

**A STUDY ON THE FACTORS INFLUENCING CONSUMERS ON
BUYING PRODUCTS THROUGH SOCIAL MEDIA IN CHENNAI**

Submitted in partial fulfilment of the requirement for the award of
BACHELOR OF BUSINESS ADMINISTRATION

BY

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**BACHELOR OF BUSINESS ADMINISTRATION
SCHOOL OF MANAGEMENT STUDIES**

SATHYABAMA

**INSTITUTE OF SCIENCE AND TECHNOLOGY
(DEEMED TO BE UNIVERSITY)**

**Accredited with Grade "A" by NAAC | 12B Status by UGC | Approved by
AICTE Jeppiaar Nagar, RAJIV GANDHI SALAI, CHENNAI – 600119 .**

APRIL 2022



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BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of **Balaji .V (39280005)** who has done the Project work entitled **A STUDY ON FACTORS INFLUENCING CONSUMERS ON BUYING PRODUCTS THROUGH SOCIAL MEDIA IN CHENNAI** under my supervision from December 2021 to March 2022.

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DECLARATION

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ACKNOWLEDGEMENT

I am pleased to acknowledge my sincere thanks to the Board of Management of **SATHYABAMA INSTITUTE OF SCIENCE AND TECHNOLOGY** for their kind encouragement in doing this project and for completing it successfully. I am grateful to them.

I convey my thanks to **Dr Bhuvaneswari. G, MBA., PhD, Dean – School of Management Studies** and **Dr Palani.A, M.COM., M.Phil., MBA., PhD, Head of School of Management Studies** for providing me necessary support and details at the right time during the progressive reviews.

I would like to express my sincere and deep gratitude to my Project Guide. **Dr. Shetty Deepa Thangam Geeta M.Com.; B.Ed; PhD Assistant Professor, School of Management Studies** for her valuable guidance, suggestions and constant encouragement paved way for the successful completion of my project work.

I wish to express my thanks to all Teaching and Non-teaching staff members of the School of Management Studies who were helpful in many ways for the completion of the training.

BALAJI.V

TABLE OF CONTENTS

CHAPTER NO	TITLE	PAGE NO:
	ABSTRACT	
	LIST OF TABLES	
	LIST OF FIGURES	
1	INTRODUCTION	1
1.1	INTRODUCTION	1
1.2	STATEMENT OF THE PROBLEM	2
1.3	OBJECTIVES OF THE STUDY	2
1.4	SOCIAL MEDIA	3
2	REVIEW OF LITERATURE	4-5
	REVIEW OF LITERATURE	4-5
3	RESEARCH METHODOLOGY	6
3.1	RESEARCH DESIGN	6
3.2	SAMPLING TECHNIQUE	6
3.3	SOURCES OF DATA	6
3.4	STRUCTURE OF QUESTIONNAIRE	7
3.5	SAMPLE SIZE	7
3.6	ANALYTICAL TOOLS	7
4	DATA ANALYSIS AND INTERPRETATION	8-17
4.1	PERCENTAGE ANALYSIS	8-16
4.2	HYPOTHESIS	17
5	FINDINGS,SUGGESTIONAND CONCLUSION	18-20
	FINDINGS	18
	SUGGESTIONS	19
	CONCLUSION	20
	REFRENCES	21-22

ABSTRACT

Most online shoppers indicate that they visit e-retail websites on a social networking site. Previous research shows that visiting websites influences consumers to buy products.

The purpose of the study is to develop an understanding of the factors which are influencing Consumers to buy products on Social Media in Chennai and to find what influences the level of customer satisfaction of shoppers on Social Media.

With the explosion of social media platforms within the interactive digital media realm and firms' magnified comprehension of the importance of getting loyal customers, the question of social media usage in developing client loyalty has become additional and additional distinguished.

Since social media permits corporations to have interaction directly with the tip client at a comparatively low value and with the next level of potency, it's notably necessary for little online branded retailers with restricted selling and PR budgets.

Keywords: Social Media, Marketing, Purchase intention, Consumers.

