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FACULTY OF BUSINESS ECONOMICS  
*Master of Management*

Master's thesis  
The effect of social media on customer behavior

Supervisor :  
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De heer Wouter FAES

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*Thesis presented in fulfillment of the requirements for the degree of Master of Management*

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**The effect of social media on customer behavior**

**by**

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**Master of Management -**

**Management Information Systems (MoM-IMS)**

**at**

**Hasselt University**

**2015**

## Executive Summary

Social media is a very good way to give companies the ability to investigate about customer needs. That is why there are a lot of companies that have pages on social media filled with information about their products or brands. Advertising a product using social media gives the companies a lot of information on who is interested and why since the social media profiles of the interested customers are visible or partially visible. This creates important feedback to companies that may help them in better targeting customers.

Social media have also altered customer behavior. The use of social media is increasing rapidly. The total number of users has surpassed more than 500 million worldwide. Social media communication grows faster than any other form of communication. Websites such as, YouTube, Twitter, Facebook, Instagram are examples of the social media that are popular among all level of consumers and they are influencing customer behavior.

The social media environment is very easy to log in and to go through to research for products and brands. These benefits give customers confidence to search and get what they are looking for. Customers will in this environment pay a lot of attention to what their friends are doing and recommending. Facebook, Twitter and Instagram as the most popular social media will play a major role here. Posting information on them can lead their friends to do the same or to use their information as part of their decision making process.

The goal of this research was to see which impact the use of social media has in changing customer behavior. We found that Facebook is considered by consumers to be a much more close community than Twitter. It is consulted more frequently and earlier in the consumption process by "friends", whereas Twitter does not influence the consumption process so much. The reason is that people know most of their Facebook friends, but are not always as close to Twitter followers. Moreover the information on Twitter may be too short to be really helpful in the consumer's

decision making process. This clearly different profile of both social media has to be investigated further. But it proves that social media are among the social factors influencing consumption behavior in a growing way.

**Keywords:** social network, social media, Facebook, customer behavior, social action, communication programs, e-commerce

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This thesis is only the beginning.

## **Chapter 1 Introduction**

### **1.1. Introduction and problem statement**

The rapid growth of investment in the offering and delivery of products and services through e-commerce in general and social commerce in particular has drawn attention to research on this area. Recent technological advancements in the area of social commerce give customers the freedom to investigate and looking for what they need. This is intertwined with the growth of social media usage itself.

The potential market is huge as applications as Facebook, Instagram and Twitter are popular among all levels of customers. The Facebook social network is available in 70 languages and reaches over 800 million members all over the world. More than 425 million active users monthly log in with their mobile on the Twitter - micro blogging site where users frequently post 60 character messages. Every week there are more than 1 billion tweets sent into the air. The YouTube Video sharing site owned by Google says it has 8 million unique visitors each month and 100 million people taking some kind of social action.

This has changed the way consumers think and the vision of companies on how it will affect their buying decision process. Most of these users have uploaded a profile and thus are known as individuals to companies. Also their activities can be monitored (for instance via researching their Facebook activities), which gives companies an ideal insight in who potential customers are and what they do and like. Thus social media have become an ideal market research tool for companies, especially when investigating customer needs. Thus, many companies also have pages on social media to file information about product and to advertise them. Using

social media gives companies feedback on customer's reactions to their offering which helps them understand the modified customer behavior.

By using social media customers also have power to make their own market research which will have an effect on their making decision. This influence is twofold. First, they have a open source to look for actual consumer trends and what friends are doing and are thus indirectly and directly influenced in their decision. This type of research is mostly organic in nature and not organized as companies would organize research but it has a profound effect on what customers will do. Next to that and secondly, customers also have the opportunity through social media usage to investigate the competing offerings better and make a more informed decision about their consumption.

Social media has thus become the best way to give companies as well as customers the ability to investigate about customer needs.

A lot of factors can effect customer behavior. These factors could be of a psychological nature such as culture and motivation, of economic nature such as income level and price sensitivity of demographic or social nature such as age, sex, social class and education.

This dissertation is ordered as follows. The introduction serves to identify the effect of using social media on customer behavior the topic we will focused on. Then the literature review will shed light on previous research on the topic. The methodological chapter will then indicate how we will try to investigate the open questions left by the literature review. The results will be stated and used to provide conclusions about the benefit of using social media for consumers.

## **1.2. Research objectives**

This study we will try to investigate the impact of social media on changing customer behavior. The existing literature currently lacks a comprehensive conceptual framework for explaining how social media could change consumer behavior. Only a few studies have been made so far (Patarawadee, 2013). To fill this gap, in this study will try to develop a conceptual framework based on social and consumer behavior theories. We will use a larger-scale investigation of e-commerce customers as the object of our research.

The objectives of our research are twofold:

1. To investigate the impact of using social media on consumer behavior.
2. To explore the relative importance of each type of social media on consumer behavior. In other words, to identify the main social media features that are having an impact on the consumer's buying decisions.

Thus our research questions are:

1. Which social media are influencing customer behavior?
2. What is their impact?
3. How important is this impact?
4. Which features are prominent in social media when having an impact on consumer behavior?

### **1.3. Research methodology**

Based on social and consumer behavior literature, this research intends to develop a conceptual framework to examine the impact of social media and web 2.0 technologies on consumers buying decisions. The model will then be tested using large-scale investigation of e-commerce customers. The details about the methodology will be explained in one of the following chapters.

## **Chapter 2 Literature Review**

In this chapter we will give a short overview of the most important research results about the impact of social media on consumption behavior. A first section is devoted to the rise of social media and the general impact they have on consumers activities. A second section indicates more specifically in which way this effect is visible.

### **2.1. Social Media and the consumer**

Let us first define social media clearly within the context of this dissertation. The most frequently used definition for social media reads as follows: "online platforms that people use to share their ideas, experiences, perspectives and communicate with each other" (Kahraman, 2010). New communication technologies offer media based sharing and discussion opportunities and create environments where people can share their ideas, products and services. Social media have become a preferred internet application and are the most important communication tool nowadays.

As the frequency of using the Internet increases, the rate of social media use has also increased (Dryer, 2010) dramatically. Facebook had 100 million members in 2008, and by the end of 2010, that number had increased to 500 million active users worldwide (Ostrow, A., 2010) . As social media grows at a faster rate than other communication programs, the importance of social media increases and following its development has become even more challenging (Civelek, 2009), By the year 2013, more than half of 2.4 billion internet users have become members of and use the services offered by at least one social network, according to the "Global Social Network" survey conducted worldwide in 2012.

This growth of social media like Facebook, Twitter, Instagram and YouTube has significantly changed the nature of communication between individuals, companies and between companies and their customers. It has become bidirectional instead of unidirectional to bidirectional.

Before making any buying decision, many customers read what other people think about a particular product by logging in to an account on a social networking site or by consulting blogs and reviews. Customers thus have become active new market researchers as using social media gave them the chance to look actively for what they need without really having to shop around physically, while at the same time giving an overview of more alternatives than ever before.

## **2.2. The specific impact of social media on consumer's buying process**

The influence of social media on buying behavior can be observed for services as well as for products. Quality, brand, advertising or price could all affect consumer decision-making when using social media. Back in 2003, Western Kentucky University for instance used a sample of 249 consumers to analyze the buying of different types of and the cost of these items when using social media. The results of this early research indicate that consumers are buying both inexpensive or expensive items and of different categories and are doing so based on recommendations on social media by their contacts or friends (Forbes & Vespoli, 2013).

Social media do not only effect consumers' decision making on products or services, but they also help in other fields of society, like in choosing the right studies, developing careers or in influencing politicians and judges to act more impartially impartiality thus creating more fair trials. In context of justice system for instance, the easily accessible nature of the Internet has as result that judges and jurors have the ability to consult an online social media source in order to aid their decision-making and deliberations (Simpler, 2012). Social media help judges and jurors to broadcast their options about an ongoing court case. Jurors may have the advantages of getting access to information or evidence that can support their

decision and help them in making up their mind. Twitter is the most important social medium for sharing up-to-date news and information and personal opinions in a short way (140 characters) and is most of the time used by jurors and judges. This source of information may not indicate whether something is true or not true, but at least it will give the jurors an idea about what other people think about the case. Today researchers have found that social media helps jurors and judges to have a wide open vision on any case. (Simpler, 2012). Another study examined the effect of social media on a person's decision-making and marketing by sharing information on social media (Arca, C. , 2012 ) . The influence of social media on buying behavior can be seen in services buying as well as product buying. Thirty seven percent of all users were using Twitter.

