Advent of Social Media- Impacted the Growth of Online Shopping

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ABSTRACT

“Whoever said money can’t buy happiness simply didn’t know where to go shopping” ~ Bo Derek

Well in other words, online shopping is the most time efficient and the best way to do shopping and choose amongst the multiple options available under one roof.

It is typical of human tendency to find convenience in whatever they do and especially when it comes to shopping, they always wish to have a trouble free and the most enriching experience. Kiddos to the internet and technology, users can now easily find and buy products online under one roof. Online shopping is most beneficial for compulsive shoppers who can now easily avail and acquire things that they need.

Online shoppers are mainly concentrated within the age of 15-40 years of age whose demands are emotional, personalized, Value for money and these people have a social presence also.

In my paper, I am basically highlighting how the social media has had an impact on the Online Retailing and how one can design winning strategies with the right mix of Social Media.

Keywords—Social Media, Online Shopping ,Information Technology Online Retailing

I. INTRODUCTION

The internet has emerged as a powerful medium today and is quickly changing the way people buy and sell goods. This has led to development of marketing strategies based on general offline models but modified to accommodate the powerful nature of the medium. Today, Internet marketing today covers all aspects of online advertising of products, services, and websites. However, like any other communication channel, it does not offer a total and complete branding strategy.

Not long ago, few viable shopping options existed through which consumers could avoid congested parking lots or tiresome trips, out-of-stock merchandise, lengthy checkout times, and indifferent retail service levels. At the time, consumers had little choice but to slog ahead reluctantly. Obviously, for increasing numbers of Web-savvy consumers, such constraints no longer apply.

Web Marketing or Internet Marketing can be defined as the process of promoting an organization using online media. Internet marketing covers all aspects like online advertising of products/services, websites, sales and even after sales support. The online marketing model and its effectiveness would depend upon the business segment organization is in and whether it’s a pure click website, an aggregator, or a brick and mortar model augmenting marketing.

The Evolution Of Social Media

Social media isn’t really “new” in fact we all are aware of it now. While it has only recently become a part of mainstream culture and the business world, people have been a part of digital media for networking, socializing and information gathering almost now for over 30 years. Social media continues to evolve on a daily basis.

The one thing we can be really sure of at this point is that social media is just not a phase, and likely won’t fade away so soon unless something better than this pops up.

Why social media marketing is important?

With nearly 500 Million active users, Facebook has become the need of the hour. Twitter is showing its presence but it is yet to make big in the market. The phenomenal growth of these online giants ultimately reflects our compelling desire to connect with each other around common interests and ideas. AND it presents a whole new paradigm for communicating and selling online.

Setting up social media channels for marketing purposes is a great way to improve the company’s image. Through social media conversations & discussions with would be members of their respective customer bases; internet enterprises are able to develop their credibility with ease.

Importance in…..

a) Lead generation is another basis for companies to go for social media marketing. It serves as one of the basic sources of revenue for most of the internet businesses.

b) Discover your customers’ preferences and needs so that you will be able to act instantly based on what they want.

c) Access to customer’s feedback. Feedback actually helps in improving your products based on what your customer’s require and want.
d) Social media marketing techniques also make it a whole lot easier for companies to come in contact or engage with their prospects in a much more flexible manner & in several different ways using various distinct social media marketing channels.

e) Incorporating various social media marketing channels into the overall marketing strategy is guaranteed to generate high levels of quality traffic for the company.

What’s The Big Deal About Social Media?

According to the Nielsen Company, globally, consumers spent more than 6.5 hours on social networking sites in December 2009 which is an 83% increase year-over-year, when users were spending only three-plus hours on social networking sites. Facebook was ranked amongst the top social networking sites in December, with 68% of global users visiting the site that month (Nielsen Study).

One of the most sought after social networking giant, i.e. Facebook has more than 845 million active users, and this number is increasing day-by-day.

Two-thirds of the world’s Internet population visit these social networking or blogging sites, accounting for almost 10% of all internet time, according to a new Nielsen report “Global Faces and Networked Places. This Clearly shows how powerful the social media has become. Almost every company dealing with online shopping have their social presence so that they are more closely connected to a large pool of audience.

There are sites to share photos, videos, status updates, sites for meeting new people and sites to connect with old friends. It seems there are social solutions to just about every need.

Methodology and Sample Selection:

Data Collection method:

After secondary data collection over the internet, from various Websites, Books, Journals, report – both published and unpublished a primary research was carried out through a questionnaire.

The questionnaire was well structured and the responses were sought from the respondents. The nature of the questions was such that it avoided ambiguous responses from the respondents and it also helped in quick analysis of the data collected.

Two methods of questioning were carried out for the data collection:

(a) In-person Questioning: The responses were collected by in-person questioning. The responses were taken from the qualified respondent. This form of questioning helped the respondent to understand the questions better and answer accordingly.

(b) Web-enabled: The questionnaire was designed on surveymonkey.com. wherein link was circulated to the audience who submitted their responses online.

Sample Size: In this study, 110 qualified respondents (78 Online+32 Offline) across various segment

Research: Descriptive research
Data Source: Primary and Secondary Research
Type of Questionnaire: Structured non-disguised
Type of Questions: Closed ended questions
Sample Unit: 110 qualified users
Sampling Procedure: Simple random procedure
Contact Method: In-person and online

Limitations of the Study

The limitations of this study are:

1. Due to short time-frame only one survey can be carried out, test period and a small number of those surveyed.
2. There is not enough long-term research on to track the possible influence of social media on online shopping.
3. Study will not track actual purchases influenced through social media.
4. Results will be purely based upon survey results and research done.
5. Study will not take into consideration how people are using social media, and if they are using it, how effectively?

