Dissertation Report on

IMPACTS OF SOCIAL MEDIA ON CONSUMER BUYING BEHAVIOR

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April-May 2014

CERTIFICATE FROM THE INSTITUTE

This is to certify that the Project Report titled **"IMPACTS OF SOCIAL MEDIA ON CONSUMER BUYING BEHAVIOR"**, is a bonafide work carried out by Mr. Dinesh Pal of MBA 2012-14 and submitted to Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-42 in partial fulfilment of the requirement for the award of the degree of Masters of Business Administration.

Signature of Guide   Signature of Head
                                                                    (DSM)

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Place

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DECLARATION

I **<u>DINESH PAL</u>**, student of MBA 2012-14 of Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-42 declare that Dissertation Report on **"IMPACTS OF SOCIAL MEDIA ON CONSUMER BUYING BEHAVIOR"** submitted in partial fulfilment of Degree of Masters of Business Administration is the original work conducted by me.

The information and data given in the report is authentic to the best of my knowledge. This report is not being submitted to any other University for award or any Degree, Diploma and Fellowship.

Dinesh Pal

Place

Date

<u>ACKNOWLEDGEMENT</u>

I have definitely put my efforts in this project. However, it would not have been possible without the kind support and help of many other individuals. I would like to extend my sincere thanks to all of them.

I would like to express my gratitude to all the users of social media who took out time to help me getting insights and for their kind co-operation and encouragement in giving feedback which helped me in completion of this project.

I am highly indebted to **Dr. Rajan Yadav** (Associate Professor Delhi School of Management, DTU), for guiding me in preparing and analysing this project report, by sharing his experience and domain knowledge.

I also extend my sincere gratifications and appreciations to my **Parents, Faculty of Delhi School of Management and my classmates** in providing a constant background support, blessings and encouragement which proved to be a catalyst in the completion of my work.

Last but not the least, I thank all the participants who provided a part of their very valuable time and took all the pain in providing genuine data and feedback which helped me in smoothly carrying out my project.

DINESH PAL

Place

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EXECUTIVE SUMMARY

On a daily basis in present-day, 100,000 tweets are sent, 684,478 pieces of content are shared on Facebook, 2 million search queries are made on Google, 48 hours of video are uploaded to YouTube, 3,600 photos are shared on Instagram, and 571 websites are created.

The advent of social media has created a new landscape which lays out a new grid of personal connections. Businesses see enormous opportunities and are eager to tap into the trend, whereas consumers are put back to the center in the business world because of social media. There are many studies explaining reasons to tap into social media and to help companies to gain a better position in the transition; yet a few intends to study from the perspective of consumers, let alone those in Finland. Oftentimes, consumers feel differently from what marketers think, for instance what "brand engagement" via social media looks like to consumers may not be quite what marketers think.

The objective of the research is to explain why, when, and how social media has impacted on consumer decision process. The theoretical framework rests on literature of consumer decision making process, social media, as well as previous studies relating to social media marketing. Quantitative research method is adapted for the purpose of this research. The empirical data was gathered by sending out questionnaire to individuals in India, March-April 2014.

This research gives explanation on how individuals are attending, processing, and selecting the information on social media before a purchase. The findings indicated that individuals pursue an active role in information search on social media comparing to mass media, yet information exposure is selective and subjective during the course of information search. Moreover, the empirical part of the research strives to provide insights to any companies that are trying to shift to or are currently participating in the new marketing trend.

Findings and conclusions presented in the research are only valid within the population selection and cannot not to be generalized elsewhere due to the differences in environmental factors.

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1 INTRODUCTION

> "Traditional marketing is not dying – it's dead!"
> (Zynman 1999)

The emergence of Web 2.0 is one of the most formidable development in the history of commerce. *Social media*, another buzzword that came along with, is an evolution based on the Web 2.0, where not only it encourages user-generated contents, but also extends the focus to the users by allowing them to exhibit contents to share among networks.

This particular technical revolution during the last decade has drastically revolutionized the traditional marketing approaches and brought marketers to a new era. In the new marketing era, the social media has likely to revolutionize the *relationships* marketers have with retailers, channels of distribution, their ultimate consumers, etc. It is an Information Age, and consumers are inundated with overwhelming quantities of information each and every day.

Based on the findings from McKinsey (2011), it has revealed that when companies go about their business and interact with individuals, they are generating a tremendous amount of digital "exhaust data," i.e., data that are created as a by-product of other activities. Social media sites, smartphones, and other consumer devices have allowed billions of individuals around the world to contribute to the amount of big data available. (McKinsey 2011.)

