IMPACT BEHAVIOR OF CUSTOMER USING SOCIAL MEDIA PLATFORM

**Chapter 1**

**THE PROBLEM**

## Introduction

Social Media is a big commitment, and something you have to engage with regularly to see the benefit of; different platforms have a different recommended frequency but they all have one thing in common – regularity. So, knowing what to say all the time can be tricky. Having a basic Social Media strategy will help you with this; by setting out clear reasons why you’re using Social Media in the first place, what you’re hoping to achieve with it (your goals), and how you’re going to measure overall success will help you gain clarity on what it is you should be posting on a regular basis.

Online shopping is the easy solution for busy life in today’s world. In the past

decade, there had been a massive change in the way of customer’s

shopping. Despite consumers’ continuation to buy from a physical store, the users or buyers feel very convenient to online shopping. Online shopping saves crucial time for modern people because they get so busy that they cannot or unwilling to spend much time shopping.

Asia Pacific region is leading the growth of online shopping as compared to the mature market such as the US, UK, Japan and European Countries. The Asia Pacific recorded massive growth, especially in China. In 2016, Asia Pacific region made about $1 trillion in online sales and majority came from China constituting about $899 billion (eMarketer, 2016). With more and more consumers become increasingly familiar with the Internet and its benefit, online shopping is becoming popular and getting preference among a group of consumers seeking better value proposition regarding information,

convenience, cost, choice. Like other young Asian citizens, youngster’s in

Bangladesh are experimenting with new ways of shopping that have led to the popularity and growth of online shopping in Bangladesh. Unlike a physical store, all the goods in online stores described through text, with photos, and with multimedia files. Many online stores will provide links for much extra information about their product. On the other hand, some online consumers are an adventurous explorer, fun seeker, shopping lover, and some are technology muddler, hate waiting for the product to ship.

Consequently, online consumer behavior (user action during searching, buying, using products) became a contemporary research area for an

increasing number of researchers to understand this unique nature of online shopping. The primary goal of a business is to offer product and services that best serve their consumer needs. A business which fulfills the customer needs with satisfaction very well is more successful than its competitors as

satisfied buyers tend to make a repetitive purchase. Moreover, in Bangladesh, online shopping has been evolving fast and has the potential to grow exponentially in time to come, as Internet penetration reaches far and wide across the rural areas. However, it is also true that Bangladeshi people

are traditionally conservative in their approach to shopping due to modernization and fast-paced life, dependence on online shopping will increase. Thus, the purpose of this study is to understand the consumer behavior towards online shopping, their liking, disliking, and satisfaction level.[ CITATION eMa162 \l 1033 ]

## Background of the Study

Advertising has always known to be one of the key factors that affect consumer’s decision making process. In this paper, we have attempted to combine different sets of variables from these previous studies to test and analyze how they impact consumer’s buying intention.

Maheshwari, Seth & Gupta (2016) in their article “An empirical approach to consumer buying behaviour in Indian automobile sector" has concluded that advertisement effectiveness positively influences consumer buying

behaviour.

Advertising on the Internet is almost a necessity for modern businesses, especially those that do business outside of their local community. Consumers use the Internet for more than simply entertainment or

information, as they do with radio, television, magazines and newspapers. Consumers use the Internet to assist them in nearly every aspect of life, creating countless opportunities to place relevant, targeted ad messages. This view adds that, advertising makes demand for a product inelastic and thus ensures increase in the price of the product and this effect might lessen as a result of scale economies. The view also adds that, consumers are unwilling to try new products especially those of unknown quality and this may deter entry of new producers. These scholars agree that, this view of advertising will only work in scale economies. [ CITATION Mah162 \l

1033 ]

## Statement of The Problem

This research aims to find out the impact of behavior of customer of using online media platforms. It guided by the following sub-problems.

1. Demographic profile of the respondents in relation to the following:

1. age
2. Gender/sex

2.Effect of using online media platforms to the customer

## Null Hypotheses/Assumption of the study

Hypotheses 1: There is a relationship between online advertising and consumer buying behaviour of cadets.

Hypotheses 2: There is a relationship between accessibility and consumer buying behaviour of cadets.

Hypotheses 3: There is a link between entertainment and consumer buying behavior of cadets.

Hypothesis 4: A consumer’s purchasing intention will affect his/her postpurchase behavior on a Facebook storefront.