From these results, we can conclude that social media has influenced their buying behavior. This is true on several different levels.

The relationship between social media and consumer decision-making is present influencing attitudes towards advertising, brand attitudes and purchasing intentions. Sometimes the effects will not necessarily directly affect consumer's decision-making, but might only have a mediating effect (Taining, 2012).

Social media can build brand attitudes that affect buying behavior. The good image of brand or product can indeed lead consumers to making decisions on their purchases. When a consumer's friend on social media shares or recommends services or products, this will affect brand attitude and influences their decision-making. Moreover the credibility of the social media source (a friend) will be higher than the source of a commercial ad paid for by the producer of a product (Sarah Cox, 2012). Yet, advertising on social media, which is provided by commercial sources also affects both consumer brand attitudes and purchasing intentions (Sema, 2013). It helps marketers plan their marketing strategies. Many marketers use social media in their marketing campaigns. It is an easy way to communicate with consumers, relatively inexpensive when branding services and products.



Moreover the data on who views the social media campaign are very detailed as the profiles of the viewers (and thus potential customers) can be followed closely and even distinction can be made between positive and negative attitudes (for instance by analyzing the likes profiles in Facebook). So segmentation is easier in marketing terms.

Another aspect of satisfaction is limiting cognitive dissonance. Cognitive dissonance is a feeling of psychological tension or post-purchase doubt that a consumer experiences after making a difficult purchase choice. Dissonance is more likely to occur in important decisions where the consumer must choose among close alternatives especially if the unchosen alternative has unique or desirable features that the selected alternative does not have. That is where social media help by having trustworthy and reliable “friends” telling you that the purchase you made is all right.

Social media are not only used for advertising, but they can also be a tool for brands or services to connect with their consumers. A study shows that social media allow consumers and prospective consumers to communicate directly to brand representatives (Vinerean, Cetina and Tichindelean, 2013). Since most consumers are using social media as tool to search and purchase items, brands or services can use this advantage to advertise their products. Since the online consumer is a worldwide phenomenon, social media segmentation as mentioned before, will only give a globalized and cross-cultural level of segmentation.

If they have some problems with some products or services, consumers could reach the company via social media as well, since they represent an easy way to connect and interact with them. Companies are thus challenged by how they choose to react to comments or responses on social media. Their reactions and responses can build strong brand images and get more consumers to purchase products or services, or when not managed well, break products. When a consumer makes a decision about product, every single detail can indeed be of importance.

Consumer motives for engaging in social media also provide insights into consumers' activities. Consumers have three main gratifications or motives for using the internet as a medium, namely, information, entertainment, and social aspects (Heinonen, 2011). These motivations can be subdivided in two main groups: rational motives, such as knowledge-sharing and advocacy, and emotional motives, such as social connection and self-expression (Krishnamurthy and Dou, 2008). Consumers' activities on social media have indeed been found to be linked on consumers' conduct online. They are using the internet as their tool to achieve some of their objectives and thus the use is based on these two types of motivations.

What is clear is that use of social media by customers is always connected to their relationship with friends, businesses and other people. Very often it takes the form of a review or comment (Kaplan and Haenlein, 2008). Reviews or user generated contents (UGC) on the web will support their consumption patterns and decision-making. Thus these reviews on social media become second-hand resources to support consumer's decision-making because they want customers want to prove that they got value for their money or because they want to prevent other customers to make the same mistakes in choice of products or brands. Reviews on social media do not only affect expensive items, but inexpensive ones as well. People can see reviews on cosmetics, books, cars, hotels, or even nail polishes. These reviews motivate why purchases have been made and support the consumers' decision-making process by showing that it was a reasonable decision to spend money on some items if the experience was positive.

Customers thus influence others to do as they did or not. A typical example are the reviews on tripadvisor for tourist destinations, hotels and restaurants. Although the information in the review may not always be confirmed or checked as true or not true, it will at least it give the other consumers an idea about what other people think. Today researchers have found that social media help consumers to have a wide open vision of any case or item they wish to purchase (Simpler, 2012).

How widespread the influence of social media is can be derived from another study. It examined the effect of social media on a person's decision-making by sharing health information on news and social media. The study observed the coverage of influenza vaccination on Dutch news sites and social media websites. Dutch news sites and social media websites were promoting the campaigns of influenza vaccination during the period from february till april 2012. People tend to respond to the news on social media more than to news on other news media. The results moreover show that news media and social media give different nuances of messages and thus show them in different lights. News media reports tend to be more objective and non-judgmental, while social media are more critical of the behavior observed in internet users and thus may influence the success of vaccination campaigns and recommendations made by health authorities differently (Lehmann, Ruiters and Kok, 2013). However, this study also concluded that this campaign was only a first step in e-Health announcements. Using social media as a communication tool for their audience by posting information; uploading photos, warnings, advice, or sharing personal customer reviews. Those things can influence on making decisions and even create future destination impressions.

Thus social media can make or break products or services and their brand equity. That may be for instance the reason why consumers have demanded so long from Facebook to add a "dislike" button to their features as well and why finally in the middle of September 2015 Mr. Zuckerberg announced his company is finally dropping its opposition and will add in the future a feature giving users the opportunity to show negative reactions or empathy to negative news.

Theoretically the theory of social influence is also valid in social media behavior and the effect it has on an affected person's decision-making process. People participating in social media activities are usually active in communities and appear to be socially influenced by their community group members. Social influence is defined here as the degree to which a person believes that another person will perform a particular behavior (Sema, 2013). This influences the assessment people make about posting things for instance on blogs and Facebook and Twitter. The

more they think there will be a reaction, the more likely they are to post something. Social influence theory supports the idea that social media have become a key influence in a person's decision-making process since people want to influence others and need post-purchase confirmation on what whether their social community considers their actions to be acceptable or better the best. That is why consumers tend to make purchases or conduct business on social media.

## **Chapter 3 Social Media and Consumer Behaviour**

It is our purpose to look at the impact of social media on consumer behavior in this chapter. First we will look at consumer behavior in more general terms and then we will enumerate the major elements influencing consumer behavior. After this we will investigate what specific influences e-marketing has on consumer behavior on the basis of existing literature.

### **3.1. Consumer Behavior and its different stages**

Consumer behavior is something human beings are confronted with many times a day since we make many consumer decisions every day. If you stop to think about it, it looks strange that even most of these decisions are taken by us without much thought. It leads to answers to questions about: What should I wear? What should I eat? What am I going to do today? Many product decisions are answered routinely daily and they help consumers to know their needs.

To define consumer behavior we need to study consumers and the processes that they use to choose what to buy and the factors that affect consumer behavior. Consumer behavior is defined as activities people undertake when obtaining, consuming, and disposing of products and services. It is part of the field of study that focuses on consumer activities in general. Consumer Buying Behavior can be defined as "the buying behavior of the final consumers, individuals and households who buy goods and services for personal consumption" (Kotler, 2008). It is basic input for marketing decisions. All marketing decisions are based on assumptions and knowledge of consumer behavior." (Hawkins and Mothersbaugh, 2007). Consumer behaviour can also be seen as the process and activities people engage in when searching for, selecting, purchasing, using, evaluating, and disposing of products and services so as to satisfy their needs and desires (George E. Belch, Micheal A. Belch, Michael A. Guolla, 2008)

What is sure is that the emergence of the internet, and especially of Web 2.0 applications, consumers have found new, easy and accessible tools to obtain and compare information about products and services with other people.

Actual buying is only one of the stages of the consumer buying process, one of the last ones. Moreover not all decision processes will lead to a purchase. Theory tells us that the consumer buying process contains six stages maximally since not all stages are always present in every buying decision process (Jobber, 2012).