By looking at the enormous amount of social media campaigns, e-commerce websites, sales emails, forums, etc., it appears that companies of all sizes have been translating their marketing approaches to the Internet because of its *accessibility* to their target audience and the money required to do so. (Chui and Manyika 2012.) By contrast, the traditional advertising approach of mass media communication, for instance newspaper, magazines, and televisions, aims at

Conveying messages to a broader group of audience in the hope of reaching the few interested ones.

Traditional advertising via mass media is on decline; Sergio Zyman (1999), former Chief Marketing Officer, Coca Cola, believes, "The era of marketing as we have known it is over, dead, kaput – and most marketers don't realize it…" he further clarifies that technology has given people many more options than they had in the past and has created a *consumer democracy* in which people around the world constantly use social-media platforms to *seek and share information* from discussing consumer products to organizing political movements (see Chui and Manyika 2012).

With more stimuli bombardments, individuals are more cautious and adept in allocating attention to information; thus it is essential for marketers to find the reasons that speak to particular customers' concerns, and to seek ways to speak to customers *individually*, or in smaller communities (Zyman 1999). Internet offers favorable solutions to marketers these days. Marketing through social media would be an alternative perspective of interfacing with individuals, and yet the most influential applications of social technologies in the global economy are largely untapped (Chui and Manyika 2012).

Social media puts consumers back to the center of the business world and provides marketers a new set of tools to *interact* with consumers and to *integrate* them into the brands through innovative ways. In essence, marketers have to understand how the social media has influenced consumer buying behavior.

1.1 Objectives of the Research

Consumers and businesses around the globe have been more connected than ever before with the presence of Internet. An average Internet user has 669 social ties (Hampton et al. 2011); Facebook has more than 600 million daily active users, with over 1.5 million business pages (Facebook 2013), and 30 billion pieces of content shared on a monthly basis (McKinsey 2011).

Approximately 500 million Tweets sent per day, at about 600 Tweets per second (Tweeter 2012). LinkedIn has more than 225 million professionals worldwide, including all Fortune 500 companies (LinkedIn 2013). The global average time spent per person on social networking sites is 6.9 hours per month (Delaney and Salminen 2012). Changes in consumer behavior due to social media are one of the most intriguing aspects in the contemporary marketing.

Acknowledging that consumer behavior is a relatively general and broad topic, which it would be challenging for the researcher to gather, inspect and conclude all the necessary data and findings into one research; thus, the researcher has narrowed down the focus in association with the decision making process, which associates with marketing through social media. The objective of the research is to explain *why, when, and how* social media has impacted on consumer decision making process. Besides, perhaps, with this particular perspective the research holds, it can help to identity what are the opportunities and pitfalls companies are facing with this impact on consumers' decision making in order to seize and embrace the possibilities in the new marketing era.

***Research Questions*:**

1. How do consumers attend, process, and select the information before a purchase?

2. What are the differences between marketing on social media and through mass media?

3. What are the changes social media has brought to consumers in different stages of their decision making?

1.2 Scope and limitation of the Research

With regard to the objectives, conducting the research from the perspective of consumers would be a considerably suitable approach. The researcher realizes that there are many available reports and studies which rather aim to help

businesses to gain a better understanding in social media marketing but not to help consumers to identify reasons that social media has changed their decision making process. Since the purpose of marketing is, in sum, about consumer; therefore, by having the starting point from the perception of consumer, and by collecting data from consumers' point of view, fresh insights can be gathered.

The research also aims to serve as an indicator to potential readers (companies) of how they can tab into the decision making process via social media sites.

Factors, such as technology, infrastructure, cultural values, norms, and so fourth, across continentals are different, the implication of this research may vary in countries accordingly; therefore, the research targets at a geographical area, Finland, where individuals share a similar background within a standardized infrastructure. The research focuses on the behavior of end consumers (individuals) and particularly within the retailing industry, for instance clothing, food and beverage, consumer electronics, and so on.

Moreover, in order to provide a more comprehensive perspective concerning the decision making process, the researcher has discussed *the five-stages buying model and the information processing theory*, because the former theory explains the stages in decision making process clearly whereas the latter one denotes the psychological factors during the process- they are closely linked with one another based on their objectives.

Social media marketing is no longer a new aspect, and yet it is still considerably a developing and evolving topic in the field. With a quick literature scan on the related topic, indeed there are vast amount of journals and articles, but with few scientific/academic research and classical literatures about social media marketing associating with changes of consumer behavior. Thus, this would be another limitation of the research that the discussion on the topic is rather in a general manner.