LIST OF TABLES

TABLE NO	TABLE OF CONTENTS	PAGE NO
4.1.1	DATA ANALYSIS OF GENDER	8
4.1.2	DATA ANALYSIS OF ADVERTISEMENT ON SOCIAL MEDIA	9
4.1.3	DATA ANALYSIS OF SOCIAL MEDIA INFLUENCE	10
4.1.4	DATA ANALYSIS OF SOCIAL MEDIA IS BETTER THAN OTHER	11
4.1.5	DATA ANALYSIS OF PAYMENT INFORMATIONS KEPT SAFE	12
4.1.6	DATA ANALYSIS OF PRODUCTS AVAILABILITY	13
4.1.7	DATA ANALYSIS OF CURRENTLY PURCHASED PRODUCTS	14
4.1.8	DATA ANALYSIS OF BUYING DECISION	15
4.1.9	DATA ANALYSIS OF YEARS OF SHOPPING ON SOCIAL MEDIA	16
4.2.1	ANOVA ANALYSIS	17

LIST OF FIGURES

CHART NO	TABLE OF CONTENTS	PAGE NO
4.1.1	DATA ANALYSIS OF GENDER	8
4.1.2	DATA ANALYSIS OF ADVERTISEMENT ON SOCIAL MEDIA	9
4.1.3	DATA ANALYSIS OF SOCIAL MEDIA INFLUENCE	10
4.1.4	DATA ANALYSIS OF SOCIAL MEDIA IS BETTER THAN OTHER	11
4.1.5	DATA ANALYSIS OF PAYMENT INFORMATIONS KEPT SAFE	12
4.1.6	DATA ANALYSIS OF PRODUCTS AVAILABILITY	13
4.1.7	DATA ANALYSIS OF CURRENTLY PURCHASED PRODUCTS	14
4.1.8	DATA ANALYSIS OF BUYING DECISION	15
4.1.9	DATA ANALYSIS OF YEARS OF SHOPPING ON SOCIAL MEDIA	16

CHAPTER - 1

1.1 Introduction

Social media influence is a marketing term that describes an individual's ability to affect other people's thinking in a social online community. The more influence a person has, the more appeal that individual has to companies or other individuals who want to promote an idea or sell a product.

Companies can harness social media influence to help generate brand awareness, sell inventory and increase customer engagement. This can be done by implementing a marketing strategy that focuses on increasing the company's own social media influence or by hiring established, trustworthy influencers in the space.

According to the Deloitte report, 29% of social media users are more likely to make a purchase on the same day of using social media. That means that once they see a product, they simply click on the link and buy it: there's no need to wait before they go shopping. Moreover, the same report states that consumers who are influenced by social media are four times more likely to spend more on purchases.

The customer journey is not just shorter but it's also more complicated now. Social media has made product research more accessible to users. For example, if your customer sees a product on Instagram, they can immediately search the hashtag to look up other reviews and decide whether they should buy it or not. As a result, customers spend more time on research and check more sources for reviews.

1.2 Statement of the Problem

- The purpose of this study is to research what are the factors influencing consumers on buying products through social media in Chennai.
- The question of social media usage in developing customer loyalty has become more and more prominent.
- Since social media allows firms to engage directly with the end consumer at a relatively low cost and with a higher level of efficiency, it is particularly important for small online branded retailers with limited marketing and PR budgets.

1.3 Objectives of the research

Primary Objectives:

To analyze the factors influencing consumers on buying products through social media in Chennai

Secondary Objectives:

To examine the efficiency of product delivery on Social media platforms in Chennai.

To analyze the Product quality available on social media platforms in Chennai.

To determine the Risk factors on the social media platforms.

To measure the availability of goods and time taken for ordering products on the social media platform.

1.4 Social Media

Social Media is a computer-based technology that facilitates the sharing of ideas and information and the building of virtual networks and communities. By design, social media is internet based and offers users easy electronic communication of personal information and other content, such as videos and photos. Users engage with social media via computer, tablet or smartphone via web-based software or web application, often utilizing it for messaging.

Social media originated as a tool that people used to interact with friends and family but was later adopted by businesses that wanted to take advantage of a popular new communication method to reach out to customers. The power of social media is the ability to connect and share information with anyone on Earth (or multitudes of people) as long as they also use social media.

Social media can take the form of a variety of tech-enabled activities, such as photo sharing, blogging, social gaming, social networks, video sharing, business networks, virtual worlds, reviews and more.

