mobile phones?

Table 6: Reasons for Following Social Media Sites for Smart Phones

Parameters for visiting social media websites	No. of Responses
To keep up with brand activities	24
To learn about the product	43
To leverage sweepstakes and promotions	76
To provide feedback	57

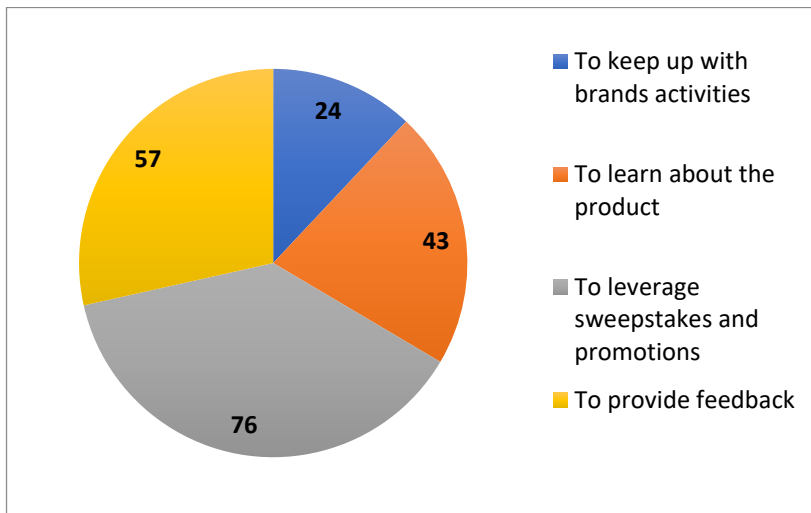


Figure 7 Reasons for Following Social Media Sites for Smart Phones

Social media presence has become of utmost importance for brands these days. All brands whether B2B or B2C have leverage social media in order to reach out to the consumers. The responses highlight that 38% of the users follow the brands in order to leverage the contests and promotions put up by them. Followed by 29% go online in order to give feedback to the companies regarding their product. This feedback is generally real time feedback and can even be termed as complaints. Only a mere 12% follows the brand pages to get to know about their activities.

Q. What are the various reasons as to why you follow social media sites of mobile phones?

Table 7: Satisfaction Level of Getting Information from Social media as against Actually Going to a Store

Yes	153
No	47

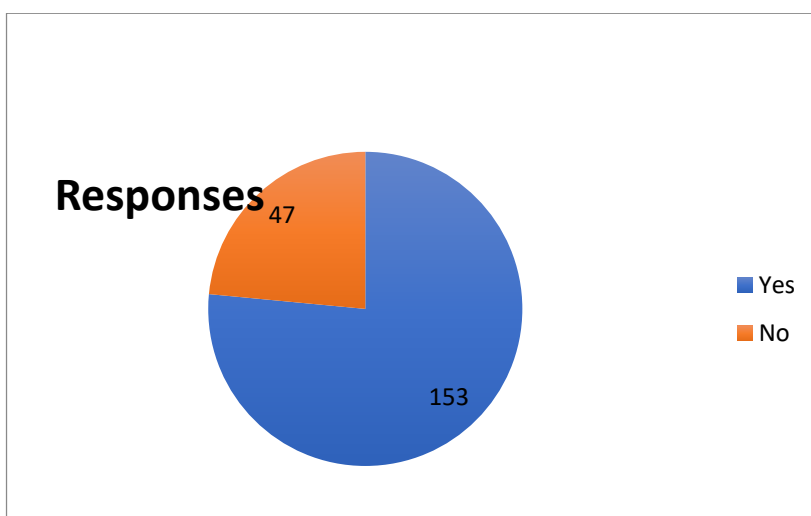


Figure 8: Satisfaction Level of Getting Information from social media as against Actually Going to a Store

The responses as per the study showcase that the consumers prefer browsing through the social media websites rather than going to retail stores to gather information regarding the product.

Conclusions

The research aimed to study the effect that social media has on customer buying behaviour. The research even sought to understand to what extent social media platforms help the brands leverage themselves.

The study has shown that almost 77% of the participants prefer to visit the social media websites than the retail stores in order to get information about the product and the company. This shows that the social media platforms are capable of attracting customers for finding out information about the company and the product. Furthermore, secondary data suggests that reading reviews and comments online, receiving promotional offers as well as viewing ads are the top 3 factors which influence buying behaviour on the digital platform.

The research has also revealed that promotional activities drive the popularity and the engagement on the digital pages of brands especially that of smartphones. Winning a smartphone through contests and promotions is something which has become increasingly popular and has also ensured that users regularly visit the pages of their brands on Facebook, Twitter and even Instagram.

The impact of social media is growing across all industries. The search shows that while users rely on the content and the reviews which are present online, there is a strong dependence on other sources such as word of mouth, print media and the traditional sales persons pitch to the individual.

Currently, all the businesses on social media are leveraging Facebook the most as it is the most favoured platform for social media advertising. It has a large userbase and is accessed by the facebook users very often giving the businesses an opportunity to reach out to potential and existing customers in an innovative and different manner.

To conclude, social media has an outstanding effect on the consumer buying behaviour as it forms the largest and the most real time source of gathering information which is one of the most crucial stages of a buying decision.

Limitations of the Study

The research is specific to India and focusses on the buying of smart phones.

Significance of the Study

It has become essential for trades and brands to calculate the actual utility of buyers and the effect of social media advertising campaigns on them. They accordingly can come up with strategies to attract consumers to their brand and to create loyalty and trust.

Scope for Future Research

Future studies should evaluate the relationships between various demographic groups, such as age, gender, and income levels. Studies may also be conducted to determine the effects of social media component

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