1.3 Research Structure

The first chapter introduces and highlights the research background, the motivation of the researcher, as well as the research questions. In order to answer all three questions, literature review is covered by three chapters – consumers, social media, as well as consumers and social media.

Decision making process is discussed elaborately so as to provide the components involved in the process before an actual purchase taken place, and how consumers can be affected during the course of the information processing before a purchase. With the purpose of identifying what are the core values that social media has offered to both marketers and consumers, as well as how marketers are utilizing social media in marketing, clarifications in terms of social media, types of social media sites, as well as discussions in relating to social media marketing are covered in Chapter 3. In the last chapter of the theoretical framework, the relation between social media and consumer decision making process is discussed.

As for the empirical part, reasons of selected approach and the data collection process are explained in details in order to provide the reliability and validity of the research. Findings form the collected data are analyzed in associating with the discussed theories in the theoretical framework in Chapter 5. Last but not least, conclusions are drawn for the research questions, and suggestions are made for any further research in future.

2 CONSUMER

2.1 The Consumers

Consumers are *actors* on the marketplace stage. Consumers, in general, can be referred as individuals who purchase or consume products and services; however, in terms of *buyer* and *consumer*, there is a slight difference. *Buyers* are the people who are acting either as ultimate, industrial, or institutional purchasers. The latter one, *consumer*, refers to individuals who purchase for merely *ultimate use*, which is more *restrictive* in terms of meaning (Sternthal and Craig 1982); that is, the *end-users* for whom the products or services are ultimately designed for.

2.2 Consumer Decision Process

Inevitably, businesses encounter bottlenecks where the message is not reaching their consumers and prospects, with the fact that, at times, consumers and prospects are facing significant blocks in their decision process. If not, each of them should be fully committed, loyal, enthusiastic, repeated consumers; however, this is not the case. Today the *accessibility and transparency* of information has profoundly influenced the decision making process; therefore, it is important to examine what are the hurdles and fiction points that hold prospects becoming consumers, or keeps consumers hesitating from repurchasing. (Silverman 2001.)

Figure 1. The 5-Stage Decision Making Model (Silverman 2001.)

Engel, Kollat, and Blackwell (EKB) have presents a comprehensive model dealing with *ultimate consumer's behavior* in 1978, which attempts to capture

the critical aspects of individuals' consumption behavior. As the figure (Figure 1) shows, the model has interpreted consumer behavior into five stages – *1) Problem recognition, 2) search of information, 3) evaluation of alternatives, 4) final decision, and 5) post purchase decisions.* (Sternthal and Craig 1982)

2.2.1 **Problem Recognition**

Problem recognition takes place whenever a consumer recognizes a significant difference between the desired and the actual state of affairs, which is in sufficient magnitude to *arouse and activate* the decision process (Solomon, Bamossy and Askegaard 2002), or need triggered by internal or external stimuli. After the realization of a problem, it initiates the search for information before any typical buying action.

When an individual is triggered externally, for instance, a person may see a television advertisement for a vacation, the stimuli triggers thoughts or ideas about the possibility of making a purchase (Kotler and Keller 2009). Nowadays, *the mass media is no longer the only source of information, which may serve as a trigger of a purchase to individuals.* As a result, consumers are exposed to vast amount of information, in order to get through the consumer's *filter* , marketers have to identify a claim or promise about their services or products, which are strongly penetrative. Filter, in this case, is a fact of being *overlooked* because of too much information competing in the marketplace (Silverman 2001).

2.2.2 **Search of Information**

The final purchase decision *will not be made at once*, even when individuals acknowledge, recognize their problems, and pay attention to the available products; likewise, when prospects have a certain interest in a product or service, they tend to go through the following steps before carrying out any action – *identifying available options, studying information of selected options, and eventually judging* which of these options can most likely deliver the best outcome (Silverman 2001).

The information sources can be divided into two types: *internal and external*. Internal search indicates former information and experience of an individual will result in future behavior that the consumers will be likely to take (Solomon, Bamossy and Askegaard 2002). Even when a consumer is attentive towards a marketing offer, it does not imply that the offer will be comprehended as intended; therefore, aside from the accumulated information, any information or message that is generally analyzed and stored in the consumers' memory in forms of certain meaning will be used to evaluate alternatives. Essentially, competitive brands provide alternatives for consumers who are willing to find the best solution to their problems or needs, even they may offer same products or services.