Social media's role in helping businesses is significant. It facilitates communication with customers, enabling the melding of social interactions on e-commerce sites. Its ability to collect information helps focus marketing efforts and market research. It helps in promoting products and services, as it enables the distribution of focused timely and exclusive sales and coupons to would-be customers. And it can assist in relationship building, such as through loyalty programs linked to social media.

Social media is a series of websites and applications designed to allow people to share content quickly, efficiently and in real-time. Most people today define social media as apps on their smartphones or tablet, but the truth is, this communication tool started with computers. This misconception stems from the fact that most social media users access their tools via apps. In fact, 50% of online users never engage on social media.

CHAPTER - 2

2.1 REVIEW OF LITERATURE

Social networks are influenced in terms of consumer behaviour on communication and purchasing habits in five different ways such as procurement of purchase-related data from one to another consumer to reduce the risk considerably, comparing and evaluating different products and brands by using social orientation, Communal association among the groups to admire different products and brands (Hennig- Thureau and Walsh, 2003).

Social media and different online social networks provide an opportunity for consumers where they can exchange their views, suggestions, experiences and recommendations with other existing and potential consumers (Kim and Srivastava, 2007).

Social media is a powerful approach for thoughtful and interconnecting with consumers (Ronald T Rust, 2010). Social media helps dealers to express openly with their target people. This is for the reason that customers get whole information about products and can also relate it with diverse products that lead to brand commitment. The mobile phone users and internet users are increasing so the people tend to have an impact on the purchasing of the products. In purchasing decisions of consumers, Social media has an important role (Mehmood Rehmani, 2011). In order to be influenced by Gen-next users in India, their brand selections, buying behaviour and lifestyle design would vary, resulting in their social media. Dealers must execute a well- made promoting campaign for piercing the new media section (Amrita Pani, 2011)

Mahamudul Hasan & Md. Rasel tribal sheikh (2018) has created the analysis to spot and analyze the factors that have an effect on the perspective toward social promoting that ar travel by social media. The researchers have conducted a survey on 201 collegian students from 3 public universities in southern regions of East Pakistan. The study additionally showed that perspective toward social

promoting through social media has a vital positive impact on 'Being suffering from social promoting campaigns through social media.

Michael Pütter (2017) stated that the use of social media has increased drastically. This has led to social media being considered a powerful tool for consumer engagement. Companies are continuously looking for new methods for connecting to consumers and shaping consumer behaviour, including building brand loyalty and influencing the customers' purchase intentions.

Krieger (2012) opined that Instagram is witnessing huge growth as a social media platform. Over 16 million photos are usually shared among users on Instagram. One can easily recommend, share, or send direct messages about the product or service to the user. People consider the information provided in the comments section reliable. Moreover, users of Instagram are highly influenced if the brand provides cash on delivery (COD).

Darden and Reynolds (2011) noted that sharing information after the purchase is integral for the consumer. By sharing information, one can refer the product to other users. In this process, the brand gets recognition. Sharing information on the social media platform is considered as electronic word of mouth (E- WOM) for those who want to buy a product. Therefore, social media is considered a business tool for various brands as well as a platform for product-related information transactions.

Han and Han (2011) found that the internet provides customised advertisements depending upon their past data or activity. Through profiling performed by social media websites, customised advertisements appear to users based on their specific interests and likings. This enhances user intention for searching as well as purchasing products. Bennett, Owers, and Tucker (2010) opine that the emergence of social media has helped an individual to connect, has provided a platform for entrepreneurship ventures besides offering information of all kinds.

CHAPTER-3

Research methodology

3.1 Research Design

The Research design undertaken for the study is descriptive Research Design. A study, which wants to portray the characteristics of a group or individuals or situation, is known as a Descriptive study. It is mostly qualitative in nature.

3.2 Sampling Technique

A convenience sample is one of the main types of non-probability sampling methods. A convenience sample is made up of people who are easy to reach.

3.3 Sources of Data

Primary Data

Data that is collected for the first time is called **Primary Data**. Well, Structured Questionnaires have been prepared for the collection of primary data.

Secondary Data

Secondary data refers to data that was collected by someone other than the user. Common sources of secondary data are Internet, various books and websites.

3.4 Structure of Questionnaire

In this research only closed-ended questions are used. Closed questions provide respondents with a list of options from which they choose.

3.5 SAMPLE SIZE

Sample size means the number of sampling units selected from the population for investigation. It helps to achieve the objective of the research. The sample size taken for the study is 233 .

