Research Article

EFFECT OF SOCIAL MEDIA ON STUDENT'S PURCHASE DECISION

Saravanakumar S* and Shanmugasundaram V

Department of Business Administration, Annamalai University

ARTICLE INFO	ABSTRACT
	Even though the social websites companies offer many services to the user, there are also many concerns. Privacy and security are the major concerns while accessing these sites. The present paper has empirically investigated two objectives: first, to study the influence of social networking sites on student's attitude towards purchase, secondly to develop a model framework for students regarding factors effecting social networking sites and their attitude towards purchase. The study is based on a data collected from a sample of 200 respondents from different colleges of cuddalore district and used factor analysis and discriminant analysis to attain the above said objectives of the study. The results of factor analysis reveal six factors named as: threat to a system, customer care, information sharing, social media/traditional advertising and lastly environmental schemes. Respondents feel that threat to a system makes respondent uncomfortable while using online information and utmost care has to be taken to make them comfortable. The study also reveals the discriminant results, further it can be concluded the students are satisfied with customer care, schemes followed by awareness and information sharing.

INTRODUCTION

Social networking is the outcome of the gradual expansion of the internet. In recent years, social networking sites are progressively gaining primacy as a tool for E-commerce for online shopping throughout the world. The online social network, which is an undeviating outcome of the technological boom of the 90s, brought about the domination of e-commerce and resulted in transformation in the way consumers interact and influence each other. E-commerce through social networking, has fetched down political and physical blockades, by providing everybody in the world an identical market for their product. One of the essential motives for the development of such economic system is the change in consumer choice over time. Youths, especially students, are the enthusiastic users of these sites and frequently use the services such as messaging, sharing photos, posting audios and videos, group discussion, blogging and advertisement by E-retailers. However, the bourgeoning growth of online stores and retailers over the years had far-reaching consequences for the traditional system of shopping. The E- retailers now have the prospects to use these novel forms of online selling to persuade the prospective customers. These sites permit the online sellers to interact with the consumers and also try to get feedback from the clienteles. This approach further helps in creating awareness of various brands in the observances of customers resulting in constructing a name and status in the market place. Youth feels that online buying is worthy alternative to physical shopping as it offers more convenience to consumers by saving their time and efforts in examining the product information. Moreover, the lower cost of the products is another reason for consumers to buy online. Social networking sites will become a cost effective mode of online promotions if they are properly planned and implemented efficiently and effectively. However, in e-commerce, online stores hinge on an electronic storefront to perform on their behalf and consumers have to trust on online stores to execute various activities in the transaction process such as examining product quality and providing after-sale services. Moreover, there are rare declarations for consumers that the online store will stay in business for some time. Thus, trust, security and privacy are the topmost concerns of social networking sites. The present paper is an attempt to study and analyse the significant factors that are perceived by youth during the online purchasing process from e-advertising through social websites.

RESEARCH METHODOLOGY

The main objectives of the study are

1. To study the influence of social networking sites on student's attitude towards purchase.

Corresponding author: **Saravanakumar S**
Department of Business Administration, Annamalai University

2. To develop a model framework for students regarding factors effecting social networking sites and their attitude towards purchase

The study was conducted in the selected areas of cuddalore by using an exploratory research design. For collection of the primary data, a structured questionnaire was prepared and administered to the respondents. For this research population is taken from college students of cuddalore district of Tamilnadu. The sample size of this research is 200 respondents. The technique used in the research is simple random sampling.

Present study is an empirical research to examine the influence of social networking sites on student''s attitude towards purchase. The study is based on the sample of 200 respondents from colleges of cuddalore district of Tamilnadu. The students were taken from MBA (122), MSc. (110), B.Sc. (40), B. Tech(2). Convenient sampling method is adopted for collecting the sample. The questionnaire is designed with two sections: section 1 captures demographic information for the purpose of describing the sample and it consist of questions pertaining to age, gender, marital status, area, qualification, amount of money spend on online/ internet. Section 2 has questions relating to impact of social networking sites on students attitude towards purchase. All the 17 questions from section 2 of the questionnaire is based on Likert scale ranging from 1 = Strongly Disagree to 5 = Strongly Agree. The data is analysed using SPSS version 13.0. The study employs factor analysis to determine the factors that influence of social networking sites on student''s attitude towards purchase. Secondary data has been collected through research papers, journals, websites, magazines and books.