2.2.3 Evaluation of Alternatives

Once an option is identified as the *best/suitable solution* according to the individual's needs after accumulating sufficient information, they undertake alternative evaluation (Sternthal and Craig 1982, 46). Depending on their motives or goals, consumers establish a criteria for evaluating choice alternatives (Sternthal and Craig 1982, 46), for instance which alternative is the simplest to use or to arrange, or what are *other users' experiences*, because there is a need to confirm whether or not the information is reliable and to verify that the product will work out as anticipated. (Silverman 2001.)

In order to ensure the outcome within the expectation, individuals require relevance of *experience. Direct and indirect experience*, which individuals, serve as indicators during the buying process. Direct experience is not always preferred since individuals are inexperienced towards specific products, which may result using it in an unskilled manner and have negative experience with it. Most often, if negative experiences take place, they are most likely to be costly (both financially and time), risky, or even damaging to reputation. (Silverman 2001.)

After the assessment of the choice alternatives, consumers *formulate beliefs* regarding the alternatives, which guide their *attitudes, intentions, and ultimately*

their choice among alternatives (Sternthal and Craig 1982, 46). Besides, several studies have provided evident findings that the decision maker will increasingly seek ways to simplify the evaluation process when a decision becomes more complex (Bruner, Goodnow and Austin 1956; Association for Psychological Science 2008).

2.2.4 **Final Decision**
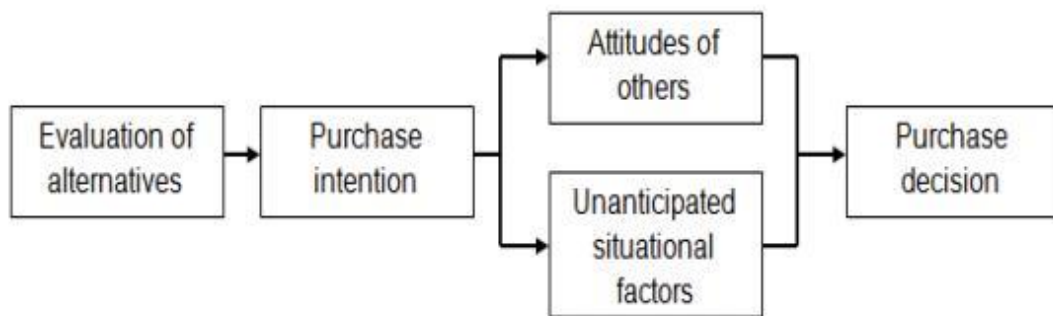
Figure 2. Steps between evluation of alternatives and a purchase decision (Koter & Keller 2009, 172).

Kotler and Keller (2009) have suggested that during the course of evaluation, consumer eventually forms preferences among the brands in the choice desk, however, there are two factors, which can interfere between the purchase intension and purchase decision – attitude of the others and unanticipated situational factors (172).

Attitudes of others is the extent to which *another person's negative attitude towards the preferred alternatives or reluctance to meet the terms of supporting the purchase intention*, this may result in a readjustment of the consumer's purchase intention (Kotler and Keller 2009,172).

Likewise, Kotler (2009) has also stated that consumers are undoubtedly *influenced* by the *infomediaries who publish their evaluations* (e.g. customer reviews on Amazon.com, blogs, bulletin boards, and so on). Unanticipated situational factors refer to those may erupt to alter the purchase intention, for instance, there might come an unexpected purchase that is more urgent compared to the purchase the consumer was firstly stimulated to buy; in other

words, preferences and purchase intentions cannot be served as completely reliable predictors of purchase behavior. (Kotler and Keller 2009.)

The stages in the decision process are not followed sequentially, but rather in a *cyclically order*; that is, in reality there are loops, for instance *between information search and evaluation*, consumer learns about new criteria not previously considered (Bettman 1979).

2.2.5 Post Purchase Decision

After the consumption, the consumer then experiences certain levels of satisfaction or dissatisfaction, and evaluates the wisdom of the choice made in selecting the alternative. Two potential outcomes are derived from this phase – satisfaction or dissonance. When consumer experiences dissonance towards the purchase, the choice is 'devaluated' and the consumer begins the process of searching, obtaining information and evaluating other options for future buying decision, in which triggers new behavior. (Sternthal and Craig 1982).

It is a phase when the consumer decides whether or not to move from merely implementing the product to a *full adaption*; that is, whether to use the product repeatedly or repurchase or not. Since consumer always has a choice regarding the products priority, frequency of usage, and new circumstances of new uses. When individuals are comfortable in using a specific product *regularly*, they will *recommend* it to others from using the product as well. (Silverman 2001).