3.6 Analytical Tools

The Analytical Tools used in SPSS are,

- ANOVA

CHAPTER-4

Data Analysis and Interpretation

4.1 PERCENTAGE ANALYSIS

Table 4.1.1

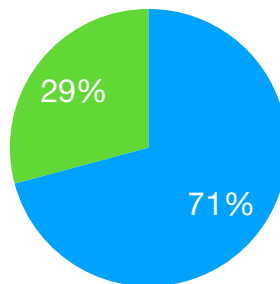
Gender wise classification of the respondents

S.NO	Respondents	No.of .responde	Percentage
1	Male	165	71%
2	Female	68	29%
Total		233	100

Source: Primary data

Chart - 4.1.1

● MALE ● FEMALE



From the above table it is interpreted that the number of male respondents is 71% and female respondent is 29%.

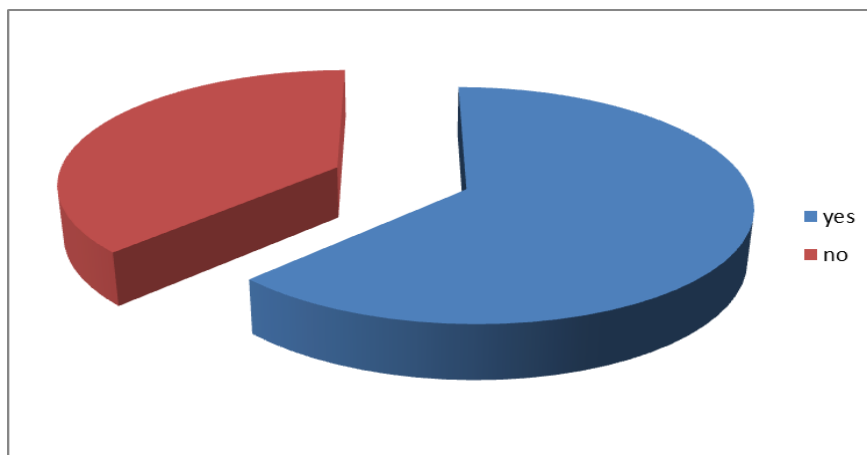
Table 4.1.2

Consumers pay attention to advertisements on social media websites

	Respondents	Percentage
YES	146	62.6%
No	87	37.4%
Total	233	100

Source: Primary data

Chart 4.1.2



Out of 233 responses, 62.6% respondents are paying attention to advertisements on social media whereas 37.4% respondents are not paying attention to advertisements on social media. Therefore it can be concluded that still advertisements on social media are not very attractive and failed to attract the attention of the audience. It attracts only 63 per cent whereas more than 37 per cent of the audience does not pay attention to advertisements on social media websites. So it can be concluded that still, social media is not powerful media for advertising though to some extent it influences the buying decision of the consumer.

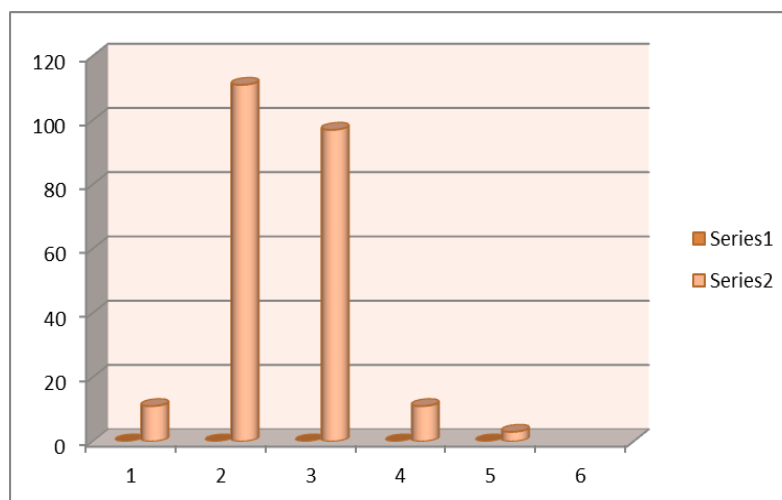
Table 4.1.3

Social Media influence your buying decisions

	Respondents	Percentage
Strongly agree	11	4.7%
Agree	111	47.6%
Neutral	97	41.7%
Disagree	11	4.7%
Strongly disagree	3	1.3
Total	233	100

Source: Primary data

Chart 4.1.3



From the above diagram it is clear that out of 233 responses 4.7% plus 47.6% that is 122 respondents agree that social media influence their buying decisions, 41.7% respondents are neither agree nor disagree with the statement that is they are neutral, and 4.7% plus 3 that is only 1.3% respondents out of 233.

