

The impact of social media on consumer purchasing behaviour

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<p>Nearly 4 billion social media users and 5,19 billion mobile phone users are active today. On a daily basis, 350 Million photos are uploaded on Facebook, over 4 billion likes on Instagram, 1 billion hours of videos are watched on YouTube. The future is here and it is all about social media.</p> <p>The overall purpose for this research was to investigate the connection between social media and consumer purchasing behaviour. Due to digital revolution people are more connected than ever and information is available in the palm of their hands. Mobility and social media have affected to brands marketing, which has made a difference on consumers decision making.</p> <p>While social media is evolving more and more, new social media trends are popping up for its users and in to business world. In business and marketing point of view the social media is a goldmine which should be utilized specially by marketers. Social media has given plenty of new practises to develop brands marketing strategy. The most important part of developing marketing strategy is to understand today's consumers purchasing behaviour first. Different factors that influence on peoples purchasing behaviour are defined in this research, in addition the most common types of buying behaviour.</p> <p>The main research method used in this research was quantitative and an online survey was conducted to investigate the factors of social media affecting to consumer purchase and decision making.</p> <p>The data collected during this research point out the important role that social media has on purchase making and specially information seeking. Consumers are eager to use social media as a tool and to find endless amounts of information in a blink of an eye. The consumers are also open for new ideas and pay attention on social media platforms targeted advertisements and are not afraid of purchasing them. According to the results of this research the use of social media influencers is a beneficial part of marketing plan since they reach social media users of all ages. Also, brands should keep on concentrating on active social media behaviour to gain the trust of consumer, offer modern and fast customer service and help consumers to find accurate and relevant information of their products and services easily. The importance of social media on consumers purchasing decision making is visible already and presumably it will only deepen in the future with new technology.</p> <p>The motivation for this research came from authors place of employment on retail industry and the existing problems that company currently has with social media marketing strategy and customer engagement.</p>	
Keywords Social media, Marketing, Customer, Purchase, Consumer behaviour, Decision making process	

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1 Introduction

With continuously changing environment and trends, social media has bigger impact on its user now than ever before. Consumers in the other hand are more demanding and conscious about their needs. This research study focuses on the relationship between consumer behaviour and social media and how much impact they have on each other's. The main objective is to find out how social media actually effects on consumers purchasing decisions.

Consumer behaviour is widely studied field and internet is full of scientific articles about it. The problem is that most of the literature is not corresponding today's consumers needs and doesn't include technology and its impact on the consumers. This research work would give answers for companies on different fields e.g. hospitality, food and beverage and retail, how the customers react on social media marketing and which methods are most profitable and should be used to support the consumer's needs.

By understanding consumers behaviour on social media and consumer's needs, it gives necessary information for companies to understand the expectation of the consumers and it would help to understand what makes a consumer to buy a certain product or service (Cloutrack 2020). Recognizing different types of buying behaviours and the main factors that have an impact on peoples purchasing behaviour are essential subjects to learn and assimilate in terms of understanding consumers. Without knowing these facts, it would be nearly impossible to examine how the social media is affecting to the purchasing behaviour.

Here in this thesis is explained the most used social media platforms and most recent social media marketing trends. According to Econsultancy's Future of Marketing report (Gilliland 2020), 64% of marketers believe that social media is going to be more important to their organizations' marketing plan over the next two years. Keeping up with social network changes is a challenge. Especially today when there are updates almost weekly and social media marketing strategy often needs to change with these updates.

The theoretical framework of this research consists literature and previous studies related to consumer behavior, social media and social media marketing. The main research method used in this research was quantitative and an online survey was conducted to investigate the factors of social media affecting to consumer purchase and decision making. In addition, this research is aiming to find explanation on how individuals are following, handling, and designating the information on social media before and during purchasing.

2 Social Media

Social media is a website or application that allows its users to create and share content while engaging with other users (Hudson 2020). Social media allows its users to share content fast and real-time via smartphones, tablets and computers. It has become a big part of people's everyday lives since smartphones have 3,5 billion users all around the world (Statista 2020). Anyone with internet access can sign up for a social media and create an account. Users can share whatever content they choose to, and the content they share reaches anyone who visits their page or profile. (Hudson 2020) Social media has become a place where people and organizations of all kind can interact with each other and share information for wider audience at once.



Figure 1. Social media use around the world (Hootsuite 2020)

In the figure above is shown the total number of people who use social media networks and messenger services actively. The research was implemented in 2020, which gives actual current information about the world-wide use.

2.1 Social Media platforms

Social media was created long before it came to our smartphones but Facebook, YouTube and Myspace were the big game changers that brought new way of interaction and communication into our knowledge. After the first big steps, many new different social media platforms were created e.g. Twitter, Snapchat, Instagram and TikTok. Social media platform means any social media related service, application or platform.

In the past decade, there has been done continuing research of the most used social media platforms. According to Statista (2019) The top five consist of Facebook, YouTube, WhatsApp, Facebook Messenger and WeChat. Three out of five of these named platforms are messenger application.

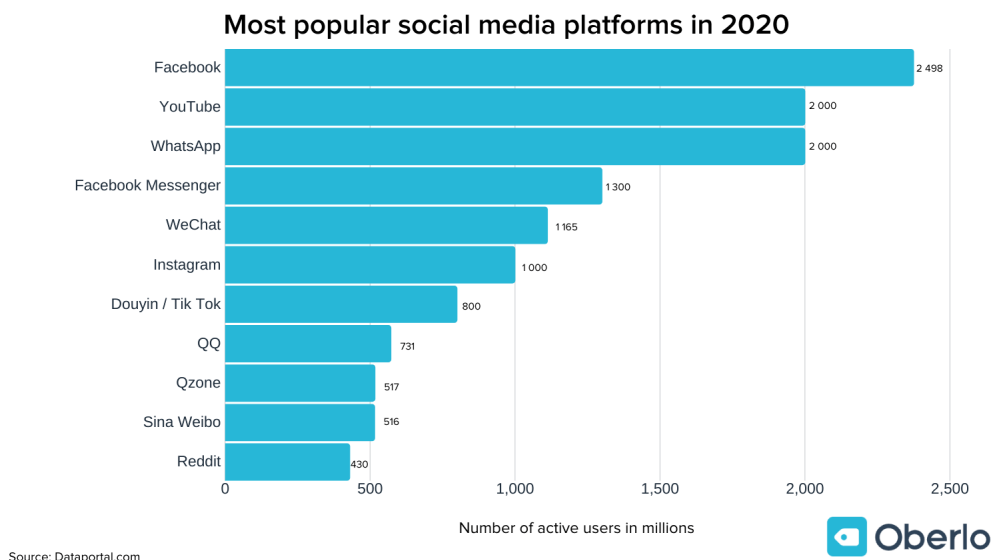


Figure 2. Most popular social media platforms worldwide (Dataportal 2020)

Facebook is nowadays the largest and most used social media platform with its 2,4 billion active monthly users. Facebooks is not only a social media platform with most active users, but it is also the platform on which users spend most time, at 58 minutes per day on average (Ortiz-Ospina 2019). Facebook allows its users to communicate with each other's and share different kind of content e.g. pictures, videos, articles, information etc. As stated by the CEO of Invesp website Khalid Saleh (2015), 92% of social marketers are using Facebook for advertising and 18.4% of the global mobile digital advertising is coming from Facebook ads.