Stages in decision making involves many psychological factors, which the above *five-stages buying model* has failed to explicate; thus, the following discussion focuses on *attitude* and the psychological components mentioned in the *information processing theory* proposed by Bettman (1979).

2.3 Attitude

Personal attitude towards products and brands, has been underlined in the buying model, due to the fact that attitudes are closely related to consumers' *information process* in which judgments are presumably based.

There are other factors influencing the consumer buying decisions, yet attitudes regarding the product and brand are powerful predictors of the process and the *patterns of exposure* to information (Fennis and Stroebe, 2010, 112). Attitudes are learned through *past associations/experience*, through *trails*, as well as through **information processing**. It is composed of three elements – *cognitive, affective, and conative*. *Cognitive* refers to the awareness or knowledge, such as, a brand; *affective* are the positive and negative feelings associated with a certain brand; and *conative* is the intention to purchase (Smith 1993, 82).

In general, individuals, for whom marketers most likely want to persuade, are the most challenging to reach. Sternthal and Craig (1982) have implied few examples of a common observation such as Republicans are more likely to be exposed to Republican propaganda than Democrats, or nonsmokers comprise the majority of the audience for anti-smoking appeals, these evident investigations have provided the fact that **information exposure is selective**.

In other words, in response to the findings, individuals' initial opinions (attitudes) are important determinants of the information they will seek out; as people are prompt to seek information that is *consistent to their initial thought*, and keenly avoid those that encounters with it. (Sternthal and Craig 1982, 83.)

An attitude is usually learned from the result of a positive or negative experience, which the individual has with a certain product (Smith 1993, 82). In a review relating to the differences between attitudes based on direct or indirect experience, Fazio and Zanna (1981) have stated that attitudes based on indirect experience depends on the *expertise* and *credibility* of the source of information.

2.4   Information Process Theory

For the purpose of this research, information processing theory regarding the consumer choice has denoted how information is preformed, evaluated, and post-evaluated during the course of the deicison process. The framework is interpreted into six dominant components – *processing capacity, motivation,*

attention and perceptual encoding, information acquisition and evaluation, decision processes, and effects of consumption and learning (Bettman 1979).

2.4.1 **Exposure**

When consumers are exposed to information via mass media, it is considered as a passive process in respect of information processing. However, since the information is delivered in a faster rate, it tends to decrease consumers' attention and disrupt cognitive elaboration (Moore, Hausknecht, and Thamodaran 1986). Adversely, in situations where consumers typically *seek out information initiatively*, the perspective in viewing information is considered as an active approach (Sternthal and Craig 1982).

Sliverman (2001) has stated *"most prospects are unwilling to take in relatively low priority new knowledge"* in other words, information overload makes businesses harder to draw the attention of potential customers and to encode messages in their memories (Shapiro and Varian 1998). Also, buying decisions are often made very quickly, such as consumers are likely to reduce the dimensions they consider during brand choice under the pressure of time (Wright 1974, see Ratneshwar, Mike and Reitinger 1990). At this stage, it is crucial to outbreak the clutter/ noise. Individuals' attention must be drawn to the incoming information (Sliverman 2001, 69), in which attention serves as an essential "tuning" mechanism in the *active selection of information for additional processing* (Bargh and Pietromonaco 1982; Broadbent 1977; Kahneman 1973; Neisser 1976; see Ratneshwar et al. 1990).

The fact that human beings have a limited capacity for processing information is a very important notion, because it impacts the various components in the decision process; such components as motivation, attention, information search and retrieval, and so on are subjected to the constraints imposed by the processing capacity limitation (Bettman 1979).

2.4.2 **Motivation**

Bettman (1979) has hypothesized that choices are made to accomplish certain goals or purposes; thus, it is a crucial concept in any theory of consumer behavior (18). Since individuals make choices continually, therefore motivation impacts not only on the direction (affecting choice of one behavior over another) but also on the intensity of behavior (the capacity allocations on a particular activity).

2.4.3 **Attention and Perceptual Encoding**

Attention and perception are essence elements in explaining, partially, the selection of information to attend to. Once an individual is physically exposed to the presented information, the extent of the information reception depends upon the recipient's **attention** regarding the incoming information (Sternthal and Craig 1982, 88). In the perspective of psychology, *attention refers to the amount of mental effort or cognitive capacity allocated by an individual to the stimulus environment or task at hand* (Foxall et al.1998, 80). According to Sliverman (2001), in order for the information to be processed, the recipient must pay attention to it; in like manner to selective information exposure, *attention is selective*. Individuals are *highly selective* in the kinds of stimuli that they pay attention to – *focal attention*, and tend to neglect stimuli that are *nonfocal* (Fennis and Stroebe 2010, 51).