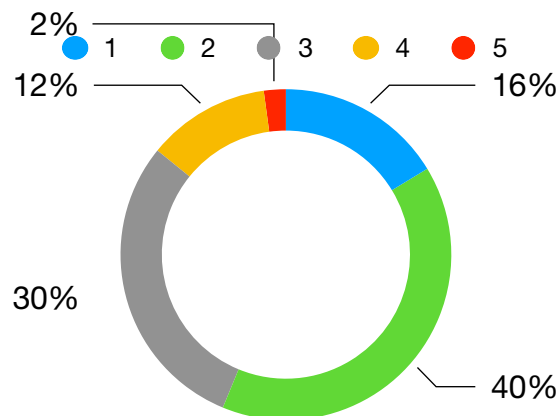
Table 4.1.4

Social media platform is better than other online shopping websites.

S NO	Particulars	No. of Respondents	Percentage
1	Strongly Agree	38	16.3%
2	Agree	93	39.9%
3	Neutral	69	29.6%
4	Disagree	28	12.1%
5	Strongly Disagree	5	2.1%
Total		233	100

Source: Primary data

Chart 4.1.4



From the above table it is interpreted that the number of respondents Strongly Agree is 16.3%, Agree is 39.9%, Neutral is 29.8%, Disagree is 12.1% and Strongly Disagree is 2.1%

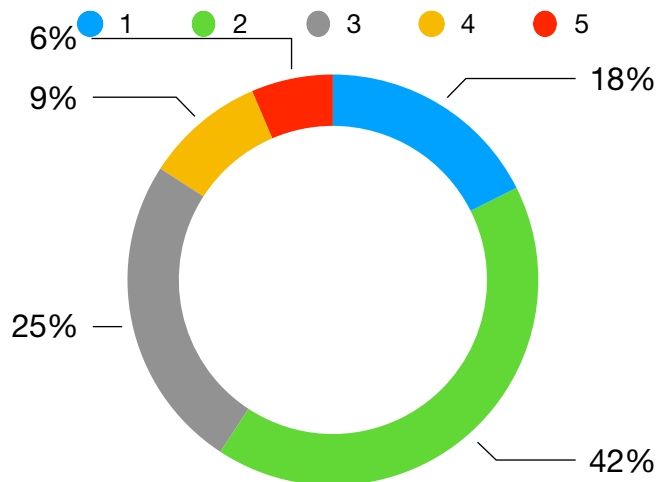
Table 4.1.5

Payment information's kept safe

S.NO	Particulars	No. of Respondents	Percentage
1	Strongly Agree	41	18%
2	Agree	97	42%
3	Neutral	58	24.9%
4	Disagree	22	9.5%
5	Strongly	15	6.4%
Total		233	100

Source: Primary data

Chart 4.1.5



From the above table it shows that the number of respondents Strongly Agree is 18%, Agree is 42%, Neutral is 24.9%, Disagree is 9.5% and Strongly Disagree is 6.4%

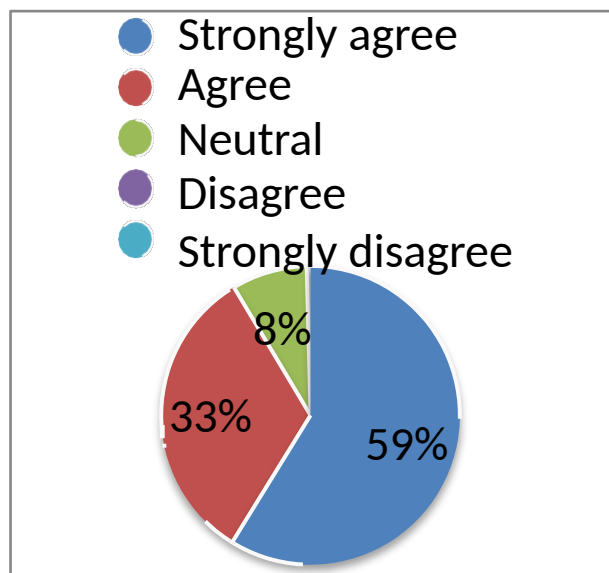
Table 4.1.6

Variety products are available on social media.