The steps the consumer goes through when taking a buying decision are the following ones (Kotler, 2009):

- Problem Recognition. The consumer gets aware of an unfilled need. There is thus a difference between the desired need and the actual condition of the consumer. This situation may be stimulated by seeing the product, information about it or watching a commercial for a new product that may stimulate the customer to recognize the need. These needs may be physical needs or safety needs or social needs or individualistic needs.
- Information search. The consumer looks for additional information on the different products that may solve his need problem. This may be done by internal search if the consumer searches the information needed by asking friends and relatives and looking for other sources of information. A successful information search leaves a customer with the ability to make decision on the basis of many alternatives.
- Evaluation of Alternatives. The consumer needs to establish criteria for the evaluation of alternatives such as features the buyer wants or does not want. He/she will rank/weigh alternatives or resume the search at the end of this stage. Thus the consumer will either decide that he/she wants something or If not satisfied by the alternatives return to the search phase. Marketers will try to influence by "framing" alternatives.
- Customer decision. It is the final choice the customer makes, the selection decision to buy the product, define the price to pay and the way of paying.

- Payment and buying. The final step of the process after making the decision is to go over to action and buy the product and pay for it, when the product at least is available in the shop.
- Assessing satisfaction. The satisfaction or dissatisfaction with the product will have the customer think about whether he/she made the right decision. In this stage information from peer groups on the purchase and their reaction will also play a role.

### 3.2. Factors influencing the Consumer Buying Decision Process

Several factors influence this consumer buying decision process.

Figure 1 depicts them in full.

Figure 1 Factors influencing the consumption process.



Source: personal development

A consumer, making a purchase decision will be affected by the following three factors:

- Personal or situational factors
- Psychological factors
- Social factors

In this subdivision the economic factors (like income) are unlike in other subdivisions part of the situational factors influencing the purchase. We will look at each of these groups separately.

### **3.2.1. Personal or situational factors**

Among the personal factors influencing the buying decision process of the customer are demographic factors such as gender and age and economic factors such as income. This indicates for instance that young people might be looking for other things than older people.

### **3.2.2. Psychological factors**

Psychological factors influencing consumer buying behavior include motivation, knowledge and ability and personality and lifestyle of the consumer.

Actions of consumers are effected by a set of motives. The better customers can identify their motives to buy something, the better they can develop a equilibrated consumer buying process. Among the motivations influencing the decision process are:

- Physiological motives
- Safety motives
- Love and Belonging
- Esteem motives
- Self Actualization

Actually these motives form a hierarchy from top to bottom. As long as the first motives mentioned are not met, the consumer will not much be interested to fulfill motives of a higher order, situated at the bottom of this list. This is called Maslow's hierarchy of motives (Blackwell , Miniard and Engel,2006 )

Social media will force people activities to satisfy some of these personal needs or achieve a certain goal, as we will indicate later.



Ability and Knowledge as an influencing factor indicate that customers have a need to understand and to learn. Learning changes customer behavior by providing additional information and experience. When making buying decisions, buyers must process this supplementary information as well. Knowledge will in this respect refer to the familiarity of the customer with the product and the expertise he/she has about it. Inexperienced buyers for instance often use prices as an indicator of quality more than those who have knowledge of a product.

Personality and lifestyle of the customer finally also influence the buying process. Everything that makes a person unique, his character traits like self-confidence, personal values and norms and so on are meant here. Consumers will try to buy products that are consistent with their self-concept. Lifestyles are the way people try to develop their life. They recently show a shift towards personal independence and individualism and a preference for a healthy, natural lifestyle. Lifestyles are thus the consistent patterns people follow in their lives.

### **3.2.3. Social Factors**

Consumer needs, learning and motives are all influenced by amongst others the opinion of their family and peers, role behavior and social class and culture.

Roles and family Influences are the first important social factor influencing the buying process. Roles encompass the things you should do based on the expectations of people you know and society. People have many roles: husband, father, etc... An individuals' role is continuously changing. Therefore marketers must continue to update information about it. Family is the most important social group a person belongs to. Many consumer decisions are family decisions, which signifies that they are made by the family unit in which the different people belonging to the family will play different roles such as influencer or decider. Very often consumer behavior starts in the family unit. Family roles and preferences are the model for children's future family (they can reject/alter/etc..). Family buying decisions are a mixture of family interactions and individual decision making.

Moreover the family goes through a certain life cycle: families go through stages, each stage creating different consumer demands, such as just married, having small kids, having grown up kids, family which the kids have left, etc...

Culture and Subculture are the last part of the social factors influencing consumer behavior. Culture refers to the set of values, ideas, and attitudes that are accepted by a homogenous group of people and transmitted to the next generation. Culture also determines what is acceptable about product buying, product information and advertising. Culture determines what people wear, eat, reside and where they travel to. They thus largely influence markets, product that can be sold or not in some places and so on...

### **3.3. The influence of social media on consumer behavior.**

Social media play an increasing role in influencing the buying behavior of customers. Some research about this phenomenon exists, albeit mainly related to some type of products.

Also helped on customers satisfaction for who they have cognitive behavioral, as psychological attitude especially after making decisions and start feel uncertain that's a consumer experiences what makes the difficulty in purchase choice. That feeling is more important in making decisions where the consumer must choose among if they are satisfied of this decision or not .

## **Chapter 4 Social media, their use and the word-of-mouth they create**

In this chapter we want to review the literature on social media, how and why they are used and which word-of-mouth they have according to recent scientific literature.

### **4.1. Social Media and their impact.**

Social media have increasingly become a constant part of our lives. Many people reach out to friends or family through social media, sometimes on a daily basis. With the emergence of the internet, and especially of the Web 2.0, consumers have found new, easy and accessible tools to obtain and compare information about products and services with other people (Barreto , 2012) Each of the social media tools has its advantages and disadvantages but each opens doors to creating an online community with others (Leslie,2012) .

Social media are the collective of online communications channels dedicated to community-based input, interaction, content-sharing and collaboration. Even Websites or applications thus figure among the different types of social media. They proliferate. Kaplan and Haenlein (2010) define social media indeed as “ a group of internet based applications that build on the ideological and technological foundations of Web 2.0 and that allow the creation of user generated content”. User generated contents is communication that comes from consumers and goes to organizations that offer them something, inversely to what used to be the standard in traditional marketing communication. It is the interactivity that has created this possibility.

The two main reasons humans use social media for are to communicate and to maintain relationships (Diffley, et al., 2011, p.48). When humans use social media they have three major purposes:

- 1) to communicate frequently with others in their network,
- 2) to interact with those who they communicate with less frequently, and
- 3) to communicate with those with whom they have lost touch (Diffley, et al., p.48).

Within these communities, two terms describe how people interact. The first is social capital, which is built when a social network actively reaches out to others via social media to reinforce relationships (Diffley, et al., p. 48). Bridging social capital occurs when social media users reach out to other social media users with whom they have a weak relationship (Diffley, et al., p. 48). The social capital one creates in social networks leads to the creation of communities. This is the second term describing how people interact via social media. As users create relationships through interaction, they are creating communities where members “share a sense of belonging, have a specific culture, a specific set of norms (‘netiquette’), affective ties that bind them together and a sense of shared history” (Cărtărescu, 2010, p. 82).

As one of the largest social networking sites, Facebook, a social medium that offers a two-way interactive experience, for instance offers interactive communication services to its users on about everything that matters in their life. Consumers of other social media can also interact instantly and directly with either the people at the origin of a certain message or with the authors of the proffered information and with other consumers. Yet, Twitter and Instagram are less interactive as Facebook as their features allow less contact.

What used to be the traditional expectations of people from media has drastically thus altered, also in being a consumer. The interaction and cross-communication that social media make possible is precisely what allows people to interact on their consumption patterns as well. Whether it is for professional or personal matters, removing the geographical and physical boundaries (Benjamin Ach ,2013) is certainly one of the consequences of this community spirit.