## Scope and Delimitation

The study will be concentrated on Online Customer towards their buying preference on their behavior. The study will focus at the age of 16 above mostly students and employees who doesn't have time to go shop outdoor and chose to buy things online

With the growing age of the internet and increasing trend of people using the internet for shopping and searching, internet advertising which in recent times have been utilized by all companies due to the accessibility and wide coverage than the traditional media seem to be the most recent means for advertising. The question now is, does the

internet advertising prove to be very effective than the traditional media? Do people buy products due to the internet advertisement? What

other factors influence the way people see internet advertisement?

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## Definition of terms

**Students-** The study will help them to control buying decision making and to help them for their future study.

**Social Media Influencer**- This study will help them to make a good

example influencing on buying behavior.

**Consumers** are purchasers of specific products and/or services.

**Advertiser**- It is significance to study to make them review the customer's reaction on using online media platform.

**Internet** is a worldwide interconnection of computers and computer

networks that facilitate the sharing or exchange of information.

**Marketing** is the management process through which goods and services move from concept to the customer.

**Marketing management** is a process of identifying, anticipating and

satisfying consumer requirements. This involves tracking and reviewing an organization’s marketing resources and activities.

**Marketing strategy** is the process whereby an organization aligns itself to the market it has decided to serve. It integrates an organization’s marketing goals and focuses on the ideal marketing mix to achieve maximum profit

potential.

**Online research** is a means of research which allows the researcher to investigate a phenomenon and collect data through the internet.

**Social media** involves natural and general conversation between people

about a topic of mutual interest (e.g. Facebook, Twitter, Linkedin and Blogs). Social media facilitates the exchange of information via email, chat rooms, blogs, discussion forums, digital audio, images and movies. **Social media marketing** represents marketing communication opportunities in virtual or online environments.

**Future researcher**- This will help them to study for future purposes to give

them other scope of ideas.

**CHAPTER 2**

**Review of related literature**

**Related Literature**

## (LOCAL)

As more Filipinos shop online, Facebook can be considered as the best platform supporting social commerce that strongly upholds a strategic driver in capturing the potential market of online shoppers. It has become a game changer for various entrepreneurs to gain a competitive advantage in the virtual market because of the country’s high penetration rate of 41 percent (“Philippine E-Commerce Roadmap,” 2015) making the Philippines as one of the crucial markets for e-commerce. Thus, many business startups are taking advantage of the social media sites in launching their businesses for its userfriendliness and wide connectivity platform. An encouragement for both the

private and the government sectors for continuous expansion and

investment of the internet and network infrastructure in providing better connectivity and online presence among Filipino People.[ CITATION Phi152 \l 1033 ]

Busalim & Hussin (2016) provided a list of eleven collected definitions of social commerce including of that social commerce is “a form of commerce facilitated by social media involving convergence between the online and offline environments. [ CITATION Bus164 \l 1033 ]

Based on this definition, social commerce can be classified as offsite and onsite. Onsite social commerce refers to the traditional e-commerce platform that incorporate social sharing features and functionality on their website while the offsite social commerce includes transactional activities that occur beyond of the sellers’ website. The latter includes Facebook storefronts, posting products on Facebook, Twitter, Instagram and other social media sites wherein it gained substantial number of previous studies. This definition

according to Zhang & Benyoucef (2016) excluded the websites such as Amazon and Groupon for the lack of a social platform where the presence of a personal connection and sustained social interaction among members is needed.[ CITATION KZZ164 \l 1033 ]

Gantuaco (2015) highlighted that to have a successful social commerce site, aside from the valuable products and services, it must also have its own social community to be built and relationships to be established for harmonious social interactivity. However, the rise of using an online medium to shop and the rise of people looking for goods and services on a social media platform needs a better understanding about those social interactions that ignite Filipino consumers to engage in social commerce. Although, the role of social interaction in social commerce were already defined in the previous studies using various social commerce sites, but then the link between social interaction and consumer intention and behavior has not been examined and studied in the Philippine settings because of its

vagueness and lack of adoptability of its concepts. The objective of this study is to reveal how social interaction activities such as electronic word-of-mouth communication (eWOM) and observing other consumers’ purchases influence the intention to purchase, and whether these activities, in addition, increase

the probability of making an actual purchase in the social commerce environment.[ CITATION Gan151 \l 1033 ]

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commerce sites. This behavior illustrates the different constructs influencing the consumer engagement in social commerce. [ CITATION KZZ165 \l 1033 ]