III. OUR APPROACH & FINDINGS

The purpose of this study is to understand the influence of social media in purchase decision making. The focus of the study is to understand the consumer online buying behavior and influence of social media in decision making. The sample size taken for this study was 110 qualified respondents with diversified backgrounds across the country. An exploratory research was carried out to understand the nature of social networking and online consumer behavior followed by a primary research where a full length questionnaire was administered both in person and online.
**Scope of The Study**

a) The survey span was across different age groups and gender.

b) The survey was carried amongst various individual perceptions about the social media impact on online shopping. In the Internet Marketing and promotion of the online shopping Social Networks like Facebook and Twitter play a very vital role and are considered as a good source of traffic and getting direct customers.

**Findings:**

- Out of the total qualified sample size of 110, 75% are male and the female denomination is 25%
- It was analyzed from the data that 46.36% of the respondents are in the age group of 21 to 25 followed by 30% which fall in the category of 26-30
  - The Median age of respondents who are active on social media are 27.9
  - The no of Users are more in the category of 21-25 as compared to others

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**Inference**

- 98% of the respondents said that they are aware about online shopping
- Only a small fraction of around 2% said that they have no idea about online shopping

**Recommendations**

- Since a vast majority of the survey respondents are aware of online shopping, Online Retailers need to cater to this more strategically.

**Inference**

- It can be inferred that close to 45% of respondent Agree that social media has an impact on online retailing and close to 39% of respondent strongly agree on the impact of social media on online shopping
- Whereas the percentage of people who think that social media has not impacted the online shopping is very less around 7% (Disagree +Strongly Disagree)
- From the analyzed data, we can reach to a conclusion that Social media has a positive impact on online retailing

**Recommendations**

- Since over 80% of the surveyed population rates social media as having a high positive impact, companies can engage customers in an online dialogue thereby capitalizing on the already positive experience via cross selling.

**Inference**

- E-mail promotions play an important role in boosting online sales?
- Also it is seen that website pop up do attract lot of customers on to the website

**Recommendations**

- Proper Email campaign can be designed in order to trap the potential market
- It will also help to spread the awareness about the offers and discounts going on
Inference

- Online Shopping to most of the respondents is about “Range of Products” followed by the “Discounts and Promotions”
- All said and done, as expected, an E-supermarket with a sprinkling of promotional periods and providing excellent value for money figure high on online savvy user’s priority list.

Recommendations

- Online shopper’s priorities for the most part, are not significantly different than customers who shop at retail outlets. Companies can significantly leverage on their prior strategy experience of catering to retail customers to achieve success in the online marketplace.
- It’s time for the online retailers to showcase the Offers and discounts being offered on to various range of products via email campaign and other customer touch points.

Fig 4: Factors consideration before making an Online purchase

Inference

- Over 60% online shopper’s weigh others experiences and reviews highly which has a high correlation with people who have heard of the online shopping medium via friends and family and word of mouth.

Recommendations

- After making an online sale, it is critical that companies engage customers in an ongoing dialog to elicit feedback on the company’s performance, products and services.
- Many a times, if the product or service does not meet expectations, it has been observed that service recovery can happen through excellent customer service converting an unpleasant experience into a favorable review.

Fig 5: Medium influencing the Online Purchase

<table>
<thead>
<tr>
<th>Medium</th>
<th>No Of Distributions</th>
<th>Percentage</th>
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</thead>
<tbody>
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<td>28.70</td>
</tr>
<tr>
<td>Website Pop-ups</td>
<td>29</td>
<td>26.85</td>
</tr>
<tr>
<td>Facebook</td>
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<td>11.11</td>
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<td>Twitter</td>
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<td>9</td>
<td>8.33</td>
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<tr>
<td>Google +</td>
<td>7</td>
<td>6.48</td>
</tr>
<tr>
<td>Others</td>
<td>4</td>
<td>3.70</td>
</tr>
</tbody>
</table>

IV. CONCLUSION

It is undoubtedly very clear that the users who are between the age group 26 to 35 are more net savvy and they tend to search/review products/services before they make any decision or purchase something online. Discounts and promotions also play a vital role in purchasing.

Majority of the respondents are employed in the private sector followed by students and entrepreneurs. It is being concluded that the users working in the private sector stay online much longer as compared to others.

Majority of the respondents are mainly from metros like Mumbai, Delhi, Bangalore, Chennai and Hyderabad (upcoming metro).

However age does not play a vital role in the amount of purchases made online. Most of the users purchase after reading about the products/reviews by experts/users.

Majority of users purchased ‘Sometimes’ or occasionally

The age group between 26 to 35 years is more enthusiastic in purchasing products/services online than the users falling in other age groups. In this age group users purchase sometimes/often after reading the reviews online.

However the users in the age group 18 to 25 are online and active but do not spend as much as their colleagues in the age group 26 to 35.
Most of the users get influenced by various pop ups and advertisements on several social networking sites like facebook, twitter, etc. Users have said they will definitely recommend the websites they have visited in the past to other colleagues and friends based on their past experiences. Majority of the respondents have often only shopped for themselves online. Majority of the respondents have said they share music, videos and blogs to express themselves creatively online.

REFERENCES

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