The demographic characteristics of the respondents are summarized in Table 1. It is clearly being shown from the table that the respondents have approximately equal proportion of males (48%) and females (52%) respectively. The respondents were predominantly age group of 20-25 years (85%), followed by 25-30 years(14%). Majority of the respondents were unmarried i.e. 85.5%. Majority of the respondents were MBA (61%) followed by B.Sc.(20%), and Msc.(18%). Further, majority of the respondents lives in urban area (63%) followed by rural area (27%). Regarding the money spend on internet/ online, 40% respondents spend amount 501-1000, followed by 100-500(31%), and 29% spend between 1001 and above.

Table 1 Demographic Profile of Respondents

S. No.	Demographic Profile	Frequency	Percent
Sex	Male	96	48.0
	Female	104	52.0
Age	15-20yrs	2	1.0
	20-25yrs	170	85.0
	25-30yrs	28	14.0
Marital Status	Married	29	14.5
	Unmarried	171	85.5
Education Level	B.Sc.	40	20.0
	M.Sc.	110	18.0
	MBA	122	61.0
	B.Tech.	2	1.0
Area	Urban	126	63.0
	Rural	74	37.0
Amount of moneyspend on online/internet	100-500	62	31.0
	501-1000	80	40.0
	1001-1500	32	16.0
	1501&above	26	13.0

Table 2 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Adequacy.	Measure of Sampling	.621
Bartlett's Test of Sphericity	Approx. Chi-Square	878.769
	df	136
	Sig.	.000

Table 3 Reliability Statistics

Cronbach's Alpha	N of Items
.681	17

In the present study, the researcher applied Kaiser-Meyer-Olkin (KMO) test and Bartlett's Test of Sphericity as pre-analysis verification for judging the suitability of the entire sample which is a pre-requisite of factor analysis. Table 2, shows the value of Kaiser-Meyer-Olkin (KMO) and the Bartlett's Test of Sphericity as 0.621 and 878.769 respectively, which are statistically significant at 1% level of significance. Thus, it shows that the sample is suitable for factor analysis. Table 3 presents the overall reliability of this construct with Cronbach''s coefficient alpha having the value of 0.681, which is highly significant.

The reliability coefficients for six factors ranged from 0.437 to 0.675 (Table 4) indicating a fair to good internal consistency among the items of each dimensions. Six factors have been extracted which accounts for 65.439 percent of variance. The percentages of variance explained by factor 1 to 6 are 18.411, 15.479, 9.880, 7.558, 7.432 and 6.678 percent respectively. The names of the factor statements and factor loadings have been summarized in Table 4. Further, the six factors that defined these characteristics have been assigned suitable names according to the nature of variables loaded on each factor. The six factors are: threat to a system, customer care, information sharing, social media/traditional advertising and lastly environmental schemes. Each of these factors is discussed below:

Factor 1: Threat to a system: The first most important factor accounts for 18.411% of the variance. Three statements related to threat to a system are loaded in this factor. The factor has been named threat to a system as it consists of statements like unethical hacking activities, fear of virus, it's not trustworthy. This factor has been named threat to a system as there is a little risk involved while using social networking sites.

Factor 2: Customer Care: The second most important factor accounts for 15.479% of the variance. Four statements related to customer care are loaded in this factor. The factor has been named customer care as it consists of statements like shares opinions about a product, organizations that use social media for marketing purpose are more innovative than others who are not using it, it refers to the opinions of experts on social media sites while considering any product or service, helps in decision what to buy and where to buy and how to buy. This is because it is a place where a customer can decide about the product whether to buy or not.

Factor 3: Information Sharing: The third factor accounts for 9.880% of the variance. Four statements related to information sharing are loaded in this factor. The factor has been named information sharing as it consists of statements like feeling comfortable in sharing any information on social media sites, lack of information about products, getting information through social networking sites that are required, fake advertisements.