As with every new technology, there is however a downside. Social media also creates a whole new world of personal and legal risks. They are amongst others related to privacy issues, security issues, intellectual property rights, employment practices. These important societal concepts have to be altered to media being capable of invading our lives or influencing them anytime and anywhere. Moreover

their users are very diverse indeed, they come from different cultures, have different ages and use these media with different purposes and with a different mentality and way of thinking. When experiencing different problem situations, two way communication which in principle would be able to help, the divergence of the social media users will not always be instrumental in finding a solution or at least a common ground.

Social media also have a profound impact on how organizations can communicate with actual or potential customers. Most traditional online media include social components, such as comment fields for users. In business, social media are used to market products, promote brands, and connect to current customers. Moreover consumers use them to talk to businesses. User-generated content (UGC) is a rapidly growing vehicle for brand conversations and consumer insights. The growth of online brand communities, including social-networking sites, has supported the development of UGC (Gangadharbatla, 2008; Christopoulides et al., 2012).

#### **4.2. Types of social media**

Social media has been evolving since 1990s. The widespread use of social media is illustrated when we just describe the most important ones of them, those that are best known to many people. They are Facebook, Twitter, Google +, LinkedIn, Instagram and Youtube. How widespread is their use?

- Facebook is a popular free social networking available in 70 languages website that allows registered users to create profiles, upload photos and video, send messages and keep in touch with friends, family and colleagues. Facebook boasted more than 800 million people actively using it and more than 425 million monthly active users logging in with mobile smart phones 20% of Facebook users have used the popular social media to research a product before buying, and 42% have written an online review about a product.

- Twitter is a free micro blogging service that allows registered members to broadcast short posts. Twitter members can broadcast tweets and follow other users' tweets by using multiple platforms and devices. Twitter is the most important for sharing news, and information, which is up-to-date. This information may not be confirmed that it is true or not true but at least it will give the jurors the idea and know what other people think about the case  
Thirty seven percent of all users were using Twitter
- Google+ (pronounced Google plus) is Social network launched in 2011, attracting 25 million members in its first month. Google's social networking project, designed to replicate the way people interact offline more closely than is the case in other social networking services. The project's slogan is "Real-life sharing rethought for the web.
- LinkedIn is a social networking site designed specifically for the business community. Business focused networking site with over 100 million members worldwide and 2 million companies' profiles worldwide. The goal of the site is to allow registered members to establish and document networks of people they know and trust professionally.
- Instagram has over 300 million users. It is a simple way to capture and share your moments in pictures with the world and share them as well on a variety of social networking platforms, such as Facebook and Twitter.
- YouTube is a Video sharing site owned by Google, with 8 million unique visitors each month and 100 million people taking a social action (likes, shares, comments, etc... every week.

The examples are multiple, yet some structuring is necessary. Social media can be divided in several categories according to their various features. Figure 2 indicates this and shows the categorization according to functions of social media.

Figure 2 Categorization of social network services (SNS).



Source: Mirna Bard, 2010

Companies can use various types and formats of social media to promote their products and services. Some of the social media services (SNS) are ‘Owned’ such as company’s websites or paid such as a Pay Per Click (PPC) marketing service. Most important however are value providing or ‘Earned’ media which the public at large or customers create, such as Users Forums, News or Word of Mouth. Nielson research about trust in advertising in 2012 showed that consumers have trust in ‘Earned’ media. They also trust the word-of-mouth or recommendations from friends or relatives created through social networking activities. above all other kinds of advertising .

The following figure 3 describes the variety of marketing tools on social networks.

Figure 3 The diversity of Social media services.

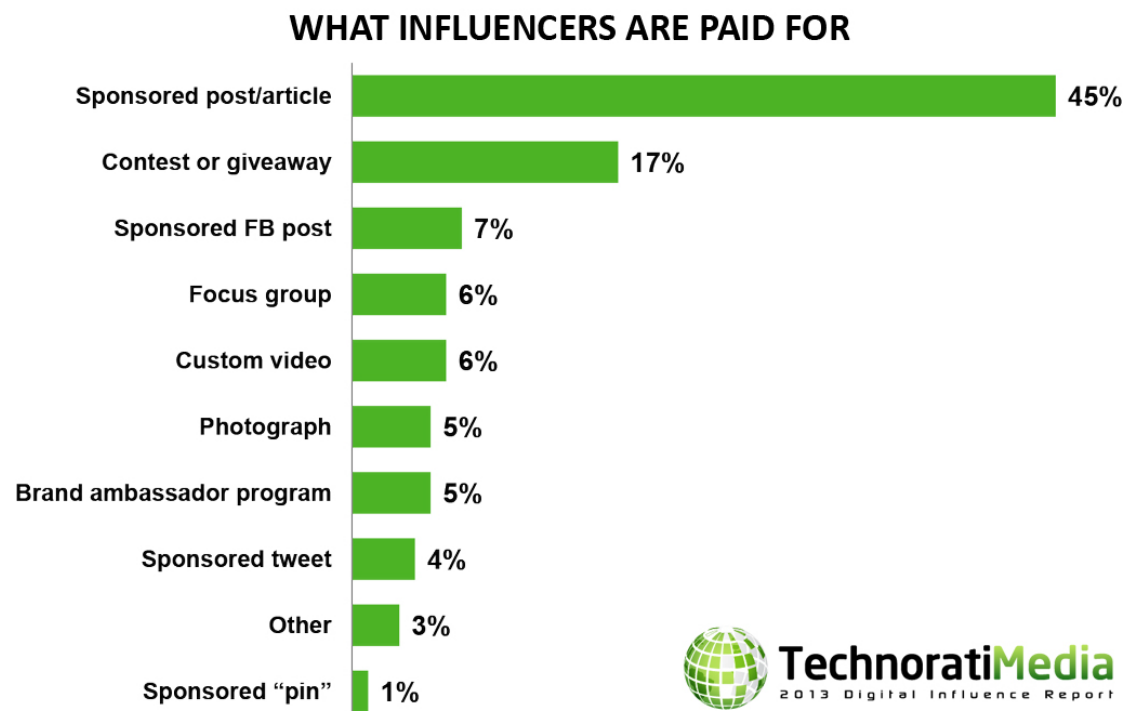




Source: Group FMG, 2012, p. 405

Marketers or influencers try to make the most of the social networks when using various social media tools. The most used paid practices are shown in Figure 4.

**Figure 4** The most preferred forms of paid services.



Source: Technoratimedia, 2013

### 4. 3. Social media and business ethics

Ethics and social responsibility are essential for the successful performance of new media. As Eid and Ward state , 2009 “they should go hand-in-hand with the freedom of new media and social network use“. Social media have implications for society, culture, politics that can influence the general opinion and people’s behaviour. According to Vallor (2012) ethical topic areas are centered around privacy questions, ethics of identity, the issue of “friendship” in social networking services, democracy in the public sphere and cybercrime. Specifically the privacy issue is a very tricky one.

There are continuous debates how to define privacy in social networking and what kind of information should be protected. Vallor summarises some critical issues:

“...

1. the potential availability of users' data to third parties for commercial, surveillance or data mining purposes,
2. the capacity of facial-recognition software to automatically identify persons in uploaded photos,
3. the ability of third-party applications to collect and publish user data without their permission or awareness,
4. the frequent use by SNS of automatic ‘opt-in’ privacy controls; the use of ‘cookies’ to track online user activities after they have left a SNS
5. the potential use of location-based social networking for stalking or other illicit monitoring of users' physical movements; the sharing of user information or patterns of activity with government entities,
6. the potential of SNS to encourage users to adopt voluntary but imprudent, ill-informed or unethical information sharing practices, either with respect to sharing their own personal data or sharing data related to other persons and entities...”

#### **4.4. Benefits of using social media**

The use of social media and networking services such as Facebook, Twitter, Instagram and YouTube has become an daily as social media provide quick and easy access and updating possibilities.

Social media will help customers in acquiring better knowledge about everything they need and want at any time they want it and at any place. That is what makes social media so special: they create a private space in which you have access to the whole world. This supports better acceptance of worldwide products. When people get information about the experience from other people they don't know, but of which they can trust the contents and eventually see the results, they will as knowledgeable people go to action more rapidly. Confronted with this, companies will use social media as an integral part in the implementation and evaluation of what market research recommendations have told them as they can test it in on individuals knowing their profiles.