Facebook messenger is also one of the most used messenger applicator in 2020 and it was created by Facebook. Presumably because Facebook is the most used social media platform, Facebook messenger is widely used by Facebook users to stay in contact with friends, family and getting assistance from companies as an example.

YouTube is the most popular video sharing service, following as a good second with its 2 billion active monthly users. 1 billion hours of video on YouTube are watched daily and 90 percent of consumers say they discover new brands and products through YouTube (Oberlo 2020). These numbers show the effect of video content marketing and how powerful marketing tool it can be.

WhatsApp and WeChat are serving the same features for their users as messenger applications, the only difference is that WeChat is a Chinese version of WhatsApp. WhatsApp is used worldwide and that is why it has approximately 2 billion monthly users, slightly more than WeChat.

Instagram was the second most downloaded free app in 2018. A recent statistic shows the number of daily active Instagram Stories users, which has increased from 150 million in January 2017 to 500 million in January 2019 (Statista 2019). Instagram offers possibilities for companies to advertise and do marketing on their social media account or website e.g. storefronts and shopping with AR features (i.e. Augmented reality). Also, social media influencers are a big thing in Instagram and many different brands use them to reach new potential customers.

TikTok takes the seventh place on most used social media platform list and for a good reason. TikTok has grown its popularity enormously in a short time. TikTok is the best example of so called "*niche social platform*" which means new social media platform that has not only emerged, but have significantly risen to fame in a really short time (Influencer Marketing Hub 2020). TikTok was launched in September 2016 and by mid-2018 it had already reached half a billion users which means it gained on average about 20 million new users per month (Ortiz-Ospina 2019). It is famous for its many trend coups, challenges, dances which have spread all around the world and the videos have been shared also in other social media platforms. TikTok has found its place on the top and has gained a popularity among youth.

2.2 Social Media trends 2020

Over the last decade, the significance of social media grew to become an important part of every business' marketing strategy (Quadros 2020). Every year new trends are born and old ones are forgotten. While social media is evolving, new trends are coming fast and staying updated, the latest social media trends can help brands and companies to improve their social media marketing plan and make them stand out in the crowd (Influencer Marketing Hub 2020). Because of the changing environment of social media, the trends

vary depending on the publishing date and source. Here the author has chosen the most reliable sources and the most recent studies to find out the latest trends of 2020.

2.2.1 Ephemeral content

Ephemeral content signifies temporary content on social media. It is temporary because it is available to other users' maximum 24 hours or even shorter times after it disappears.

Ephemeral content is used in many social media platforms e.g. snapchat, Instagram and Facebook. The way users like to consume content has changed and that is why content formats like Stories have become popular (Influencer Marketing Hub 2020).

According to recent report by Hootsuite, 64% of marketers already have included Instagram Stories into their social media marketing strategies or plan to do so in near future (Hootsuite 2019 Social Trends Survey, 12.).

2.2.2 Social commerce

Social media platforms e.g. Instagram, Pinterest and Facebook have been used by brands to enhance their sales on different products and services for a long time already (Sovann 2019). For brands marketing strategies including social commerce has become the new normal and it is only going to get stronger over time (Influencer Marketing Hub 2020). Social media platforms reinforce this trend by introducing new features like shoppable-posts and Instagram's Storefronts and this way social networks are becoming the new retail platform (Sovann 2019). Social commerce is evolving to be a significant part of marketer's sales strategies.

2.2.3 Video content

Video content is the most growing trend in 2020. It has been used creatively before by many brands and the results have been extremely positive. Different kinds of video content such as short-form videos on TikTok or Stories and long-form videos on YouTube are going to be the future of social media content (Influencer Marketing, 2020). According to a Cisco study (Cisco Annual Internet report 2020), 82% of all social media and advertising content will be video content by 2022. This study clearly shows the importance of utilizing video content in brands marketing strategy to keep up in the social media marketing.

2.2.4 Influencer marketing

Influencer marketing is not a new trend but it has become more important for brands marketing plan and it is not going to fade away any soon. The only difference that has changed in the near past is that mega-influencers (>1 mil. followers) are no longer trusted and businesses prefer to collaborate with macro influencers (40000-1 mil. followers) because consumers trust them more (Digital Marketing Institute). This is the reason why marketers nowadays prefer working with small, relevant, niche influencers and not just with 1-2 mega-influencers anymore (Influencer Marketing Hub 2020). This kind of

influencers get much higher engagement with their followers and cost much less, in addition 49% of consumers claim that they depend on influencer recommendations social media to inform their purchasing decision (Digital Marketing Institute).

2.2.5 Customer service interaction

Social media has traditionally been a place for its user to interact, communicate and share photos and video content. Nowadays the social media is much more and it has become a retail platform and a product discovery platform and with their side a customer service channel (Influencer Marketing Hub 2020). Brands want to provide better and faster service for their customers since it used to be quite slow back in the day. Now social media platforms offer option for brands to be ready to assist customers nearly 24/7 and since social media has lot of visibility brands need to handle customers well to keep up good reputation (Newberry, 2020).

2.2.6 Social listening

Social media is a perfect place for collecting data and insights that businesses can use to develop their social media marketing strategies (Influencer Marketing Hub 2020). For a brand, it is essential to build a solid reputation and by understanding how people perceive a brand, the company can get a lot of information using social listening. Social listening means monitoring a brand's social media channels for any customer feedback, direct mentions of the brand or discussions regarding specific keywords, topics or competitors followed by an analysis to gain insights (Amaresan 2020).

2.3 Social media marketing

The ability to share information in real-time has changed the way of business. Because of the growing usage of social media, many companies have started to increase their social media marketing as an important part of a marketing plan. Social media marketing is an important part of digital marketing nowadays. According to Smart Insight content director Dave Chaffey, the definition of digital marketing is "achieving marketing objectives through applying digital technologies and media". Digital marketing includes managing different forms of online company presences such as company websites, mobile apps, and social media company pages (Chaffey 2020).

In social media marketing the focus is in different social media platforms and finding the best one to support each company and its objectives. Different social media platforms offer different ways for marketing and advertising products or services.