Table 4 Name of Factors and Their label

S. No.	Factor Name	Statements	Factor Loading	Cronbach Alpha	Eigen Value	% of Variance	Cumulative %
1.	Threat to a system	b8 Unethical hacking activities	.773				
2.		b11 Fear of virus	.759	.675	3.130	18.411	18.411
3.		b9 It's not trustworthy	.609				
4.	Customer Care	b4 Shares opinions about a product	.845				
5.		b14 Organizations that use social media for marketing purpose are more innovative than others who are not using it	.703	.632	2.631	15.479	33.890
6.		b17 I refer to the opinion of experts on social media sites while considering any product or service	.696				
7.		b6 Helps in decision what to buy and where to buy and how to buy	.377				
8.	Information Sharing	b13 I feel comfortable in sharing any information on social media sites	.693				
9.		b10 Lack of information about products	.613	.572	1.680	9.880	43.771
10.		b15 Through social networking learning environment i can get what information i want	.487				
11.		b7 Fake advertisements	.466				
12.	Social media Vs traditional advertising	b12 Advertisements through social media are more interesting than traditional advertising	.832	.482	1.285	7.558	51.329
13.		b16 Social media advertising is more informative than traditional advertising	.645				
14.	Awareness	b1 It helps in seeking information of products and services	.730				
15.		b2 Helps in creating an idea about products and services even before consumption	.705	.437	1.263	7.432	58.760
16.		b3 Helps in creating brand awareness	.494				
17.	Schemes	b5 Provides information about exclusive offers and discounts	.879		1.135	6.678	65.439

This is because it helps the customer in getting the information which he/ she want.

Factor 4*:* Social media Vs Traditional Advertising: The fourth factor accounts for 7.558% of the variance. Two statements related to social media vs. traditional advertising are loaded in this factor. The factor has been named social media vs. traditional advertising as it consists of statements like advertisements through social media are more interesting than traditional advertising, social media advertising is more informative than traditional advertising. This is because social media provides user sufficient information in an attractive/ interesting manner.

Factor 5*:* Awareness: The fifth factor accounts for 7.432% of the variance. Three statements related to awareness are loaded in this factor. The factor has been named awareness as it consists of statements like it helps in seeking information of products and services, helps in creating brand awareness. This is because it gives an idea to the customer about a product before using it whether to go with that product or not.

Factor 6*:* Schemes: The sixth factor accounts for 6.678% of the variance. One statement related to schemes is loaded in this factor. The factor has been named schemes as it consists of statement like provides information about exclusive offers and discounts. This is because it always used to give time-to-time information to the customer regarding various schemes and discounts.

Objective 2: To develop a model framework for students regarding factors effecting social networking sites and their attitude towards purchase.

To attain this objective discriminant analysis has been used to reach at a conclusion. In this model, Are you satisfied with the services of social Networking sites have been taken as dependent variable and the six factors i.e. threat to a system, as independent variables. Responses have been taken on 5 point scale (where strongly disagree =1, disagree =2, uncertain =3, agree =4, strongly agree =5). The result of higher mean score indicates the higher agreement towards that statement. Canonical Discriminant Function coefficients from Table 5 yield coefficients of various factors. The Discriminant equation is as follows: Discriminant Score = 0.719 (Customer care) + 0.425 (Schemes) + 0.308 (Awareness) + 0.088 (Information Sharing) -0.363(Social media Vs Traditional Advertising) - 0.294 (Threat to System) + 0.000 (Constant).

Table 5 Canonical Discriminant Function Coefficient

Regression Coefficients	Function 1
Threat to System(Fact1)	-.294
Customer care(Fact2)	.719
Information Sharing(Fact3)	.088
Social Media Vs Traditional Advertising(Fact4)	-.363
Awareness(Fact5)	.308
Schemes(Fact6)	.425
(Constant)	.000

The results of Discriminant Equation presented in Table 5 explain that the students are satisfied with customer care, schemes followed by awareness and information sharing. The reason being was that students were smart enough and find solutions through their sharing with friends and customer care facility is given solutions for their problems in seconds. Students were less satisfied with social media vs traditional advertising and threat to system. The reason being system might be hacked by someone, accounts are generally hacked and a clone creates a lot of problems. Moreover whenever we are using technology negatives aspects also come along and it is very difficult to manage. Hence it can be concluded that social networking sites creates networking with friends along with that it also creates problems as well. So it should be used with a due care. Further, to validate the results of Discriminant Equation, the Group centroid values (Table 6) were used to compare the score of Discriminant equation. The table explains that, if the score of the equation is greater than - 0.027 then the

respondents are expected to be satisfied and if score is less than 0.874 then they are not expected to be satisfied with the services of social networking sites. Nothing can be said with certainty in case of Discriminant score between -0.027 and 0.874.