The most common theories that have been observed in recent studies are the social capital, the social influence, and the social support. The social influence considered how strong the connections between the individuals; the greater the connection, the stronger the influence. [ CITATION Wan154 \l 1033 ]

As of September 2015, the Philippines rank 16th worldwide and 3rd in Southeast in terms of the number of internet users. This implies that Filipinos are one of the world’s most active and participative online users, being tagged as the “social media capital” of the world creating huge opportunities for the booming online commerce industry in the digital economy.[ CITATION

The151 \l 1033 ]

According from Alexa.com (2015), Filipino internet users have visited and shopped regularly on the internationally-based e-commerce website, namely Amazon, Lazada, Metro Deal, Alibaba, Ali Express, Ebay and Zalora. This would highlight that Filipino internet users now are taking advantage of the social commerce unique shopping experiences that can happen anytime and anywhere using only their mobile devices. To date, the study regarding social commerce in the Philippines is limited regardless that it is already widespread and there is increasing number of Filipino consumers in a social commerce with the advent of Facebook. [ CITATION Ale151 \l 1033 ]

## (Foreign)

In a competitive market, it is important for advertising managers to grab consumers’ attention through advertisements and sales promotion. A sizable marketing budget is spent on advertising. The trend of using digital media platforms for advertisements is growing. This study intends to explore the importance of various media advertisements on consumer behavior (CB) stages such as awareness (AWR), interest (INT), conviction (CON), purchase (PUR) and post-purchase (PPUR) of the total advertisement spend, TV advertisement spend in India was 44.7 per cent and print advertisement spend was 29.8 per cent. The digital advertisement spend was the third

largest with a growth rate of 15.5 percent. [ CITATION Sta161 \l 1033 ]

Effective measuring of consumer engagement in brand-related social media content can be an essential part of creating a social network marketing. The creation of an internet presence for a particular brand is no longer a static

process by which companies provide an internet presence or brand

depictions without a feedback loop. Different from the static websites in the early days of the Internet, the interactive nature of social media has ultimately changed the ways in which consumers engage with brands. When using social media on a regular basis, consumers are in contact with brands and products by reading, writing, watching, commenting, “Liking”, sharing, and in many other different ways. The growth in popularity of social media across consumers and firms has opened a vast research field for scholars.

[ CITATION Sch163 \l 1033 ]

Social media basically refers to online platforms that serve as a vehicle that moderate and mediate the engagement and interaction of persons or group of individuals. The platform makes it necessary to exchange and share ideas, opinions, and grievances on a common mission and vision. It is where new friendships, partnerships, and businesses, and even researchers are established often for ulterior motives. [ CITATION Iss161 \l 1033 ]

Online research that provides a responsive tool via social media for understanding consumer perceptions has been an effective mechanism for supporting new marketing strategies. This has led to major investments in marketing in social media that exceeds over $5 billion a year in marketing investments recognizing this connection can play an important role in developing the content and shaping the relationship between the consumer This speaks to an important aspect of the paradigmatic shift towards social media and user-generated content in marketing: the belief that companies are now creating, and must manage, a closer relationship with their consumers (Ashley & Tuten, 2015). This creates additional expectations in this kind of relationship, and companies creating a social media presence and interactions with their consumers must consider how to manage these relationships, create more effective and responsive customer service, and ensure that generate a following through their marketing mechanisms. Customer engagement and the willingness of customers to share their stories, create their own content, and engage are aligned with the goals of social media campaigns. [ CITATION Ash151 \l 1033 ]

Globally, e-commerce constituted about 2.29 trilliondollar market (John, 2018) and expected to reach 4 trillion dollars by 2020. Asia Pacific region is leading the growth of online shopping as compared to the mature market such as the US, UK, Japan and European Countries. The Asia Pacific recorded massive growth, especially in China. In 2016, Asia Pacific region made about $1 trillion in online sales and majority came from China constituting about $899 billion (eMarketer, 2016). With more and more consumers become increasingly familiar with the Internet and its benefit, online shopping is becoming popular and getting preference among a group of consumers

seeking better value proposition regarding information, convenience, cost, choice. Like other young Asian citizens, youngster’s in Bangladesh are experimenting with new ways of shopping that have led to the popularity and growth of online shopping in Bangladesh.