Recent study from Simon Kemp and Datareportal (2020) revealed that the number of global social media users have grown rapidly, more than 10% in the past year, and at the beginning of July 2020 there were already 3.96 billion users all around the world. This data states that more than half of the world's population are now using social media regularly (Gilliand 2020). This research has naturally woken up marketer's interest, since we have more people using social media than ever before and it will presumably have impact on brands social strategies. Turns out that 31% of customers use social media to make pre-sale inquiries before a purchase or commitment (Mangles 2017).

The rise of social media usage also has revealed some disadvantages. The amount of content and information available and the competition of visibility is very high and it can be extremely difficult for companies to stand out from the crowd (Mangles 2017).

3 Consumer behaviour on social media

People log in to their social media account primarily for fun, relaxation, connect, find information and to entertain them self. As mentioned before social media has become a new retail platform and it is visible on every network. Having all the necessary information in the palm of the hand has changed everything, including consumers behaviour. Actually, according to a study by Global Web Index (2018) 54% of social media users browse social media to research products before making a purchase decision. This points out the fact that the reasons of using social media have changed from interacting with family and friends to product and service hunting.

3.1 What exactly has changed?

Consumers today are more conscious and inquisitive than ever before. They are writing reviews to blogs, making videos about purchases on YouTube, unboxing on TikTok and sharing their opinions, warnings and suggestion about products on several different networks. For the first time, consumers are in charge and they are using different social media networks to continually share their views of retailer's service, products and quality. Retailers who use this opportunity and listen their customers, have an excellence chance to engage with their customers and support their needs. (Brennan, Brenna, Schafer & Schafer 2012, 2.)

Even though larger percentage of youth use the social media, it is growing rapidly among older people too. According to Pew Research's most recent social media fact sheet (2019), 69% of adults between 50-64 and 40% of those above 65 use social media.

Many every day needed amenities are transferred in to apps e.g. bus tickets, bank services, loyalty programs and grocery stores, and all of them require a smartphone. Even Corona apps demand using smartphone, which explains why owning a smartphone is becoming more common and people of all ages find themselves using social media services. "Mobile devices are being used to provide customers with important information to benefit their shopping experience, regardless of their shopping channel" (Brennan & al. 2012, 48.).

3.2 Understanding consumer purchasing behaviour

To understand consumer purchasing behavior, it is necessary to know what are affecting to it. As stated by FitzGerald (2019) "Three factors can influence consumer buying behavior: personal, psychological, and social". According to other researchers e.g. Philip Kotler who stated that in addition to those three factors mentioned above, there is fourth factor that effect on consumer purchasing behavior and it is a cultural factor.

The cultural factors have a strong influence on consumers purchasing behavior. Every country has their own cultures and its influence on the consumer buying decision may vary from one country to another. It comprises all the values, needs, behaviors, preferences and wants that are learned from family members and environment (Kotler 2018, 159.).

Humans are social beings and people close to each other can have an influence on one's behavior, naturally. Also, humans subconsciously wish to be accepted in to the society (Clootrack 2020). Social factors consist social networks and groups, roles and status. These factors have a deep influence on purchasing behavior. (Kotler 2018, 162.)

Personal factors deal with individuals interests and opinions. They differ from person to person because everyone is a unique individual, and consequently produce different perceptions and consumer behavior (Clootrack 2020). Personal characteristics such as consumers age, income, occupation, personality and lifestyle are influencing on purchasing behavior (Kotler 2018, 167.).

Human psychology is a major determinant in consumer behavior (Clootrack 2020). The psychological factors can be difficult to measure but they are shockingly powerful influence on purchase decision making (Clootrack 2020). Psychological factors are based on consumers perception, beliefs, motivation and attitude, including their ability to comprehend information and how they see their needs (Kotler 2018, 169.).

The figure below will explain the content of the factors that effect on consumers purchasing behavior.

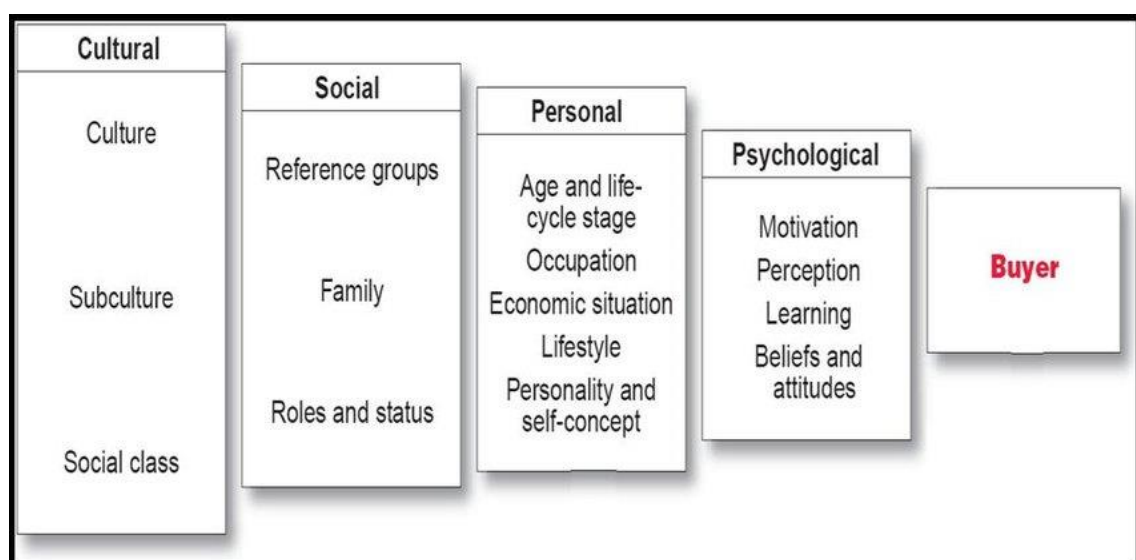


Figure 3. Purchase decision contributing factors (Kotler & Armstrong 2010)

While all consumers have their own consideration if something needs to be purchased, everyone is going through a buying process. The process may vary depending on the individual but here are the usual steps that consumers go through (FitzGerald 2019):

1. **Need recognition:** Consumer realizes a need and makes a decision that it must be purchased.
2. **Search for product information:** Consumer searches for information of the product/service that is intended to purchase. In this stage online reviews, blog posts etc. have an impact to which product is worth purchasing.
3. **Product evaluation:** Based on personal criteria based on their own priorities, consumer makes decision what product/service to buy.
4. **Purchase decision:** once the right product/ service is found, is time to make decision whether to buy it now or not.
5. **Purchase making:** The payment process and receiving the product. In this stage, it is important for business to have easy payment process and keeping the whole process convenient.
6. **Post-purchase use and evaluation:** After receiving and using the product/service consumers consider the level of satisfaction. Usually in this stage customer receives post-purchase survey or thank you email from the company, which is a great way to find out if the customer was satisfied.