S NO	Particulars	No. of Respondents	Percentage
1	Strongly Agree	137	58.8%
2	Agree	76	32.6%
3	Neutral	19	8.1%
4	Disagree	1	0.4%
5	Strongly Disagree	0	0%
Total		233	100

Source: Primary data

Chart 4.1.6



From the above table it shows that the number of respondents Strongly Agree is 58.8%, Agree is 32.6%, Neutral is 8.1%, Disagree is 0.4% and Strongly Disagree is 0.

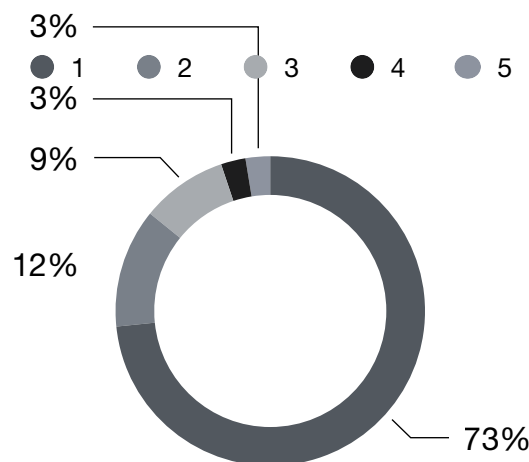
Table 4.1.7

Products you purchased currently influenced by advertisements on social

S NO	Particulars	No. of Respondents	Percentage
1	1 to 5	171	73.3%
2	5 to 10	29	12.4%
3	More than 10	21	9.1%
4	Almost everything	6	2.6%
5	Nothing	6	2.6%
Total		233	100

Source: Primary data

Chart 4.1.



Out of 233 responses 171 respondents purchase 1 to 5 products recently, 9 respondents purchase 5 to 10 products, and 6 respondents purchase almost everything and remaining 6 respondents purchase nothing, so it can be concluded that almost 97% of respondents purchased currently influenced by advertisement on social media.

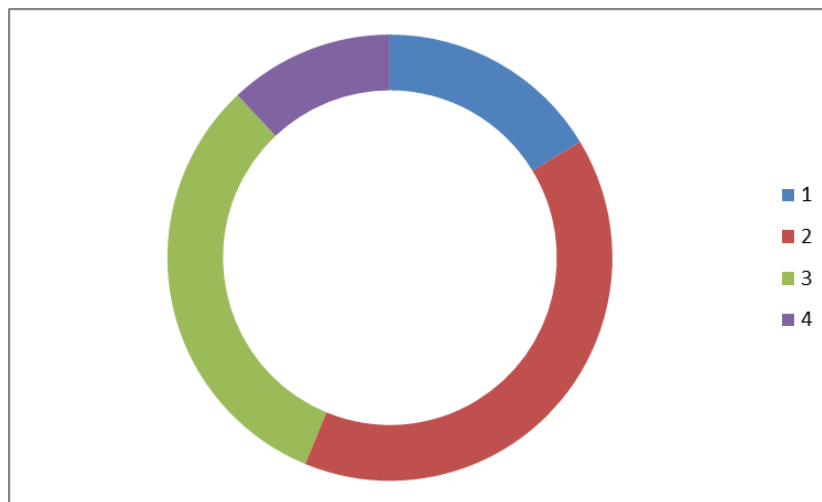
Table 4.1.8

Preferred source of information for your buying decision

S NO	Particulars	No. of Respondents	Percentage
1	Company's website	38	16.3%
2	Social Media	93	39.9%
3	Friends & Relatives	74	31.7%
4	Advertisements	28	12.1%
Total		233	100

Source: Primary data

Chart 4.1.8



Out of 233 respondents 93 respondents preferred social media as a source of information for their buying decision, 38 respondents prefer company's website, 28 prefer advertisement and 74 respondents relied on their friends and relatives for information, therefore it can be conclude that nearly 40% of respondents preferred social media whereas 32% respondents preferred friends and relatives for information, so social media play crucial role in providing information to customer before buying decision.

