CHAPTER 2

LITERATURE REVIEW

Social media has revolutionized the sharing of information between customers. It has affected customer behavior from the moment they receive knowledge to their decision on the post-purchase. Consumers should post their feedback or opinions on a product or company directly to let everyone know whether or not they are pleased (Mangold and Faulds, 2009).

According to the 2013 retail industry survey, organized retail accounts for 8% of the overall retail sector and is projected to gain a larger share in India's raising retail market. In the early stages of the buying process, the influence of social media is significantly higher. Social networking users have the ability to read past online shopping experiences or detailed product specifications from other customers. This can lead to attention being paid to consumers, raising interest in the product listed, or a genuine willingness to go and buy the product. Often, as shown by the gap arrows, even if the product manages to attract the user's attention, it will later lead to an attraction and willingness to get the product.

It is used as the best tool for markets to attract customers on social media. Technology advancements have allowed consumers to exchange information with just a click of a button via social media. The sharing of information everywhere there are customers has never been easy. If it is directly from businesses or from total strangers, every sort of detail can now be found on social media.

2.1 SOCIAL MEDIA IMPACT AND PURCHASING DECISIONS OF YOUNG INDIAN CONSUMERS

Before social media usage, an interested buyer faces difficulties in finding about the deals and discounts and would be able to tell which product is better suited based on the available comparison choices. Unattended viewers can be transformed into prospect customers and diverted perpetually to shop online. The impact of social media on consumers is that they can select from a variety of items according to ratings and

consumer feedback. There is no time limit or distance limit, offering a wide variety of available choices.

Kotler (2009) found that people are often pretentious about their social problems even if assembling a purchasing decision, and domestic life is often the most important factor for consumers, especially when they buy an exclusive commodity. Khatib (2016) explained buyer pre-purchase decision-making processes that enable buyers to categorize buyer criteria, gather data, analyze psychological and financial challenges as resolute substitutes, and be prejudiced by environmental concerns such as conventional, assembly, and social ethics.

Social media is a central element of marketing campaigns for companies today, and with good reason. According to Sprout Social, 74% of shoppers make purchasing decisions based on social media. Through wide audiences reading these influencers posts every day, brands are also targeted to promote products. According to the PricewaterhouseCoopers (PwC) total retail report, 45% of global respondents said that reading feedback, opinions, and recommendations influenced their shopping behavior.

Due to engaged users who post and upload various kinds of images, Instagram has expanded extensively in the past 2 years. The findings revealed that more than 16 billion images were exchanged by users based on the activity generated by users who use Instagram (Krieger, 2012). Phil Gonzalez stated in an interview that people logging in to Instagram increased 100 million users in over 60 countries worldwide in less than 2 years.

Preferences and labeling of judgments are affected by the inputs offered by parties outside the reach of online marketers, such as peer marketers, user-generated ratings, referrals, journals, social networks, and other forms of content. Online purchasing has made a significant contribution to revenue generation. In addition, the feedback and perceptions on social media widely influence the buying decision. But the inclination to share their post-purchase interactions was poor when there was no social media.

Kaplan and Haenlein (2010) described social media as "a web application community which builds on Web 2.0's ideological and technological foundations and enables user-generated content to be produced and distributed." Using social media marketing, however, can be a vector for risks. Online marketers do not have total social media influence. Preferences and decision-making, through feedback, referrals, and other user-generated content, often rely on external parties (Constantinides and Fountain, 2008).

Social networking and digital technology have transformed the way people buy and behave through fast technological advancements.

Although in-store buying trips are controlled by general customer experience, online buying depend entirely on research. Overall, 69% of Indian customers start their shopping journey with search engines to acquire awareness of the items. When doing Internet research, the odds of shoppers ordering a single item improve dramatically when they access the website of the seller. Contrary to this, the factors of offline buying include feelings such as trust, instant gratification, value, and time.

In India, the way of life is primarily influenced by family, system of education, culture, and society. There has been much research undertaken to explain the effect of lifestyle on consumer behavior. The young Indian trends and the evolving lifestyle are great opportunities for marketers and organizations as India is a fast-growing economy in the global market. Marketing is the operation, contact mechanism, distribution, collection of organizations, and exchange of value with partners, companies, community, and companies.

Social media has been an important factor affecting the diverse facts of customer behavior (Mersey, 2010). Social media marketing has a great means of sharing information and a better effect on customer buying intentions. Social media websites have transformed content distribution and improved networking skills for communities, companies, and consumers (Sin, 2012). Customer's purchasing behavior through dissonance reduction is characterized by a high level of interaction with customers and how brands distribute. Customers are very particular about the characteristics of the product, but they do not closely compare identical goods from different brands. This conduct will apply as consumers purchase goods that are readily available.

Social media as a modern dimension has made the time-honored hypothesis of the purchase behavior mechanism even more complicated, in which spending behaviors are not changed across conventional outlets but expanded to web networks. Reviews and user-generated contents including images, books, audio, and a high degree of personal preference are involved with most items on social media. Subjectivity of customers, with one overriding feature in these reports, gives its power to the buying decision of customers' confidence.