3.3 The four types of buying behaviour

A consumer's behavior while purchase decision making depends on the type of products that they are planning to purchase (Cloodack 2020). As an example, the behavior of a consumer buying food at grocery store is presumably a lot different than a consumer buying a boat. Kotler (2005) has defined four different types of customer behavior based on different levels of brand's distinction and customer's involvement before and during the purchase making. These four different types of customer purchase decision behavior are: complex buying behavior, variety-seeking buying behavior, dissonance-reduction buying behavior, habitual buying behavior. The figure 2 on the next page explains to how these four types differ from each other.

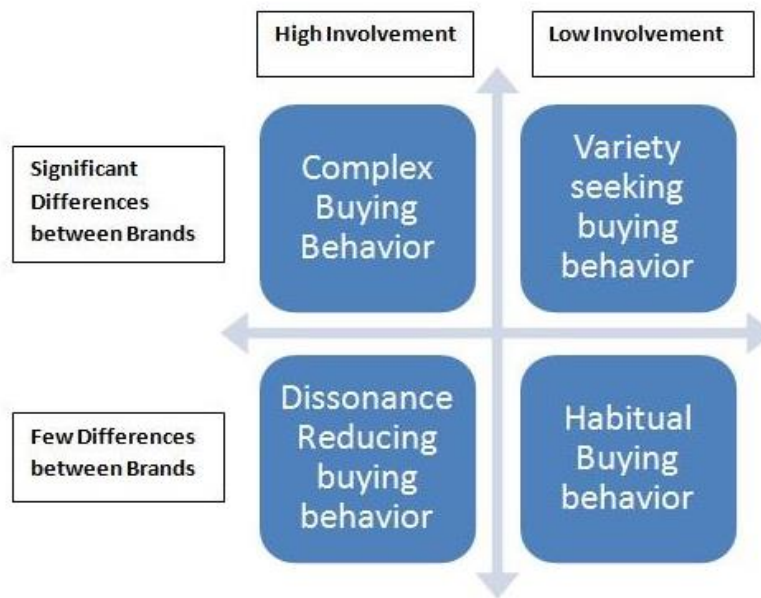


Figure 4. Four types of buying behaviors (Clootrack 2020)

Complex buying behavior means when customer is highly involved in the purchasing process (Shma 2012). The customer is eager to gather all needed information about the product's features and function and does not hesitate to put time for searching this information. In addition, for a customer who have complex buying behavior the brand image is very important. This type of behavior often applies when customer wants to purchase an expensive product or service with high value or for a long-term.

Other type of customer buying behavior is dissonance-reduction buying behavior. In dissonance-reduction buying behavior customer is also highly involved but one has no interest in brands differentiation (Shma 2012). This kind of customers want to be very aware of the product's features and know all the details. For customers with dissonance-reduction buying behavior is relevant to settle for one good option and comparing between different brands is not necessary. This behavior can apply when customers are buying easily available products.

Variety-seeking buying behavior takes place when customer is less involved in purchase process but are carefully comparing between different brands (Shma 2012). This type of behavior usually applies while purchasing low price products or services. Variety-seeking behavior is difficult to manage for brands because customers easily change their mind about the brand if they are not satisfied to the quality of the product or services they purchased.

The fourth buying behavior is called habitual buying behavior. This behavior applies when customers are doing daily purchases e.g. in a grocery store. These type of customers are

not particularly involved in the process and do not actually care about the differences between different brands (Shma 2012).

3.4 Social media as influencer

Social media can play a huge role on consumers decision making. The web is full of opinions and reviews about different brands and products. Here are some the most recognized influence factors on social media: reviews from influencers and social media connections, brands social media presence and social media advertising (FitzGerald 2019).

Social influencers refer to individuals with a significant number of followers on social media (FitzGerald 2019). Influencer marketing is used a lot and is visible specially on social media platforms like Instagram and TikTok. Social influencers advertise products by specific brands and this way share their opinions with their followers.

The original purpose of social media in the beginning was to connect people and enable them to share information for each other. Nowadays, social media users are able to give out their opinions about products, services and bands for a wider crowd through different social media platforms. (FitzGerald 2019)

Nowadays It is not enough to only sell products and services online. A brand must stand out, be recognizable and the information must be available to all social media users. By paying attention on active social media behavior and producing high value content for followers i.e. consumers, brands can boost their image and credibility and gain new followers in the process. "As social media continuously reaches a wider audience, its advertising has made it possible for hyper focused targeting and retargeting. This allows brands to make more strategic moves that help reach their marketing goals while maximizing their resources" (FitzGerald 2019).

3.5 Cross-Channel shopping

Cross-channel shopping is a growing phenomenon, where the majority of online consumers prefer to browse online and purchase offline (Brennan & al. 2012, 49.). By online being e.g. brands website and offline being a brands physical store. Consumers are seeking information, comparing prices and competitors online and even making purchasing decisions. But instead of ordering online they prefer going to physical store. The benefits of cross-channel shopping for business is the ability to offer all needed information for the consumers and this way gaining their loyalty for the brand (Gilliland 2017).

Cross-channel shopping is a great way to provide added value for the customers shopping experience (Gilliland 2017). Many bigger companies have taken new practices in use e.g. where their customers can shop and make their purchases online and then go to their nearest store to pick up their purchases, same-day in-town delivery service and customer being able to return item in the store even though it was ordered online. These examples are exquisite ways to build engagement with customers and by offering different options regarding payment options or returns it makes consumer decision making easier. Consumers who visit a retailer's website and shop at physical stores spend a good deal more than average shoppers, in some cases 50 percent more or higher. (Csek Creative)

4 Research methodology

When a researcher or researchers systematically design a study for a specific research project to ensure and reliable results that help to find answers to the research objectives, it is called research methodology (Jansen & Warren 2020). The main objective of this research is to find out how social media actually effects on consumers purchasing decisions or does it have an impact at all. This research strives to provide a clearer understanding to both consumers and companies of why, when, and how much impact social media has on consumers decision making process. The goal is also to advice companies on how customers react on different kind of social media marketing practices and which methods are most profitable and should be used to support the consumer's needs.

Theoretical framework provides the foundation for this research and is used as s secondary data. Primary data aims to answer the objectives stated in the research and to provide evidence in supporting the secondary data. The primary data for this research was collected through an electronic survey.

4.1 Research design

The research design for this study was quantitative research. In this research was used an electronic survey provided by Webropol web tool. The author came to the conclusion that quantitative research would be the most effective way to collect data from a larger number of population and the main purpose of the survey was to gain knowledge of the impact of social media on consumer purchasing behavior.