[ CITATION eMa163 \l 1033 ]

Therefore, trust and perceived benefits seem to be the critical conjectures of consumer behavior toward online shopping.[ CITATION AlD151 \l 1033 ]

However, brand image and quality of products, goodwill of country of origin also influence significantly on purchase intention of online products (Haque et al., 2015) Unlike a physical store, all the goods in online stores described through text, with photos, and with multimedia files. Many online stores will provide links for much extra information about their product. On the other hand, some online consumers are an adventurous explorer, fun seeker, shopping lover, and some are technology muddler, hate waiting for the product to ship. Consequently, online consumer behavior (user action during searching, buying, using products) became a contemporary research area for an increasing number of researchers to understand this unique nature of online shopping. The primary goal of a business is to offer product and services that best serve their consumer needs. A business which fulfills the customer needs with satisfaction very well is more successful than its competitors as satisfied buyers tend to make a repetitive purchase. Moreover, in Bangladesh, online shopping has been evolving fast and has the potential to grow exponentially in time to come, as Internet penetration reaches far and wide across the rural areas. However, it is also true that Bangladeshi people are traditionally conservative in their approach to shopping due to modernization and fast-paced life, dependence on online shopping will increase. Thus, the purpose of this study is to understand the consumer behavior towards online shopping, their liking, disliking, and satisfaction level. [ CITATION Haq152 \l 1033 ]

Day-by-day taste, preference and choices are varying regarding different factors such as the Internet emergence. However, this development needs some more understanding related to the consumer’s behavior. Consumer behavior research identifies a general model of buying behavior that depicts the processes used by consumers in making a purchase decision (Vrender, 2016). Those designs are paramount to the marketer as they can explain and predict consumer purchase behavior.[ CITATION Vre161 \l 1033 ]

## Related Studies

Social media such as Facebook, Twitter, YouTube and most recent Instagram, are acknowledged as online platforms where users are able to sign up with a

personal account in order to communicate with other users, receive

information or be advertised. The rapid increase in the popularity of social media created the necessity for the use of social media as a fundamental tool of industry's promotion and product sales. Social media are able to modify the marketing methods, since businesses interact immediately with the consumers-use.

## Synthesis of the Reviewed Literature and Studies

Social media is in its ‘infant years’ it is hard to predict what might happen to brands and users in the process. However, it is already being highly used as a ROI tool for marketing and branding. Literature indicates that social media should have its own separate campaigns, but integrated in the long-term business strategy plan. We should however make a strategy that targets consumer’s adequately in each platform. Social media is everywhere, in our everyday life, turning the borders between our work and spare time more did use. Everybody has access to a computer, at home or at their workplace, people can use their smartphones to log in the internet from literally everywhere they go. Marketers approach branding for social media in a very quantitative way, using metrics and analytics to measure, compare, take conclusions and adjust their social media strategy exports. Users are becoming more aware of these mark-ting tactics and knowingly or not, allow their data to be used by companies’/brands for data analysis and statistical purposes. Eventually users will become more interested in these matters and expect customized experiences and a better engagement with the brands they follow/like and interact with. The managing of digital is becoming very important for most organizations.

## Theoretical Framework

The theoretical framework was adopted from Wang & Yu (2015) to test the

applicability of the model to the Philippine settings. The social interactions in social commerce environment was operationalized using the electronic word of mouth (eWOM) communication and observing other consumer’s purchase

behavior to understand its effect to the intention of the Filipino consumer to purchase a product and/or services. The WOM information is produced from referrals, comments, ratings, reactions, and forums and communities while the observation consumer purchase describes the behavior of consumer as they seek information by observing and reading previous comments and advises from other people before engaging in purchasing activities. These two online social interactions would define how the actions of another person, group or communities would influence the intention and the purchase decision-making process. The Facebook provides an online medium for social connections and interactions and may vary significantly across cultures based on previous research. [ CITATION Wan155 \l 1033 ]

According to Basilisco & Jin (2015), Filipinos are motivated in using Facebook as they want to seek various information for products and services. This shows that social interactions in Facebook have changed how the Filipino consumer’s exchanges information through social engagement and social commerce. [ CITATION Bas15 \l 1033 ]

Hypothesis 1a. Positive valence WOM will positively influence consumer

purchasing intentions.

Hypothesis 1b. Negative valence WOM will positively influence consumer purchasing intentions.

Hypothesis 1c. The content of WOM will positively influence consumer purchasing intentions.