Social media sites allow customers to post feedback and give recommendations on a particular product or brand to their online peers (Fuller et al., 2009). Social media sites often allow customers worldwide to become acquainted with each other, providing them with the source of confidence when it comes to deciding on a potential purchase. Reviews on social media platforms are readily accessible for goods and services that generate tremendous value for customers and businesses (Nambisan,

2008). Bronner and De Hoog (2010) stated that customers, online goods, and services are strongly encouraged by the organization to rate and assess. Social media lets buyers make smart choices about purchases (Pan and Chiou, 2011).

2.2 SOCIAL MEDIA USERS' BUYING DECISIONS ARE INFLUENCED BY THEIR PERSONAL CHARACTERISTICS

In an online research, the profiles of the consumers were found to influence the purchase preferences in a substantial way. The findings of the study showed that men are more likely to buy from the Internet, and many are typically young people who intend to go online shopping. Fram and Grady (1997), Mehta and Sivadas (1995), and Sultan and Henrichs (2000) also reported that gender, family status, residential area, age, education, and household income are important predictors of Internet transactions.

Another study on market characteristics linked to online shopping conducted by Donthu and Garcia (1999) showed that customers want comfort and choice to do more shopping online. Three attributes – society, subculture, and social class – establish cultural characteristics, while social characteristics can be described using comparison classes, families, social roles, and status.

Demographics of the consumer and life habits linked to online activity, such as how frequently the Internet is used by the user and for what purposes. The customers' views and attitudes toward online shopping are also relevant for study. These are all the interface attributes that need to be understood in order to determine who the Internet user is and what affects the user when shopping online, which are important to this analysis. Dr. Sanjay Hooda and Sandeep Aggarwal (2012) claimed that, opposed to conventional marketing, e-marketing is more convenient for advertisers as well as consumers, as it offers a cheaper price and less time for a range of goods. The analysis showed that the gender of respondents and Internet browsing do not vary substantially. Many citizens use a credit card as a viable payment option, followed by a debit card. The study also indicates that electronic payment solutions such as credit cards and debit cards have gained a lot of traction among middle-income individuals. The services given and the manner in which they are delivered have a huge effect on the minds of buyers and will significantly aid in the placement of the product.

Sunitha Kuppuswamy and Shankar Narayan (2010) have been very useful in all aspects of life. The Internet is used for pure education by a large portion of the population, but we still have a huge number of young people using the Internet for social networks such as Orkut, Facebook, Twitter, etc. Social media and social networking between individuals are placed where data are produced, shared, or exchanged.

Bernadette D'Silva et al. (2011) stated that millions of youths are using social media to communicate with their families and friends. Most of the youth are addicted to using social networks and has become a daily activity for them. Specific Facebook and Twitter features like messaging, profile browsing, uploading, and posting have encouraged young people to use them as a channel of contact. The research studies psychological hypotheses regarding personality, behavioral purpose, and consumer activity to explain the impact of social networks on individual and group behaviors. The study indicates that government officials and politicians should use social networking tools such as Facebook, Twitter, and YouTube to learn about others and create faith and commitment for sustainable growth.

Dr. Dange Ujwala and Prof. Vinay Kumar (2012) stated that Internet shopping is growing, particularly in the B2C market, and online commerce among people has become very popular. The authors concluded that the purchasing of goods and services relies largely on customers trust in the products and services. External influences such as demographics, technology, society, comparison community, and advertisement as well as internal factors such as behaviors, learning, understanding, inspiration, self-image, and semiotics influence customer's purchasing behavior. These factors influence the purchasing motives and are filtered by elements of protection, privacy, and trust, which contribute to the consumer's final purchase.

2.3 SOCIAL MEDIA USERS' PERSONAL CHARACTERISTICS INFLUENCE THEIR POST PURCHASE BEHAVIOR

The post-purchase stage discusses how buyers should take delivery of the product and how advertisers should respond on the basis of their buying experience to consumer feedback, concerns, requests, and questions (Peppard and Butler, 1998). Consumers start evaluating the whole process from the point of knowledge to the present stage (Windham and Orton, 2000). To decide whether it exceeded their standards, they further assess the product or brand. Customers can participate in WOM based on their

experience and express their views and perspectives on the whole buying experience.

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After intake, the user will then experience certain stages of intake. Satisfaction or disappointment assesses the interpretation of the option chosen. This phase derives two potential outcomes – satisfaction or dissonance. When consumers encounter dissonance with the order, the range is devalued, and the customer continues the process of searching, collecting data, and reviewing potential choices for possible purchasing decisions that cause new actions (Sternthal and Craig, 1982).

The use of the purchased goods will most likely serve as a source of information about possible shopping decisions for the consumer. Different assumptions will emerge differently depending on the origin of the result, depending on how clients perceive the impacts they have experienced, which can lead to different attitudes on subsequent transactions.