The survey questionnaire consists of 12 questions and estimated to take approximately two minutes to answer. The survey was shared on multiple social media platforms including Facebook groups, Instagram, WhatsApp and online chats to reach as comprehensive data as possible and gain answers from people of different baseline. The questions for the questionnaire were designed and built closely upon the theoretical framework and to find out why, when, and how social media has impacted on decision making process. Because people know they will not be judged or have further consequences when their answers remain anonymous, they tend to answer to an anonymous questionnaire honestly. The first part of the survey contained population-related questions such as gender, age and financial status. The second part of the questionnaire contained questions that would help the author to define the social media usage and the factors that effect to purchasing decision making of the respondents. The final part of the questionnaire aimed to specify the role of social media in customers' purchase decision making.

The data was collected between 24.9.-15.10.2020 and during the mentioned time the survey got 139 responses.

5 Data analysis and key results

This following section presents analysis made on the data collected from the online questionnaire. The first three questions contained background information of the respondents as gender, age and financial status. By asking these two general questions, gender and age, may help to identify whether social media has impacted the decision-making processes differently based on these two segmentations. According to the data collected 37% of respondents were male, and 63% were female.

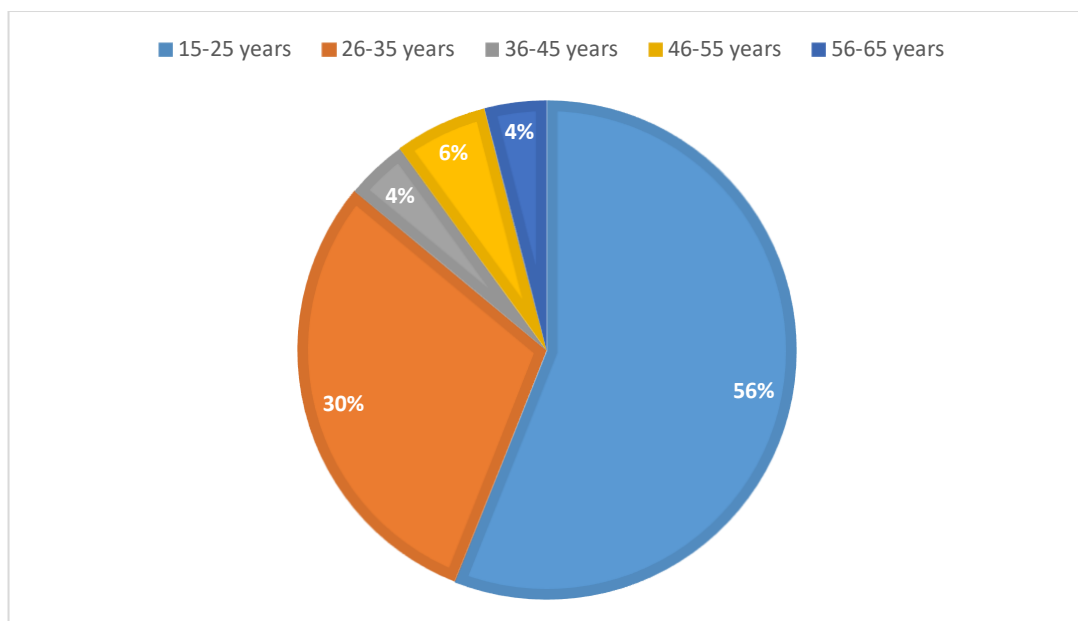


Figure 5. Age distribution of the respondents

Five different age groups are covered by collected data, they are 15-25 years old (56%), 26-35 years old (30%), 36-45 years old (4%), 46-55 years old (6%) and 56-65 years old (4%). It appears that over half (56%) of the respondents are 15-25 years old. This information is very useful to see how generation Z and generation Y are affecting to the collected data since they represent the majority of the respondents. The generation Z indicates people that are born between 1995-2012 and people born between 1994-1980 are called as generation Y (Robinson 2020).

The third background based question is about income. The author wanted to see if there is a link between financial stability and purchase decision behavior. According to the data collected only 4% of the respondents refused to answer to the question about their income. Other 96% of the respondents divided as followed concerning about their income: 0-500€/month (9%), 600-1500€/month (27%), 1600-2500€/month (33%), 2600-

3500€/month (23%) and the rest of the respondents (4%) earn over 3500€ in a month after taxes. These numbers point out that 83% of the respondents earn more than 600€ per month but under 3500€ per month after taxes. All respondents of age 36-45 earn 2600-3500€/month and all respondents of aged 56-65 earn 1600-2500€/month.