The most important thing about social media for companies is that they allow them to engage with customers in a completely new way. Social media give them the opportunity to reply to the concerns of customers and to find answers to their needs by involving them and thus making customers more satisfied with what they were offered. You can as a company share photos and videos that help customers in making their decisions (Adam Rappet al., 2013). Social networking services can provide an accessible platform for customer services and can be used for sharing activities, events, or just photos that underscore the important element in the operation of the company or features of the brands.

Yet companies are not the only source of information about products customers will access. Their peers will play a more important role. Word of mouth has always been an effective marketing tool for business. In 2013, this word of mouth is just as likely to come from a social media website or smartphone application as from a neighbor across the fence. According to Mind Jumpers, a community management consulting company, 64 percent of smartphone users turn to their phones to shop – and most

of them look for reviews and recommendations from a number of sources to help them make their buying decisions.

Several research studies have been executed with regard to the impact of social media in consumption, mainly for travel services. Parra-Lopez et al. (2011) state that most research attempts to describe the role of specific social media and their trustworthiness in the consumption planning process and on the demographic parameters of those using these social media more specifically.

This impact of social media is seen at different levels of the consumption process: website reviews increase customer confidence in their decision making process, reduce risk and assist in making decisions (Gretzel, 2006; Gretzel and Yoo, 2008). This information seeking and creating and risk reducing process has been observed before, during and after the consumption of products (Litvin et al., 2008). Cox et al. (2009) pretend that this use is however more present before consuming than during the other stages in the consumption process.

Other research has focused on the credibility of the different sources used in consumption processes, whether social or traditional media sources. Mack et al. (2008) and Cox et al. (2009) found that traditional word-of-mouth and information sources are considered as more trustworthy than electronic word-of-mouth. The strong social ties with people you know guarantee the contents of the information more than information generated by people you have less ties with as mostly in social media. However, the more people use social media themselves and are active in it, for instance in blogs, the more they have trust in the user generated contents of social media. Yoo et al. (2009) found that reviews by official instances are still rated as more trustworthy than other sources within the social media sphere. Contrary to all this research, Del Chiappa (2011) found that blogs and reviews on tourist destinations are second only in trustworthiness to web-based information of companies.

Vermeulen and Seegers (2009) indicate that exposure to both positive and negative word-of-mouth enhances the trustworthiness of the information when having to choose as a consumer.

## **Chapter 5 Research Methodology**

This chapter will discuss the research methodology of this thesis in a more detailed way. We will first discuss about the unit of analysis, the methods we used and why they were used. Next will show how the questionnaire was finally designed. Last but not least, we will also indicate the limitations of this research venture in several paragraphs.

### **5.1. Research Methodology**

In this paragraph we will indicate whether we use quantitative or qualitative research methods and what the unit of analysis is.

#### **5.1.1. Research methods used.**

Taking into consideration the problem and the objective of this study, the best option for data collection is empirical research, which implies the gathering of primary data. In the process of collecting primary data an internet-based questionnaire was used as an instrument because it is an instrument capable of obtaining data in a very structured way. Moreover very large amounts of data could be gathered given the size of the sample and at a relatively modest cost.

This also means that our research is qualitative in nature but only for a small part. Most of it is in nature. Quantitative methods use scientific methods to describe phenomena through collecting numerical data (Creswell, 1994). Quantitative data are indeed particularly useful to measure the willingness of the potential tourist to choose Jordan as a holiday destination and for which reasons the tourist chooses to do so or not. It is also an appropriate method for investigating whether e-marketing is a good tool to incite people to act as consumers and buy via the internet.

The opinions and attitudes of the respondents will be measured using Likert scales as method (Echtner and Ritchie, 2003). A Likert scale can verify the value that people

attribute to some variables or measure the likelihood of them doing something of not by identifying the level of agreement or disagreement on a scale of an uneven number of possibilities. The importance of the variables or attributes was measured on a three point Likert scale from “Not at all” to “Certainly”.

### **5.1.2. Unit of analysis**

The study sample for this thesis contains people who are using social media, mainly Facebook and Twitter as they are the most widespread used ones. Facebook currently has around 800 million users and Twitter an estimated 500 million users.

As my study focuses on the Internet, a global entity, narrowing the geographical location is mandatory. Participants for this study will include only individuals in Amman. While this is a small sample compared to all Internet users worldwide, increasing the sample size would have been impossible to manage given the time constraints of the project. My sample will be focused on individuals in Amman because I am Jordanian and have easier access to individuals in this city. Since I planned to gather data only from people who use social media and buy items online, I would expect numerous people in Amman to have the necessary qualifications needed to participate in the study.

The study was executed in the beginning of 2015. The questionnaire was distributed to students, friends, and family. I chose to distribute only to these people because they are more accessible to me. Moreover, they belong to the group of people who tend to be very active within online networks and in purchasing products online. To gather data, a survey was distributed to the individuals listed above. This is the ideal approach to capture the data to help me understand how people communicate within social media and how they communicate and how that influence their decisions. To gather all the information I need, my survey consisted of both qualitative (a few only) and more quantitative questions, as already indicated.

## 5.2. The survey

The survey, which was posted on Facebook, contained two parts.

The first part was composed of questions to obtain a profile of the respondents. Questions on age (millennial and non-millennial) and gender were put as well as questions on the use of social media:

- Which type of social media do you use most frequently?
- Would you consider yourself an active user of social media?
- Do you know your social media friends/followers personally or not?
- Do you shop for items via online media?
- For which products do you shop online?

To ethically ensure privacy we took care that personal information though was not compromised. Therefore we did not allow respondents to include any personal information such as names, phone numbers, or addresses. We also indicated that the survey was completely voluntary, anonymous and that respondents were allowed to skip any questions they wished or stop filling out the survey at any time.

The second part of the survey asked the respondents questions using a Liker-like rating scale of 1-3. These questions included:

- On a scale of 1-3, how do your online communities influence your purchases?
- On a scale of 1-3, would you be more likely to listen to a stranger's review of a product over that of your friends or family?
- On a scale of 1-3, how likely is it that followers and/or friends will influence your shopping behavior?

Regarding the online shopping behavior additional questions were asked:

- At which point in your shopping process do you typically listen to social media friends and/or followers? (Never, before, during the comparison of items, just before).



Repeating our research questions, this means that the first question of the Likert type is linked to questions 1 and 2, the second one to questions 3 and the third one to question 4:

- Which social media are influencing customer behavior?
- What is their impact?
- How important is it?
- Which features are prominent in social media when having an impact on consumer behavior?

The full questionnaire looks as follows:

1. Which category below includes your age?
2. What is your gender?
3. Do you have an account on Facebook or Twitter?
4. How often do you use Facebook?
5. How often do you use Twitter?
6. How many friends on Facebook do you have?
7. About how many of your "friends" on Facebook have you know in person?
8. How many Twitter followers do you have?
9. About how many of your "followers" on Twitter have you met in person?
10. Do you typically purchase items online or in-store?
11. Which online retailers do you typically use?
12. What types of products do you typically buy online? (select all that apply)
13. On a scale of 1-3, would you be more likely to listen to a stranger's online review of a product over your friends?
14. Do you reach out to Facebook friends for opinions about products you may purchase online?
15. Do you reach out to Twitter followers for opinions about products you may purchase online?

16. Would you purchase a product online without first getting an opinion from a Facebook friend?
17. Would you purchase a product online without first getting an opinion from a Twitter follower?
18. At what point in the online purchase process do you typically gather opinions from Facebook friends?
19. At what point in the online purchase process do you typically gather opinions from Twitter followers?
20. On a scale of 1-3, how likely is it that Facebook friends will influence your online purchase?
21. On a scale of 1-3, how likely is it that Twitter followers will influence your online purchase?
22. On a scale of 1-3, how often do you hear about products on Facebook that you later purchase?
23. On a scale of 1-3, how often do you hear about products on Twitter that you later purchase?
24. On a scale of 1-3, do you think Facebook is useful when looking for opinions about what products to purchase?
25. On a scale of 1-3, do you think Twitter is useful when looking for opinions about what products to purchase?