Themba and Mulala (2012) investigated the degree to which students at the University of Botswana engage in brand-related Internet eWOM via social media and the influence of such engagement on their purchasing decisions. They reported that the degree of participation in eWOM related to brands via social media is relatively low and that it includes eWOM related to brands in general and primarily opinion seeking to have a substantial and positive effect on eWOM buying decisions.

Khushbu Pandya (2012) stated that social media has emerged as a communications phenomenon. Organizations such as UTI Mutual Fund, Videocon DTH, Transparent Ride, etc., conduct social media marketing effectively and even create a benchmark for other businesses. Thanks to its increasing success among buyers, Facebook is the most popular platform among advertisers. Suja P. Mathews and Sunu George (2013) noted that in the past 10 years, SNS has evolved from niche activity to mainstream online activity. Research reveals that almost one-fifth of Facebook users use mobile phones to access the website. Young people can easily access social media, as can be seen by the data that suggest that there are around 5 million Facebook users under the age of 10 years. SNS has a significant influence on society in terms of its advantages and threats. The authors noted that SNS, on the one hand, provides a means

of communicating, but on the other hand, it can prove to be harmful for Indians in terms of their history and community.

The customers then measure those degrees of happiness or disappointment after intake and determine the rationality of the decision made in selecting the alternative. Satisfaction or dissonance arises from the possible effects of this point. If the consumers' buying experience becomes detrimental, the value of the alternative is diminished. After-sales support is key to promoting a good post-brand picture. Marketers ought to ensure their professional clients get professional treatment to negate any bad emotions regarding the transaction and service levels post transaction. The emphasis is on after-sales operations and assistance through partnership marketing and on-going correspondence. This lays the groundwork for the development of a long-term brand-consumer partnership.

The results of the option taken in the intervening steps would be measured after the delivery of the commodity to the customer. Two possible results can be extracted according to Sternthal and Craig (1973): happiness or dissonance. When consumers are happier with a product, it gives the company more profits. The alternative is devalued as the customer feels dissonance with the buy. The consumer starts the process of looking, collecting information, and reviewing several choices for potential purchasing decisions. Thus, this is the point at which the customer decides on their future purchases.

A longitudinal report on the effects of social effects was undertaken. Social media on contact points during the buying choice process of the customer. In terms of social media, social networks were deemed the most powerful channels since they acted as a "multi-purpose" channel to communicate with customers at all points of the consumer decision journey.

Despite the generalized structure provided Table 1 relates the theoretical processes of customer purchasing decisions to social media marketing campaigns as follows:

- Awareness: The first step in the issue identification process is understanding (Peppard and Butler, 1998). All media are ideal for building brand recognition, except for wikis. Although blogs are beneficial for product reviews, Twitter is best suited for the implementation of the marketing mix (7Ps–product, price, promotion, place, packaging, positioning and people) and the dissemination of branded content for special networks.
- Information and evaluation: Take steps at this point to obtain awareness of goods and services (Peppard and Butler, 1998). For more

Table 1. Generic social media marketing framework.

	Awareness	Information	Evaluation	Decision	Post-Purchase
Wikis		Publish product/ service information			
Blogs	Place previews and exclusive reports on external blogs	Introduce your own brand or product/ service blog	Let external bloggers test your product/ service	Use your own blog to interact with potential customers	Introduce service, support, and CRM blog
Microblogs	Provide special offers				Provide after sales offers and real-time support
Social networks	Provide viral brand-generated content or use applications	Create a fan page and provide brand-generated content	Let the community evaluate your product/ service	Use fan pages to interact with potential customers	Win customers as fans of your product/ services
Social sharing	WOM via audio and video sharing	Integrate social book – marketing tools	Monitor relevant product/ service evaluation pages		

Source: Fauser et al. (2011).

in-depth product review, social networks are able to offer access to business websites and provide ways to create multiple search engine choices. One of the main benefits of social media marketing, according to Stelzner (2011), is the potential for companies to increase their search results on the Internet.

• Consideration and decision: By having trade-offs between each of the attributes of the third parties, the consumers consider the relative importance of each of the attributes of the goods. The influence of advertisers is minimal in the decision process (Court et al., 2009), but a Facebook fan page is a good way to involve undecided buyers in discussions to clarify product questions. Feedback in real time could affect the final decision of the customer to buy a product.

- Purchase: Marketing is restricted to the point of sale. Consumers decide what brands to purchase (Pride and Ferrell, 2010).
- Post-purchase: Consumers begin to analyze the whole process from the point of understanding to the current state (Windham and Orton, 2000). During the post-purchasing process, social networks such as Facebook are important as they allow customers the ability to convert into fans and create customer loyalty.

In the post-purchase experience, one huge deviation is from the conventional model. Regardless of the good product/service experience, it is much more difficult to achieve brand loyalty today. There is continuous exposure to competitors' products/services and a continuous battle for the customer's loyalty. This leads to new stimuli, and closing the loyalty cycle gets more and more complicated.