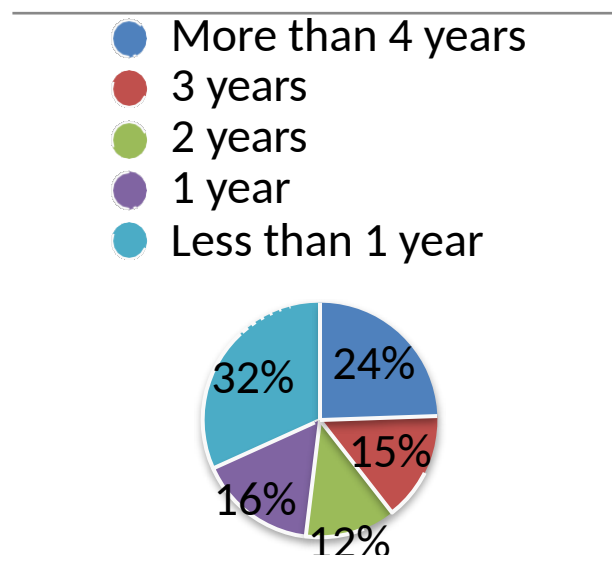
Table 4.1.9

Years of shopping on social media of the respondents

S.NO	Particulars	No. of Respondents	Percentage
1	More than 4 Years	57	24.4%
2	3 Years	35	15.1%
3	2 Years	29	12.4%
4	1 Year	38	16.3%
5	Less than 1 Year	74	31.7%
Total		233	100

Source: Primary data

Chart 4.1.9



Out of 233 respondents have More than 4 Years of shopping in social media is 24.4%, 3 Years is 15.1%, 2 Years is 12.4% 1 Year is 16.3%, Less than 1 Year is 31.7%.

4.2 HYPOTHESIS

ANOVA ANALYSIS -

Null Hypothesis (H_0) – There is no statistical significant difference between Gender and Social Media's factors influencing the Buying decision.

Alternative Hypothesis (H_1) – There is statistical significant difference between Gender and Social Media's factors influencing the Buying decision.

TABLE : 4.2.1

<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	55.68182	1	55.68182	20.01634	0.000232	4.351244
Within Groups	55.63636	232	2.781818			
Total	111.3182	233				

From the table (number of the table) it can be interpreted that there is relationship between gender and Social Media's factors influencing the Buying decision as significant value is less than 0.05.

CHAPTER - 5

FINDINGS,SUGGESTION AND CONCLUSION

FINDINGS

- Majority (71%) of the respondents are Male.
- Majority (62.6%) of pay attention to advertisements on social media websites.
- Majority (31.7%) of the respondents says shopping on Social media for less than 1 Years.
- Majority (47.6%) of the respondents says Social Media influence your buying decisions
- Majority (39.9%) of the respondents says social media platform is better than other online shopping websites.
- Majority (41.6%) of the respondents says Agree for Payment information's kept safe.
- Majority (39.8%) of the respondents says preferred social media sources for buying decisions.
- Majority (73.3%) of respondents purchased 1 to 5 products currently after influenced by social media.
- Majority (58.3%) of respondents agree that variety of products are available on social media.
- Therefore Most of the respondents are highly influenced by social media.

SUGGESTION

- Companies are increasingly investing in social media to attract and engage customers to buy products through social media.
- Retailers on Social media should follow the strategies sometimes in general and sometimes based on demographics. As there is no difference of opinion among males and females on online shopping parameters as well as customer satisfaction dimension, which are highly important and preferable by consumers in Chennai.
- Retailers on Social media can develop 'Community Building' by messaging, discussion forums, ratings and interaction with like-minded groups of customers. This will help for building customer relationships and retaining loyal ones.
- Consumers should be educated in terms of procedures and policies of online shopping in their local languages for the same e-marketers should provide proper steps to educate them, "Think Global and Act Local" strategy will help them to reach every corner of India.

CONCLUSION

Now a day's business today is changing from a transactional relationship to a social relationship. The study clearly states that social media marketing leads the variety of products to reach the customers of different gender, different life style, based on their affordability. Few products which are not available on other online shopping websites are offered in the social media with different variety and also with discounts. Regular customers of social media are aware of the different schemes and also the time during with product will be available to grab the products of their demand. So, social media plays a vital role in deciding the healthy and also the sales of products.

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