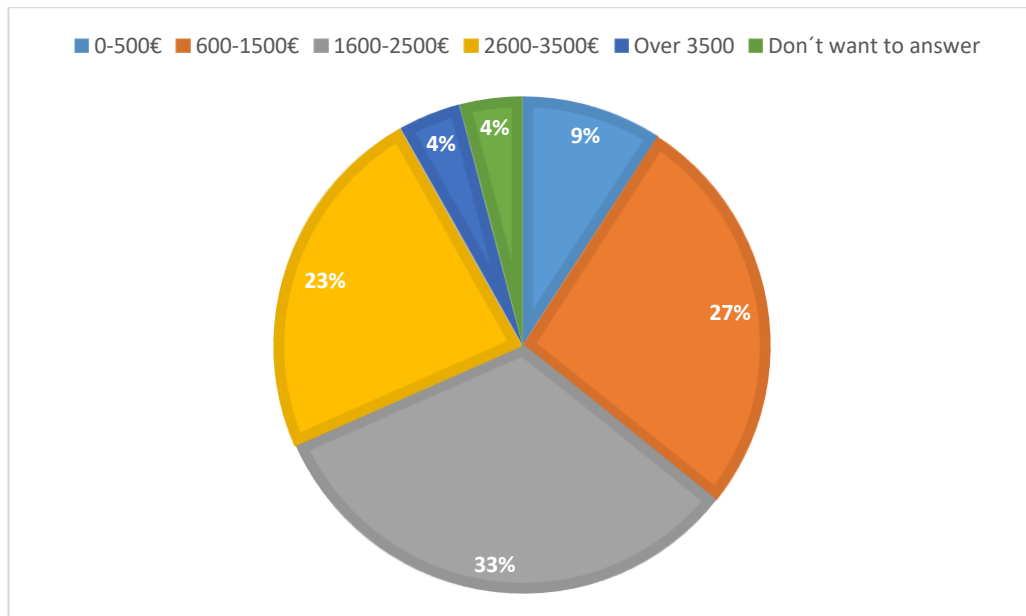


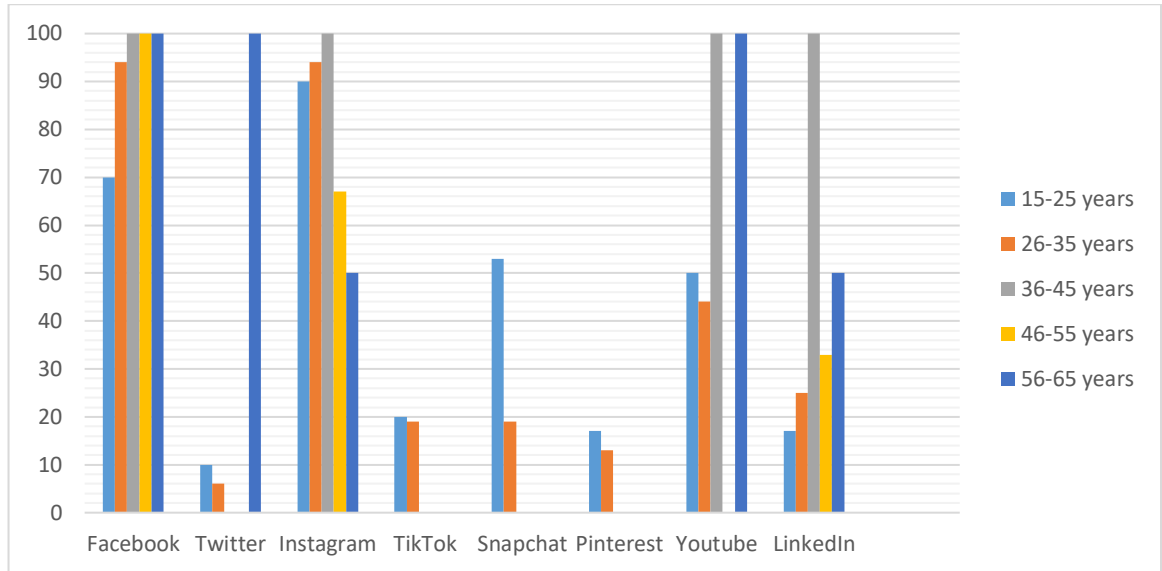
Figure 6. Income €/month after taxes of the respondents

When comparing the three major income groups turns out that respondents who earned 600-1500€/month were the only group who stated that they never use social media on researching more information on products and services, with 13%. Although it was also the only group which answered that they buy products or services very often, that they notice from social media with 27%. To the same question 21% of the respondents who earned 2600-3500€/month answered *rarely* and 7% *never*. 87% of the respondents who earn 600-1500€/month still thought that social media is useful for shopping purposes. These results are one example of the fact that income does not have that big of an impact to the purchasing behavior on social media.

On the fourth question in the survey, the author wanted to find out which social media platforms were mostly used by the respondents. The options for the question were chosen by following the research by Dataportal (see figure 2.). The messenger applications were not taken in to account in this survey since they are designed for communication purposes and consequently do not effect on social media purchasing behavior.

The table on the next page will show the data of the respondent about their most used social media platform usage according to their age group.

Table 1. Most used Social media platforms used by the respondents



These figures point out that TikTok, Snapchat and Pinterest are used only among 15-35 years old respondents. The respondents aged 46-55 years old use fewer social media platforms compared to other age groups. Like in the Dataportal research (figure 2.) Facebook is most used social media platform in most age groups. Only Instagram is the most used in the age group of 15-25 years old.

The fifth question deal with respondent's habits, if they are trying to find out more information of products or services from social media and how common is this function. As stated before, according to the income groups, there are wider differences on this question but when examining the results on a general view of the respondents, 19% of them searched more information of products/services always from social media. 32% of respondents usually searched more information from social media and 34% answered sometimes. Also, 9% stated that they are not usually searching more information from social media on products or services and only 6% of the respondents answered never to the same question. This data shows that consumers are using social media as a tool to help find more information on products and services quite often. This is an important fact that could help brands to concentrate on how they actually offer all needed information for possible customers.

In the following question (6), respondents were asked which factor affects the most when it comes to the purchasing decision making. The table (4) below demonstrate, that almost half (45%) of the respondent's trust on their friends and family members opinions and recommendations. 13% of the respondents get affected by the social media influencers, 11% thought that the quality of customer service has the biggest impact on purchasing decision making, 10% trusted the recommendations and opinions of different Facebook groups and only 4% get affected by the brands own social media accounts. Unfortunately, 17% of the respondent did not have any opinion for this question or did not find any suitable option for them.

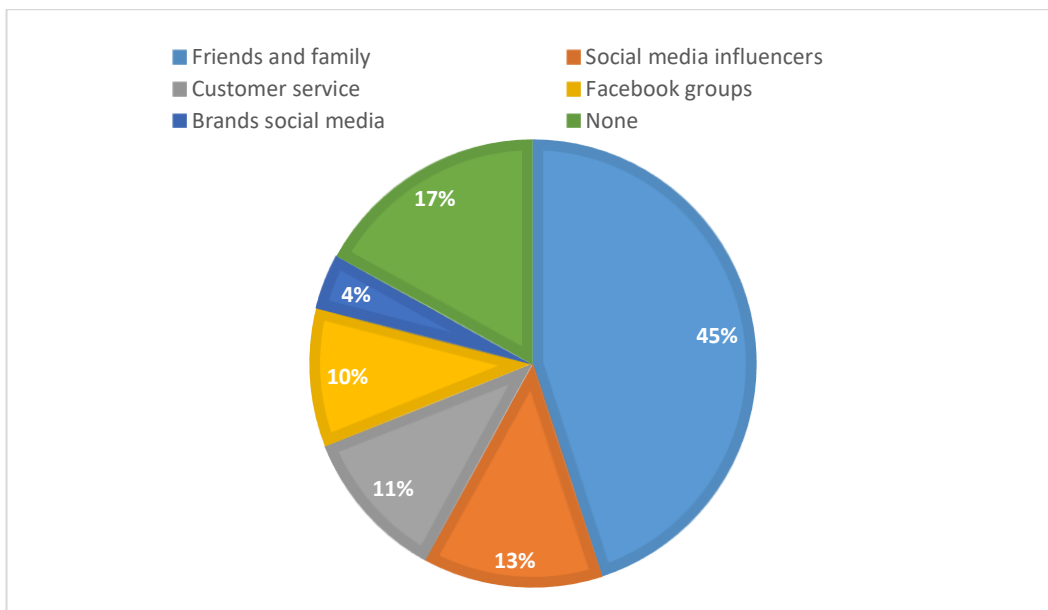
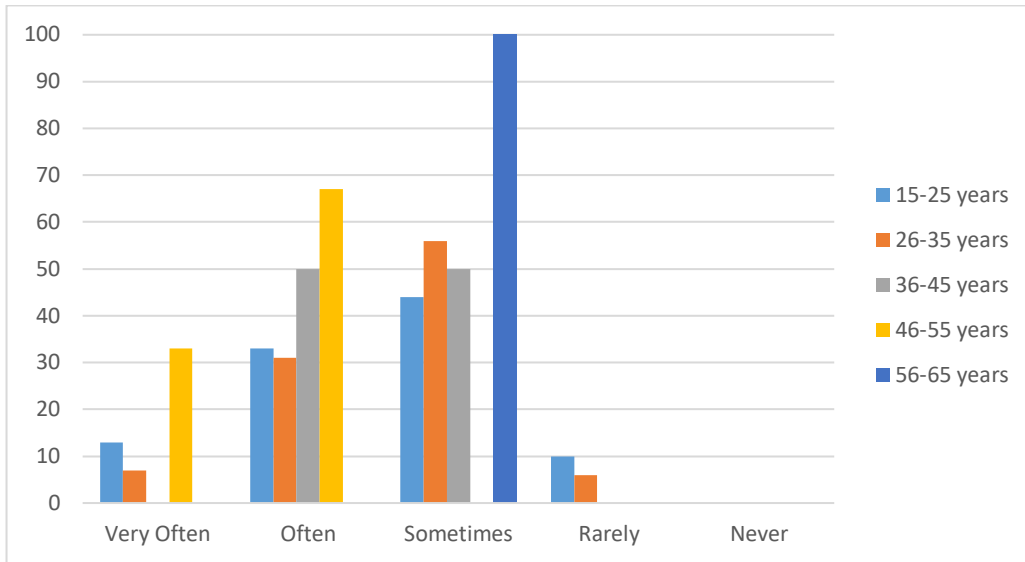


