

# Impact of Social Media Advertising on Customer Buying Choices

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**Abstract:** *In the present world, social media is revolutionizing traditional approaches to marketing and promoting products and services. The usage of social media has significantly increased during the last several years. Because social media allows people to find and compare any material, it is gradually displacing traditional media, including radio, newspapers, magazines, and television. Therefore, in order to boost the capital of the current market scenario, it is vital to build successful online marketing methods by adding more effective features to social media advertising.*

*In addition to developing a new conceptual model, this dissertation looks at the theoretical contributions made to earlier studies on social media advertisements and consumer purchase choices. The main focus of this dissertation is on the attributes of online advertisements and their impact on customers' purchasing choices. Previous studies, however, have shown inconsistent characteristics of internet ads concerning customers' views and buy intentions. With reference to social media marketing, a whole new knowledge of customers' purchase intents has been developed thanks in part to this study.*

**Keywords:** Social media advertisement, Customer purchase decision, Influence of social media

## I. INTRODUCTION

As a kind of digital advertising that has grown in popularity, social media marketing is one of the most effective online marketing strategies. These kinds of adverts are seen all over the globe. The newest and fastest kind of advertising is this one. These days, one may easily access a number of websites that promote products and services over the internet. Additionally, pay-per-click advertising is an alternative. Social media advertisements are displayed creatively to draw viewers in and encourage interaction with the material. Ads on social media are often preferred by consumers over ads on TV, radio, magazines, and other traditional media.

Social networking sites may display text, image, pop-up, banner, or HTML-based advertisements. These commercials all perform better than other, more traditional types of advertising. To predict client behavior, a variety of indicators are utilized, such as hits and clicks, to ascertain the frequency of website visits and the duration of time spent on a particular website. Reviews that appear in social media adverts are one of the most important predictors of a customer's propensity to buy.

These assessments are readily available for evaluating any item or service and are very beneficial to both customers and companies. It has been observed that customers find it interesting to review and rate the product or service online. This helps shape electronic word of mouth (e-WOM), which helps buyers decide what to purchase, whether it is favorable or bad. Understanding how social media advertising impact customers' purchasing choices is the aim of this study. It would be useful to know whether the social media advertisements cause individuals to purchase the recommended products and services.

## II. BACKGROUND

A paid kind of marketing that is used in a range of mass media is one definition of an advertising. Two components make up advertising. The traditional method comes first and consists of using offline media, such as TV, radio, newspapers, and magazines, for advertising. The second, and most modern, kind of advertising is online, which includes emails and websites as well as banner, pop-up, text, and dynamic media adverts. By employing advertising to

increase customer awareness of and attitudes about their products and services, marketers may increase sales. They may also serve as a helpful reminder to customers to recognize and prioritize various brands. Social media advertising has become one of the most important tools for marketing.

### 2.1 Problem Discussion

The proliferation of social networking sites has made it possible for users to access new features including blogging, gaming, messaging, and talking. As of right now, Facebook is the most popular social networking platform. It has several features, such as the capacity to make groups, exchange information with others, interact, and make dynamic profiles. members' relationships with friends, family, colleagues, and other groups and individuals influence their purchase choices since these social networking site members are in continual touch with them. Additionally, it provides a venue for online product and service comparison, which might be harmful to companies receiving negative reviews or low e-WOM. Every day, consumers make decisions about items based on a wide range of criteria, and they also like reading reviews from other customers. Consequently, the social network provides users with a practical means of gathering information, suggestions, and assessments.

### 2.2 Objectives of the study

- To study the influence of social media advertisement on consumer buying decision making process.
- To identify the main factors which are affecting the consumer purchase intentions influenced by social media.
- To develop a new conceptual model of social media advertisements and its influence on customer's purchase decision.

## II. LITERATURE REVIEW

### Bughin, Doogan & Vetvik (2010)

Said that consumers were greatly influenced by social media ads, particularly when they were making their first purchase of the products. The adverts on social media are an excellent way to compare and study pricey products before making a buy. Thus, before making any purchases or using any services, customers will always go to social media for further information about products and services. They will also always look for favorable recommendations.

### Webster (2011)

It was stated that 25% of social media users utilize various social networking sites to purchase their favorite items, with Facebook being the most popular platform for brand pages. The research shows how social networking sites have evolved into a go-to resource for consumers looking for information about any item or service. Most social media users have greater confidence in Facebook since it offers more interesting and practical features than any other social networking site. As such, it makes it easier for customers to buy the products they want and gives them the option to read reviews before making a decision. This strengthens customer trust and helps you attract the majority of your audience.