## **Chapter 6 Findings and Conclusions**

In this chapter we will summarize the results of our survey. After depicting the population more accurately, we will first depict the general results of the survey with regard to the influence of social media on online purchase behavior, then go into detail about the differences observed between people of different age and gender. Finally we will try to explain some of the observed differences.

### **6.1. Population and sample size**

Within our research target group of heavy users of social media, 154 individuals answered the survey. The majority of these people were between 30-39 years of age (34%); 64% were female and 36 % male. 57% used both Facebook and Twitter, 55% used Facebook daily and 53% never used Twitter. The majority of individuals had between 200 and 299 Facebook friends (24%) and only 52% of them had met all of their Facebook friends. In comparison, 40% had 1-99 Twitter followers and 40% had never met any of their followers in person. From these data it can be deduced that those who use Facebook typically “befriend” others (meaning they are added as friends to their Facebook profiles) they also know offline, while those who use Twitter tend to follow or be followed more by “strangers”.

### **6.2. Major results**

In this paragraph we will describe the most important results of our survey. We will talk about the online buying behavior of the respondents, the influences it has to manage, the stages of the buying process that are most likely to be influenced and the differences observed between people of different age and gender.

### **6.2.1. Online buying behavior**

Of all Facebook and Twitter respondents, 60% responded they purchase items online and offline with the same frequency and rate. These respondents noted that they typically purchased clothes and accessories online (70%). Additionally, 68% of respondents bought travel accommodations online, 50% bought houseware, 32% bought electronics, and 10% bought insurance online.

### **6.2.2. Influences on the buying behavior**

When asked if they would be more likely to listen to a stranger's online review over items to be purchased than to that of a friend, 65% said they would be somewhat more likely to listen while 30% said they would not be.

To determine whether a person's Facebook or Twitter community impacts their likelihood of online purchases, I asked a series of questions in the survey regarding Facebook and Twitter. From the results of these questions, I was able to indicate that Facebook communities have a higher impact on how consumers purchase products online than Twitter users. Fifty-four percent of Facebook users said that they sometimes reach out to their Facebook communities before purchasing a product. Thus there is a large percentage of Facebook users who view their Facebook communities as a trusted source for product opinions. Overall, based on the survey results, the majority of Facebook users sampled in this study said they were open at times to the influence and opinions of their Facebook communities. Twitter users on the other hand say that their communities rarely influence their purchase decisions Only 2% of Twitter users reach out to followers before they buy,.

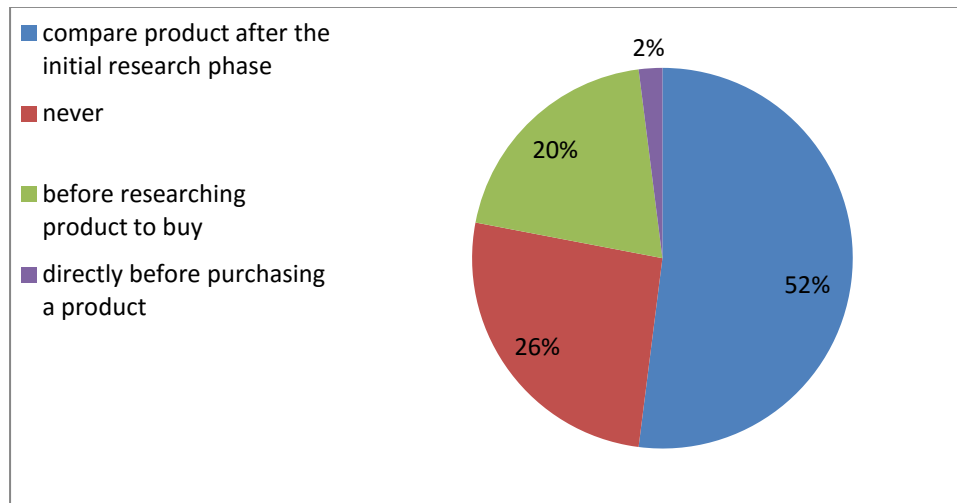
Inversely, when asked how often they reach out to members in their social media communities for opinions about products before they purchase them, 26% of respondents said they never reach out to Facebook friends before purchasing an

item, where as ninety percent said that they never reach out to twitter followers before purchasing an item.

### 6.2.3. On which stage in the buying behavior process do social media have an impact

In the survey we also asked at which point in the purchase funnel people will reach out to others on Facebook or Twitter for information or advice on buying an item. Fifty-two percent of individuals never gather opinions from Facebook friends at any point during the purchase funnel. However, 20% reach out Facebook friends before researching any product whatsoever to buy and 47% while they are comparing products after the initial research phase. Only 2% look for advice of Facebook friends directly before purchasing a certain product. This is indicated in Figure 5.

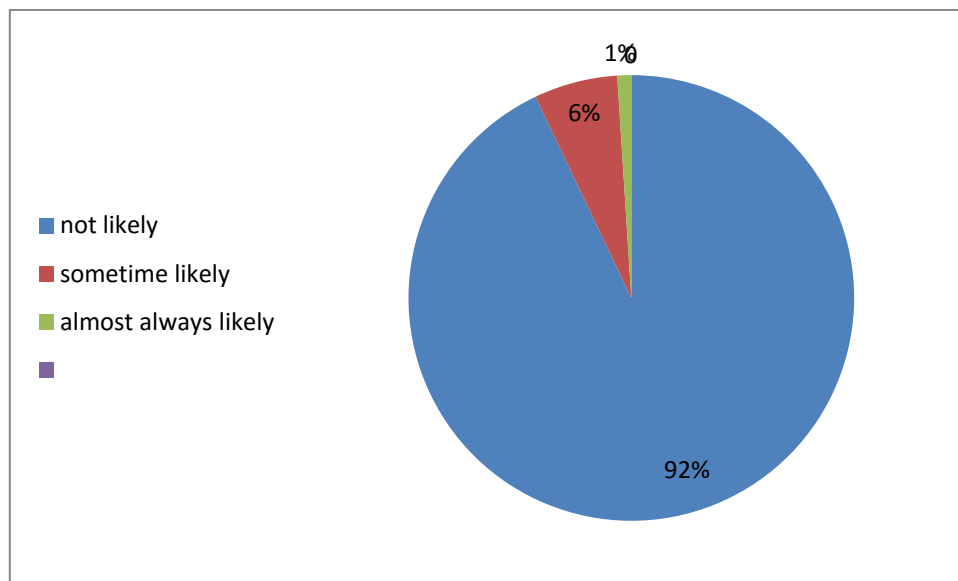
**Figure 5 When do people reach out to Facebook friends during the consumption process?**



Source: own survey

Ninety-two percent of Twitter users never reach out to followers during the entire purchase process. Only 2% of Twitter users reach out to followers before looking for which products to buy, 5% before comparing products with one another after the initial phase and 0% directly before making a purchase (see Figure 6).