Figure 7. Factors that effect on respondents purchasing decision making

In the following questions (7 & 8), respondents were asked if they find new purchasing ideas from social media and if they continue the process to buying these products and services in question. Turns out that 92% which means 128 of the respondents find at least sometimes or more often new purchasing ideas from the social media and also 115 respondents complete the buying process at least sometimes or more often.

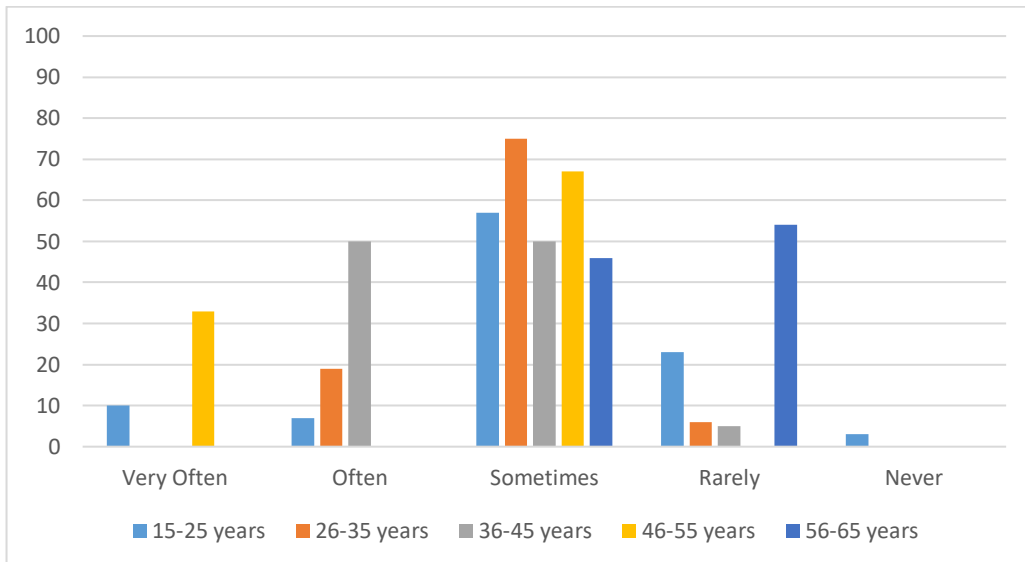
Table 2. How often respondents find new purchasing ideas from social media



In the table above are the statistics of how respondents find new purchasing ideas from social media divided by their age group to see the difference on how age is affecting to it. These statistics indicate that different social media platforms do offer tempting purchasing ideas for the social media users since no one answered never to the question.

The next table indicates how often respondent buy these purchasing ideas they get from social media. According to the data collected only 2% of the respondents never buy products or services that they find from social media.

Table 3. How often respondents purchase the ideas they get from social media



This data points out that the generation Z is dividing opinions wider than other age groups and is also the only age group that stated that they never buy products or services they find from social media.

The next three questions (9, 10 & 11) consist information of accounts in social media, more specifically social media influencers and brands owns social media accounts. The author wanted to find out how many of the respondents actually follow influencers and brands on social media, and what are the reasons why they follow them. 57% of the respondents follow brands and influencers because they are interested of the products and services they sell or advertise. In addition, 79% of the respondents think that brands should update their profiles and add content more actively. The active social media behavior signifies the ability of getting information faster e.g. information of new upcoming products and services, getting information of promotions and discounts, and it is a sign of faster customer service according to the respondents.

The table below explains how the respondent's opinions divide on which are the most important reasons of following social media influencers and brands social media accounts.

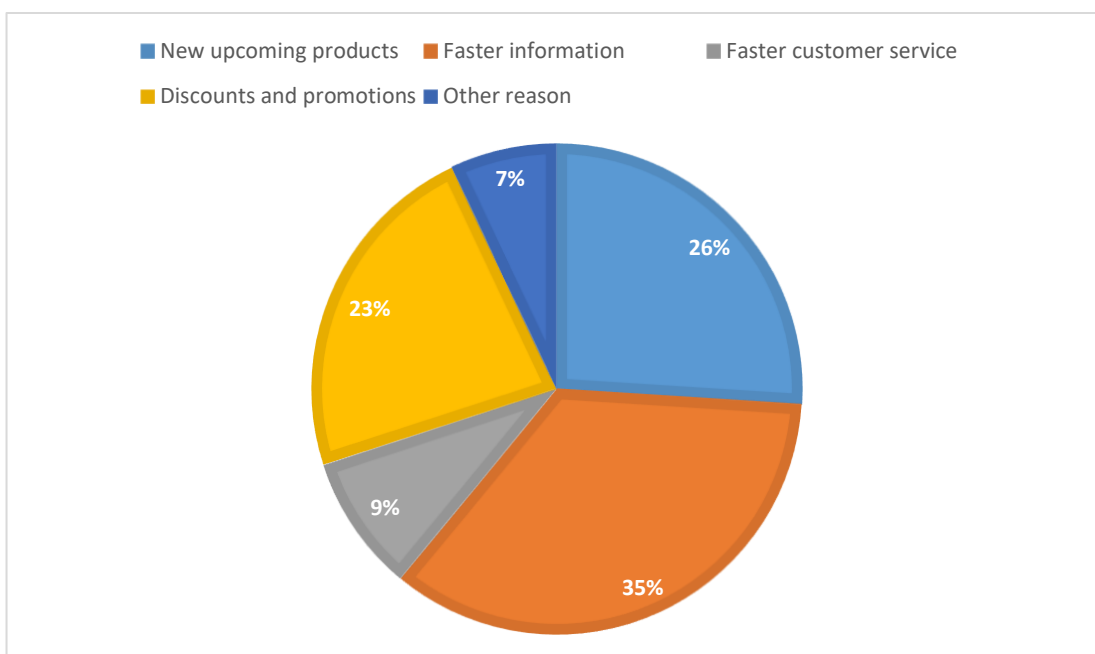


Figure 8. Reasons of following social media influencers and brands social media accounts

The data shows that most consumers are looking for faster information from brands and social media influencers. Also, the announcements of new upcoming products and services are one of the biggest reasons why follow brands social media accounts.