### Martinka (2012)

Displayed the findings of a comparison between Facebook groups and Twitter groups. These are both well-known social networking sites that influence what people decide to buy. A survey on a three-point Likert scale was used to collect data on the many applications of social media. The outcome proved that the social media company had power or sway over traditional online customer transactions. Additionally, the poll shows that Facebook has a greater impact on customers' choices to make online purchases than does Twitter. Consequently, social media platforms are an essential focus for online advertisers.

## III. RESEARCH METHODOLOGY

### Research Approach

Here, a qualitative study methodology has been used, which has been beneficial for explaining, deciphering, and obtaining comprehensive understanding of certain ideas of social media ads and consumer purchase intent.

### **Research Design**

An exploratory research strategy is used to gather data from historical research published in a variety of research publications. It necessitated looking at a variety of sources, including secondary data that has been published, data from other surveys, research item observation, and differing viewpoints.

### **Data Source**

Secondary data was gathered from a range of publications, journals, and research papers. The information gathered from these many sources was useful in crafting the main conclusions and the literature review summary.

### **Data Collection Method**

The effective assessment of several research papers, journals, and articles in social media advertisements is how the literature review is carried out. The review gathered information from several areas of the conducted study. A literature review proved to be helpful in the development of the background research. The necessary solutions are discovered after the assessment of these literatures. The investigation was preceded by this review of the literature.

## **IV. DISCUSSION**

### **Findings of the study**

Social media has grown to become one of the most important channels via which consumers make their purchasing decisions. The aim of the study was to ascertain the impact of social media marketing on consumers' purchasing intentions. The results demonstrate that social media advertisements have a significant impact on consumers' purchase intentions and brand loyalty. It also illustrates how brand loyalty is influenced by customers' purchase intentions. These findings provide new insights into the implications for management and research. A literature review reveals that the primary elements affecting customers' purchase intentions on social networking platforms are information, amusement, trust, reward, satisfaction, and electronic word-of-mouth (e-WOM).

### **Relationship between e-WOM and purchase intention**

Electronic word-of-mouth, or e-WOM, has been the subject of several studies that have shown a significant association between e-WOM and purchase intentions. In the literature, electronic word-of-mouth, or e-WOM, has been characterized in a variety of ways. Digital word-of-mouth (e-WOM) is any comment, whether favorable or unfavorable, made online about a company or product by potential, existing, or former customers. People frequently base their offline decisions such as where to buy stocks or what kind of movie to see on internet research and the opinions of other consumers. This study shows that e-WOM is favorably connected with customers' purchasing intentions and has a substantial influence on them, unlike marketing. The findings suggest that companies should encourage members to share their knowledge or experiences with the product, instead of only showing adverts. For the other side, low-engagement ads have negative effects for online groups and organizations.

Therefore, in order to attract potential customers and persuade them to buy the products or services, firms need provide highly engaging marketing, such as blogs and rich media.

### **Relationship between social media ads and consumer's purchase intention**

The study also demonstrates positive relationships between social media commercials and consumers' plans to make purchases. According to this study, social media not only helps marketers reach their target audience efficiently, but it also persuades readers to buy the products that are being advertised. This is because social media offers marketing tactics that let consumers tell their friends and family about products, and this is the sort of information that is more reliable and authentic.

## **V. CONCLUSION**

In this study, we have looked at how social media marketing impact consumers' intentions to make purchases via a variety of literature studies. Several research studies have shown that social media advertising is most effective when it elicits a substantial and rapid response from consumers. Customers are putting more weight on ideas from other

customers than from the company, and they are also scrutinizing the accuracy and applicability of advertisements. It is essential to comprehend people's buying intentions in order to comprehend their purchasing behavior.

However, this study shows that knowledge, entertainment, reward, trust, and satisfaction are typical features of social media marketing that influence consumers' purchase intentions. Furthermore, research has shown that a limited set of extra characteristics significantly impacts purchasing intention on social media networks. Customer-liked advertisements produce positive electronic word-of-mouth (e-WOM), which strengthens brand equity and eventually impacts consumer purchase choices.

Businesses may experience both positive and bad outcomes from e-WOM. By attracting a large number of customers and assisting them in comprehending the factors that impact e-WOM and integrating them into social media marketing, purchase intention may help companies generate positive e-WOM about their products on social networking sites.

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