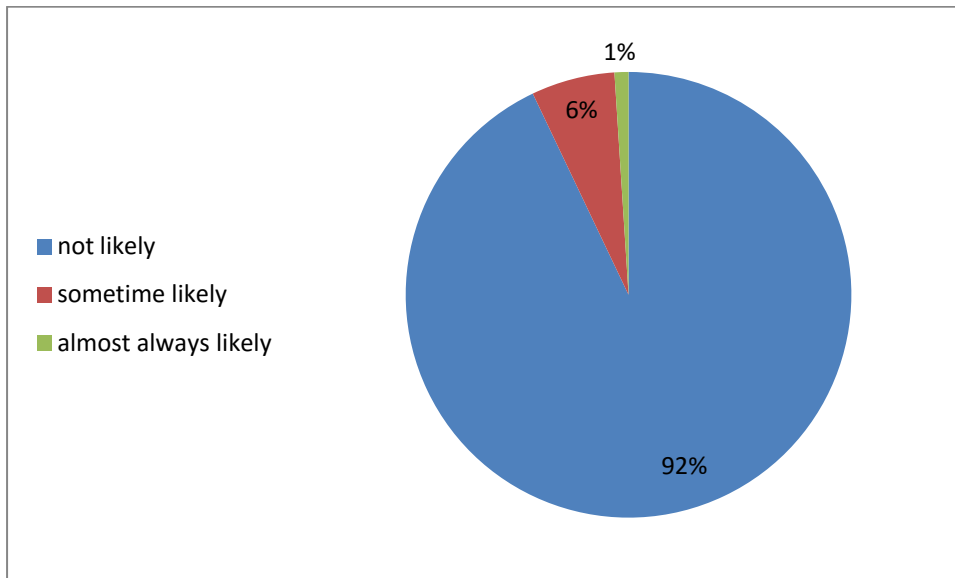
**Figure 6 Influence of twitter followers on the different stages of the buying funnel.**



Source: own survey

When asked how likely it was that Facebook friends would influence one's online purchases, 48% said that it was not likely at all, while 51% said that it was sometimes likely. Only 1% said that it was always likely: see Figure 7.

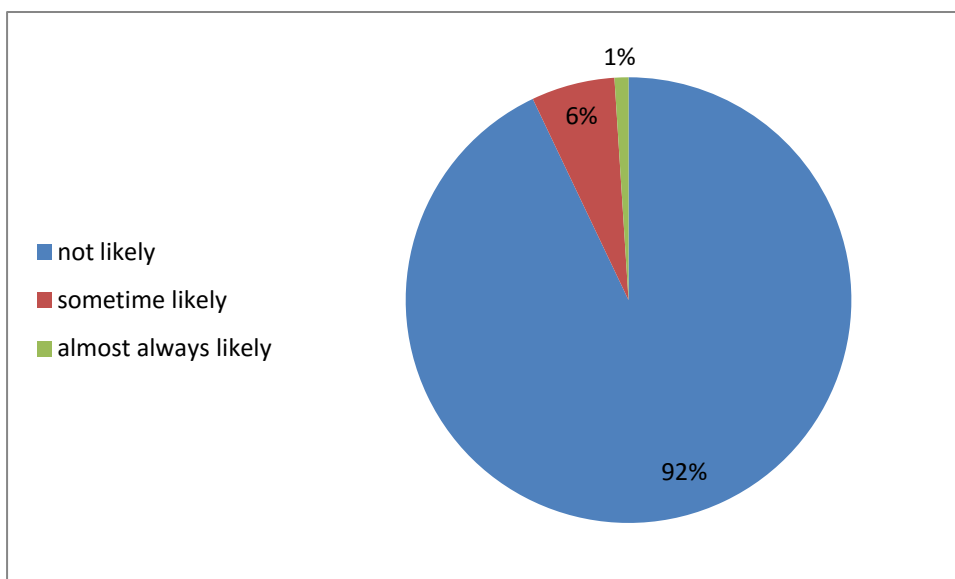
**Figure 7 Influence of Facebook on online purchases**



Source: survey

Twitter appears to have significantly less effect on one's online purchasing behavior as 92% said that Twitter is not likely to affect their purchase decisions. Six percent of Twitter users said that other Twitter followers will sometimes influence their purchase decisions and 1% said that other Twitter followers almost always have an influence: see Figure 8.

**Figure 8 Influence of Twitter on online purchases**



Source: survey

#### **6.2.4. Usefulness of social media for checking opinions about online purchases**

Fifty-seven percent of Facebook users said that they have later purchased an item they heard about on Facebook, while only 17% of Twitter users said the same. The majority of Facebook users (54%) believe that Facebook is sometimes useful when looking for opinions about what products to purchase while 41% said it is not useful. Twitter is even less useful according to respondents as 79% said Twitter was never useful when looking for opinions about what products to purchase and only 19% said it is sometimes useful.

#### **6.2.5. Results of the analysis subdivided along profiles of customers**

When filtering the data to discern the difference in social media influence with millennials (people younger than 30 years of age) and non-millennials (people 30 years of age and older), millennials appeared to be more open to influence from Facebook communities than non-millennials. The majority of non-millennial respondents used Facebook everyday but never used Twitter. Sixty-four percent of millennials used Facebook every day and 27% also used Twitter on a daily basis. Millennials were more likely than non-millennials to have both a Facebook and Twitter account (61% of millennials have both compared to 53% of non millennial).

Sixty-one percent of non-millennials purchase about the same amount of products online as they do offline. 73% of their purchases are for travel accommodations. In comparison, 57% of millennials purchase about the same amount of products online as they do offline and the majority of their purchases (77%) are for clothing and accessories.

Although the use of social media for online purchases in percentagewise nearly identical (but for different items), the influence of social media on it is quite different.



Fifty-four percent of non-millennial said that they never reach out to Facebook friends for opinions before they purchase products online, while 51% of millennials said they sometimes reach out to Facebook friends for opinions. A large majority of both millennial and non-millennials on the other hand said that they never reach out to Twitter followers for opinions before purchasing a product. Millennials were more likely than non-millennials to reach out to Facebook friends before researching products to buy. Additionally, 24% of non-millennials stated that they reach out to Facebook friends to compare products after the initial research phase, which is around the same percentage as for millennials (29%). Seventy-eight percent of millennials said they hear about products on Facebook that they later buy whereas only 51% of non-millennials said the same. Forty-eight percent of non millennials believe that Facebook is not useful when looking for opinions about products to purchase online while only 35% of millennials believed that it is not useful. The majority of millennials (61%) believe that Facebook is sometimes useful when looking for opinions about what products to purchase. Both millennials and non-millennials agree that Twitter is not useful when looking for opinions about what products to purchase.

The general observations in the previous paragraphs are thus confirmed largely, with a small difference that millennials are somewhat more influenced on all aspects of online buying behavior by their Facebook friends than non-millennials.

What are the differences observed on the basis of age?

The majority of male and female respondents who filled out the survey were 30-39 years of age. Sixty percent of males used both Facebook and Twitter while 36% only used Facebook. In comparison, 54% of women used both Facebook and Twitter while 43% used only Facebook. Forty-seven percent of males used Facebook daily while large percentages (50%) never use Twitter. Women tend to use Facebook and Twitter more often though. Sixty-two percent of women use Facebook daily while, like for males, large majorities of women never use Twitter.

When asked the question, “About how many of your friends on Facebook have you met in person?”, 44 % percent of men responded that they knew all of them, whereas 53% of females stated that they knew all of their Facebook friends offline.

Sixty-four percent of men said that they typically purchase the same amount of items in store and offline with 65% of purchases being travel accommodations. On the other hand, 59% of women typically purchase the same amount of items in store and offline with 73% of purchases being clothes and accessories. When asked how often they reach out to Facebook friends to provide opinions about products they may purchase online, 57% of men and 51% of women said they never do. Fifty percent of men also said that it is sometimes likely their Facebook friends will influence their purchases and 53% said that they often hear about products that they later purchase on Facebook. Only 47% of women said that it is sometimes likely that their Facebook friends will influence their purchase decisions but 59% said that they hear about products on Facebook that they later purchase. Both genders saw Twitter followers as having only a small influence on their purchase decisions, if any at all.

Most of the observed differences between men and women are thus relatively small: the influence on their online shopping behavior of Facebook friends or Twitter followers is nearly equal.

### **6.3. Conclusion and potential explanation**

These results are a surprise as most people and literature indicate that both social media tools would influence consumer behavior in about the same way or only slightly different. The impact of social communities on consumer buying behavior is not different based on differences in social media. That is what is commonly believed. Common belief is namely that communities impact our perception of the

reality and what is normal and thus by default social media communities should influence what one purchases online. One would purchase items based on what the community he/she belongs to believes to be the best purchase.

Yet results show something different. This difference is visible in all aspects of the influence of these social media on online purchasing behavior.