Table 6 Standardized Canonical Discriminant Function Coefficients Functions at Group Centroids

Are you satisfied with the services of social Networking sites	Function 1
Yes	-.027
No	.874

The Classification results provide the strength to Discriminant equation. Here, the respondents are divided into two groups using Bernoulli function and 70% of the cases are selected for predicting Discriminant equation. The rest 30% cases are used for checking the strength of the Discriminant equation. The result confirms that 72.0% of the selected cases are correctly classified and 28% of the unselected cases are correctly classified. Discriminant equation with correctly classifying more than 65% of cases is judged as of good quality. As a result, it can be concluded the students are satisfied with customer care, schemes followed by awareness and information sharing.

CONCLUSION

The present study is an effort to explore the impact of social networking sites on student's attitude towards purchase, and suggest some points to overcome such problem The study employs factor analysis, where the 17 statements are reduced to six principal components through varimax rotation. The study shows that derived factors have been assigned appropriate names according to the variables that have been loaded on each factor. The named factors are: Threat to a system, customer care, information sharing, social media vs. traditional advertising, awareness and lastly schemes. The factor threat to system and customer care had a highest percent of variance 18.411% and 15.479 respectively. Eigen values are 3.130, 2.631. This state that percent of variance is contributing highest in the questionnaire. Respondents feel that threat to a system makes respondent uncomfortable while using online information and utmost care has to be taken to make them comfortable. The study also reveals the discriminant results, further it can be concluded the students are satisfied with customer care, schemes followed by awareness and information sharing.

Bibliography

1. Ahuja M. and Galvin J., (2003), "Socialization in Virtual Groups", *Journal of Management*, 29 (2), pp. 161-85.
2. Bashar, A., Ahmad, I., & Wasiq, M. (2012), "Effectiveness Of Social Media As A Marketing Tool: An Empirical Study", *International Journal Of Marketing, Financial Services & Management Research*, 1(11), pp. 88-99.
3. Bhakuni, P., & Aronkar P. (2012), "Effect of Social Media Advertising on purchase Intentions of Students-An Empirical Study conducted in Gwalior city", *International Journal of Applied Services Marketing Perspectives* , 1(1), pp. 73-79.
4. Boyd, D. M., & Ellison, N. B., "Social Network Sites: Definition, History, and Scholarship", *Journal of Computer-Mediated Communication*, 13 (1), pp. 210-230.
5. Dash, A. K. (2011), "Use of online social net-working sites by college students and its implication for marketing: A case study in Tripura", *Indian Journal of Marketing*, pp. 68-76.
6. D'Silva, B., Bhuptani, R., Menon, S., & D"Silva, S. (2011), "Influence of Social Media Marketing on Brand Choice Behaviour among Youth in India: An Empirical Study", presented in International Conference on Technology and Business Management, March 28-30, pp. 756-763.
7. Hanna, R., Rohm, A. & Crittenden, V., (2011), "We"re all connected: The power of the social media ecosystem", Business Horizons, 54, pp. 265-273.
8. Hargittai, E. (2008), "Whose space? Differences among users and non-users of social network sites", *Journal of Computer-Mediated Communication*, 13(1), pp. 276-97.
9. Kaplan A. and Haenlein M., (2010), "Users of the world unite! The challenges and opportunities of social media", Business Horizons, 53, pp. 59-68.
10. Kuruk K., (2007), "An analysis of consumer power on the Internet", Technovation, 27(1-2), 47-56.
11. Mersey R., Davis, Malthouse E. & Calder B., (2010), "Engagement with Media", *Journal of Media Business Studies*, 7(2), pp. 39-56.
12. Palmer A.,(1996), "Integrating Brand Development and Relationship Marketing", *Journal of Retailing and Consumer Services,* 3, pp. 251-25.
13. Teo, T.S.H., Wang, P. and Leong, H.C. (2004), "Understanding online shopping behaviour using a transaction cost economics approach", *International Journal of Internet Marketing and Advertising*, 1(1), pp. 62–84.
14. Vij, S., & Sharma, J. (2013), "An Empirical Study on Social Media Behaviour of Consumers and Social Media Marketing Practices of Marketers", presented paper in 5th IIMA Conference on Marketing in Emerging Economies, 9-11 January 2013, pp. 1-19.
15. Wang, Zhu. (2007) "Technological Innovation and Market Turbulence: The Dot-Com Experience." Review of Economic Dynamics, 10(1), pp. 78-105.
16. Wigand, R.T. "Electronic commerce: definition, theory, and context", The Information Society, 13, pp. 1-16.
17. Yadav, N. (2012), "Social Networking Sites-A New Vechicle for Advertising", *MIMT Journal of IT & Management Research*, 2 (1), pp. 38-48.

****