Last but not least the respondents were asked if they feel that social media is useful for shopping purposes and 87% of all respondents agreed that it is useful tool. Only 9% stated that social media is not a useful tool for shopping purposes and 4% did not have an opinion to the question. This last question solidifies the whole survey of how consumers actually think about social media as a tool for shopping purposes and the results point out

that social media has huge impact when it comes to purchase making and seeking for information.

5.1 Results analysis

The analysed results point out the important role that social media has on purchase making and specially information seeking. Consumers are eager to use social media as a tool and to find endless amounts of information in a blink of an eye. The consumers are also open for new ideas and pay attention on social media platforms targeted advertisements and are not afraid of purchasing them.

This research has stated that neither age or financial stability do not have a significant impact on social media behaviour or purchase decision making. Even though generation Z has head start since they have lived most of their life with existing social media, seems like they are exactly the generation that has most divided opinions on social media behaviour, its benefits and if it does effect on purchasing behaviour.

According to the results of this research the use of social media influencers is a beneficial part of marketing plan since they reach social media users of all ages. Also, brands should keep on concentrating on active social media behaviour to gain the trust of consumer, offer modern and fast customer service and help consumers to find accurate and needed information of their products and services easily.

Even though consumers mostly trust on their friends, family members and their own knowledge when it comes to purchase decision making, there is no denial that social media is a useful tool for shopping and helps to seek enough information to make faster decisions on different purchase situations. The importance of social media on consumers purchasing decision making is visible already and presumably it will only deepen in the future with new technology.

6 Conclusion

The amount of information available to people increases every day and as a result we are easily overwhelmed which has driven us to see different aspects of the information available on social media. The transparency of information and sharing customers experiences and word of mouth has become much faster and more accessible for all social media users that it has forced brands to be even more customer-centered to avoid negative reputation.

In marketing point of view, to meet nowadays consumers' needs and marketing through social media should be more about creating high-quality contents that are consumer relevant. The current ways of marketing on social media may not bring wanted results anymore since the digital environment, consumer behavior and attitude towards social media marketing and content is continuously changing. Essentially, the theoretical framework of this research was built upon consumer buying model and the changes social media has brought to marketing.

The objective of this research was to find out if social media has an impact on consumer purchasing behavior. The data collected during this research indicate that different ways of social media marketing can affect on consumers purchase decision making and even create new needs for consumers by offering targeted advertisement and easy ways to fulfill the needs. But instead of proceeding straight to purchasing the product or service, the consumers are determined to seek more accurate and real information from social media once a thought of purchase is being triggered.

The researcher aimed to find answers on why, when, and how social media has impacted on decision making process.

- Because social media is part of our life and all needed and even more information is in the palm of our hands the social media has become part of the buying process. The reasons on question why, are undeniable because social media has brought nearly all services near to us and so all companies are only one message away no matter of the physical location.
- When the social media has the most impact on consumer purchasing behavior, is usually before proceeding to actual purchasing process. Social media is used to get more information or to find alternative products and services that suite for ones wishes. Other stage where social media takes place in buying process is from the beginning of the process where the consumer find and creates a new need to purchase from social media. At least the data collected and the respondent

answers state that social media is offering tempting products and services for most of the social media users.

- How social media is affecting to consumers purchasing behavior is exactly by offering relevant content for consumers. Depending on consumers individual attitude and social media behavior, different social media influencers, brands and other accounts/platforms can effect on consumers opinions, wants and on the fact how the buying process will go forward.

To conclude, from the findings of this research, it can be observed that consumers are actively utilizing social media as a tool in validating the purchase decisions and seeking for relevant information.

The research process during this thesis progressed as planned. From proceeding this thesis, the author learned a lot about the social media marketing, consumer purchasing behavior and the two-way communication flow that social media platforms offer to its users and companies. However, there were some difficult moments e.g. creating a strategy to gather as large number of respondents as possible for the survey from different social media platforms so the author could offer realistic results for this research. Otherwise, the process was completed in wanted timeline and the author managed to discover up-to-date results for the objective of this research.

6.1 Limitations

The findings and conclusions presented in the research are only valid within the population selection and can not to be generalized elsewhere due to the differences in environmental factors and individual opinions of the respondents. To reach results that correspond all consumers social media behavior and how much impact social media has on consumer purchasing behavior would require wider research geographically and quantitatively.

Considering the limited time and scope of this research, many theories related to the social media and consumer purchasing behavior were covered but in a general perspective so as to provide a big picture for the readers.

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Appendices

Appendix 1. The online survey used in this research

The impact of social media on consumer purchase decisions.

Hi there! Thank you for participating and helping me with this survey. This survey and its data will be used only for studies (Haaga-Helia UAS) and the results are for thesis purpose only. With this survey, I am aiming to find out how social media effects on your purchasing decisions.

1. Gender

- Female
- Male
- Other
- I don't want to answer

2. Age

- 15-25 years
- 26-35 years
- 36-45 years
- 46-55 years
- 56-65 years

Over 65 years

3. How much do you earn in a month? (after taxes)

0-500€

600-1500€

1600-2500€

2600-3500€

Over 3500€

I don't want to answer

4. Which social media platforms do you use the most? (you can choose as many as you want)

Facebook

Twitter

Instagram

TikTok

Snapchat

Pinterest

YouTube

LinkedIn

5. Before you buy a product or service, are you trying to find more information about it from social media?

Always

Usually

Sometimes

Not usually

Never

6. Which affects the most on your purchasing decisions?

Friends/family recommendations/opinions

Social media influencers recommendations/opinions

Brands own social media advertising

Customer service quality

Facebook groups and their recommendations/opinions

None of these

7. Do you often get new purchasing ideas from social media?

Very Often

Often

Sometimes

Rarely

Never

8. Do you buy products/services that you notice from social media?

Very often

Often

Sometimes

Rarely Never

9. Do you follow social media accounts (e.g. brands) only because you are interested of the products/services

Yes

No

10. Do you think that brands should update their social media accounts actively?

- Yes
- No
- I don't know

11. If you answered yes, why?

- Because I would know when new products are coming
- Because I could get more information faster
- Because it is a sign of faster customer service
- For discounts and promotions
- Some other reason

12. Do you think social media is useful for shopping purpose?

- Yes
- No
- I don't know