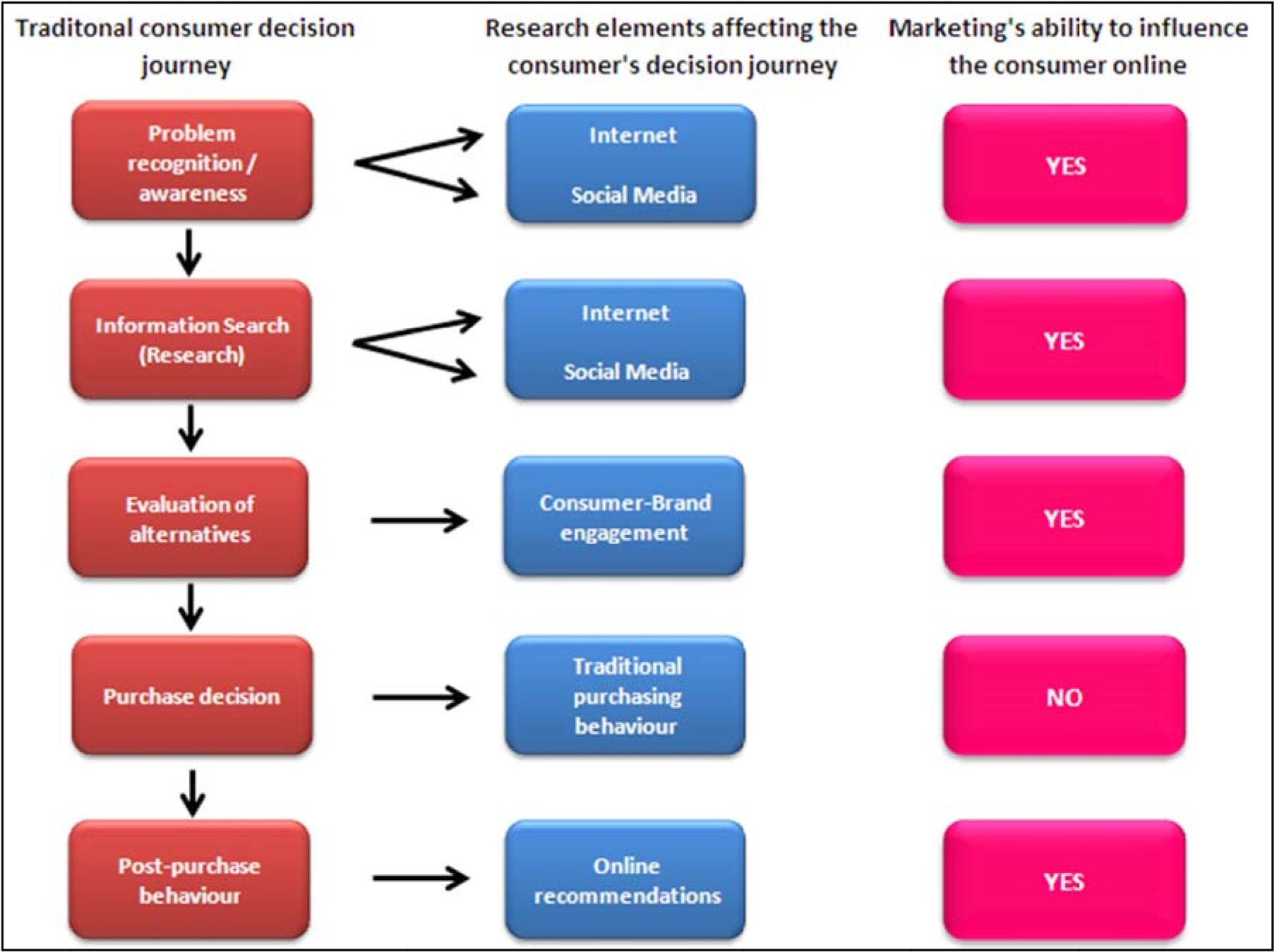
Hypothesis 2. Observing consumer prior purchases will positively influence consumer purchasing intentions.

Hypothesis 3. A consumer’s purchasing intention will affect his/her actual purchase on a Facebook storefront.

Hypothesis 4. A consumer’s purchasing intention will affect his/her postpurchase behavior on a Facebook storefront.

## CONCEPTUAL FRAMEWORK

The starting point to address the main problem and research questions as discussed above in terms of qualitative research methodology is to determine the research paradigm or conceptual framework. The conceptual framework defines the specific elements which the researcher needs to focus on when using research tools (e.g. surveys or questionnaires) to conduct the research. The conceptual framework as per figure 4.1 below was derived from the literature study (as discussed in chapters two and three) and the research questions above.



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As more Filipinos shop online, e-commerce becomes game changer |

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