The survey results show that Twitter communities tend to not significantly impact social media users' online purchase behavior, whereas Facebook communities typically do and have the potential to become even more important for consumers in the future. Facebook results also seem to fall right in line with this given the larger impact on the online purchasing behavior of millennials than non-millennials. For Twitter however, the survey results indicate that Twitter communities behave differently than offline communities and Facebook communities. People talk more with friends on Facebook about purchases they intend to make than with followers on Twitter, they do this at a much more early stage in the buying process and admit the influence is significantly larger as well.

A major reason for this difference might be that when we look at the profile of the friends of our respondents on Facebook and compare this with their followers on Twitter, the bond between them is quite different as our respondents say they mostly know their Facebook friends personally, whereas they don't know their twitter followers. The majority of Twitter users stated that their followers are indeed strangers. They may not feel the same type of intimacy and companionship with them as Facebook users have with those who are called friends. Most of the respondents moreover use Facebook on a daily basis while Twitter was not used nearly as much, if at all.

Thus of the two social media, Facebook communities are more of a "community" than Twitter communities. When comparing all of the questions are pertaining to Facebook and those pertaining to Twitter, it is apparent that those who use Facebook have a deeper relationship with their friends than Twitter users do with

their followers. Stronger ties exist in our sample between Facebook friends than between Twitter followers. The word friends and followers actually indicate the difference in strength of the ties between people bonded on the social media, which indicates the different nature of the community as well. Facebook feels more like a community than twitter does.

This difference in community type explains most of the observed differences very well.

People reach out to their Facebook communities to help shape their opinions, more than they do with their Twitter community. A good portion of Facebook users in the survey indeed felt that Facebook was a good method of gathering opinions before purchasing a product, as 50% of survey respondents used Facebook communities this way. Respondents seemed to regard Facebook as a community that could help before purchasing an item, but only to a limited extent. On average, 50% of millennials who responded to the survey said that Facebook influenced their purchasing decisions. In particular, when asked how often they turn to Facebook communities before purchasing an item, 51% of millennials said that they sometimes do and 47% said that they never do. One could say that this is only half of the respondents and thus it does not pertain to the other half, but given that social media do not exist very long and that the communication is always non-personal, 50% can be considered as a lot.

Some results are however still surprising. My study found out that women tend to spend more time on Facebook than men. Forty-seven percent of males used Facebook daily against 62% of women. What is surprising about the results when comparing men and women's Facebook tendencies is the smaller influence Facebook communities have on women than on men. Although women said that they used Facebook more often than men on a daily basis, they were less likely to be influenced by Facebook communities when purchasing a product online than their male counterparts. However, women tend to contradict this statement when they are later asked how often they purchase items after hearing about it on Facebook.

Then 59% say that they sometimes do. In comparison, a smaller percentage of men say the same. These results are puzzling and should be further investigated.

Looked from hindsight the observed differences also seem logical as communication on both social media vehicles substantially differs. Both media offer non-personal immediate communication, but Twitter communication is more limited, not only in number of characters to be used for one tweet, but also in terms of interactivity. Thus both social media serve other purposes and influence online shopping behavior quite differently. Since the interactivity (likes, answers, answers to answers) is much larger on facebook, the medium is more credible as a source of information on products and for advice, certainly when given by people belonging to your community.

## Chapter 7 Conclusions and recommendations

In this chapter we will repeat our most important conclusions and link them to a number of recommendations for both marketers and researchers.

### 7.1. Short overview of the conclusions

*“Social networks are not about websites, they are about experiences”*

*(Mike DiLorenzo).*

This statement clearly indicates that humans are influenced by communities and their members. Communities have an impact on our perception and on our activities. We tried to find out which impact social media communities would have on consumer online behavior.

The survey results show that Twitter communities tend to not significantly influence social media users' online purchase behavior, whereas Facebook communities typically do. They tend to become even more of a source of influence for consumers. Facebook friends are powerful influencers of shopping behavior. The major reason is that out of the two social media platforms, Facebook communities are more of a community than Twitter. My study clearly showed that Facebook communities typically affect some users and have the potential to influence even more in the future. Many Facebook users surveyed seemed to value their Facebook friends' opinions when it came to buy items online and sometimes these opinions had a powerful impact on their purchases. When comparing all of the questions related to Facebook to those related to Twitter, it is obvious that those who use Facebook have more of a relationship with their friends than Twitter users do with their followers. For marketers, this information is beneficial when deciding what channel would be the best to focus their attention on with regard to messages send and online advertising.

In my opinion, Facebook thus feels more like a community than Twitter. Answers from the survey support this idea, as many of the respondents stated that they knew Facebook friend's offline, while Twitter followers are comprised mostly of strangers. What my survey discovered was a good portion of Facebook users really felt.

Yet our study also discovered that although the influence of social media on purchasing behavior is important, it may not be overestimated either. Contrary to previous studies the impact is relatively mild.

Greenleigh (2010) found that 84% of millennials turn to online communities before purchasing an item. The survey results from my study found a much lower percentage. On average, 50% of millennials who responded to my survey said that Facebook influenced their purchasing decisions. In particular, when asked how often they turn to Facebook communities before purchasing an item, only 51% of millennials said that they sometimes do and 47% said that they never do. Greenleigh also found that millennials were 51% more likely to trust strangers when purchasing products over family and friends. Again, my study contradicts Greenleigh's notion. Sixty-five percent of millennials said that they would sometimes listen to a stranger's online review of products over their friends. While 29% said they would not be likely to and a small margin of 6% said they would always listen to a stranger's online review. These differences may be due to the nature of the enquiry, the different cultures in which the enquiries took place or to local circumstances, but are certainly worth noticing.

## **7.2. Recommendations for marketers**

For marketers, this information is of huge importance when deciding which channel would be the best to focus their attention on when trying to contact communities, especially the ones that influence their members. Contacting communities can be identified as a communication tool to reach out and start a conversation with

strangers or actual on-buyers in order to build a kind of a relationship and get eventual referrals. Such a commercial relationship may not be compared however to the relationship build by the community itself, such as facebook does. Marketers should certainly use the community influence of Facebook users as a way to increase sales and/or brand awareness via referrals.

According to Hubspot (2012), 44% of marketers confirm that they have acquired customers via Twitter, while only 57% of all companies that use social media for business purposes are capitalizing on the social media as customer service and information tool.

How to create success from Social Media strategies cannot really be concluded from our study. Time is bringing new opportunities every day in the Social Media world. Each channel is regularly changing and offering more and more valuable marketing features for businesses. Also, new Social Media channels are being launched every month, offering new business possibilities and new areas of marketing research (Arca, 2012)

### **7.3. Recommendations for further research**

It would have been an interesting future direction of research, to observe to what extent the online products and services are bought in rural areas compared to urban agglomerations, given the fact that urban areas are always more cosmopolitan and in tune with new trends of any kind, and have a developed evolving infrastructure and given that the study was undertaken in Jordan, where 1/3 of the population lives in the capital, which might have distorted our sample a bit.

Comparing results of identical research in different cultures might also be of high interest, certainly when one would include the different living styles and needs of people in those cultures.



Future research could also concentrate on the advantage of receiving personalized marketing information via social media. This would require a more experimental setting in which different types of proposals would be sent to users of social media and to collect their reactions on them. Such a research was not possible for us as it would have taken a much longer time to collect the data. But a deeper investigation would certainly yield deeper insights into the process we just uncovered partially.

According to Thompson and Loughheed (2012), women are more often active on Facebook than men and due to this have increased anxiety for social media. While my study did not measure the amount of anxiety one feels from social media, it did find that women tend to spend more time on Facebook than men much like Thompson and Loughheed stated. Forty-seven percent of males used Facebook daily while 62% of women use Facebook on a daily basis. What is surprising about the results when comparing men and women's Facebook tendencies is the smaller influence Facebook communities have on women than men. Although women said that they used Facebook more often than men on a daily basis, they were less likely to be influenced by Facebook communities when purchasing a product online than their male counterparts. However, women tend to contradict this statement when they are later asked how often they purchase items after hearing about it on Facebook and 59% say that they sometimes do. In comparison, a smaller percentage of men say the same. Studying why this is the case would be an interesting item to cover in further research.

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