Focal attention is typically divided into two types – *voluntary and involuntary* (Kahneman 1973). Voluntary allocation of attention is, most often, impelled by the need to attain some goal or is driven by long-standing involvement with the product area (Foxall et al. 1998), for instance when individuals are hungry, they tend to pay attention to cues or seek related information in the environment that signal "*food*" (Fennis and Stroebe 2010, 51). Since voluntary attention is highly selective, thus it is commonly found marketers devoting vast amount of money and time in reaching involved consumer (Foxall et al. 1998). In contrary, involuntary attention is attracted by environment stimuli (Foxall et al. 1998), such as salience, vividness, and novelty (Fennis and Stroebe 2010, 51).

Sternthal and Craig (1982) describes attention can be enhanced by using a stronger signal to engage focal attention such as, in a consumer marketing perspective, using frequent advertising, or achieving concentrated distribution (louder noise being generated).

Individual tends to look for and see what they have expected, because interpretations of information are quickly constructed in consistent with concepts in memory, and interpretation of stimuli requires an actively analysis utilizing information stored in memory (Bettman 1979, 25). People tend to be drawn towards environment where a disproportionate amount of information *is consistent with their initial opinion*. Namely, individual typically live in a *community* with individuals who share the similar values and perspectives, and it caters to their lifestyle; hence, it is not surprising that individuals are unlikely be aware of information that is contradicted to their lifestyles.

Perceptual interpretation of stimuli will often influence the subsequent direction of attention – they are continually interacting. Since consumers are likely to respond to a louder noise, such as a novel stimulus, such events then lead to *interruptions* of current information processing. Bettman (1979) has further proposed two types of interrupting events, which seems most relevant to attention and perceptual encoding – *conflicts and learning about the environment.*

Individuals can have various responses to conflicts, for instance ignoring it, changing emphasis on certain criteria, search for new information, and so on. The second major interruption highlights that individuals may often *learn about the purchasing environment* even if it may not be relevant to current purchasing decision. Learning about the environment is aroused when a certain of external factor happens to attract the consumer's attention, for instance, consumer may be attracted by an "interesting" package. (Bettman 1979.)

Many researchers (Krugman 1965; McLaughlin 1965; Posner 1973) have studied about the phenomenon of learning about the environment (see Bettman 1979), it can be either with voluntary attention involvement or with little

conscious allocation of attention, however all findings refers to the basic idea that learning about the environment is closely tied to current goal (Bettman 1979).

2.4.4 Information Acquisition and Evaluation

Howard and Ostlund (1973) have stated that often times the *consumers' media selections of the information source are determinants of the information to which the consumers will be exposed* (see in Healey 1974); that is, in the situation, consumers may have their preferences regarding which online communities or blogs or so on whenever they seek for information.

Sternthal and Craig (1982, 83) have also indicated that consumers' information exposure is highly selective during the initial stage of information acquistion. When information is sought externally – for instance from friends, packages, advertising, and so forth, the actual external information found would significantly influence the future course of the search in which it may involve changing the goal, and redirecting attention and perceptual encoding.

There are many circumstances that will impact the decision regarding when the information search should be stopped, such as the *perceived costs* of obtaining information (e.g. time costs, effort required, or financial costs), the information *availability*, and the *value of the information* in helping to make a choice (e.g. credibility, experts' advice). As discussed previously, individuals may often learn about the environment, in which results in information intake unconsciously; in other words, individual is not actively searching for the piece of information. Advertising in this case is considered as an interruption that leads to a goal reordering – for instance, consumer may purchase a product, which is broadcasted on television.

Organizing the acquired information entails *the combination of the bits of information that the consumer has acquired* (Sternthal and Craig 1982, 89). During this stage, consumer *relates incoming information to his or her existing structure of beliefs and values* (Bettman 1979). Many studies (Bettman 1979;

Sternthal and Craig 1982; Fennis and Stroebe 2010) have proposed that the consumers' responses and reactions to the incoming information can affect the eventual impact of the information on the existing structure, in which whether the piece of information will be integrated, ignored, distorted, and so on.

Howard (1977) postulated (see in Sternthal and Craig 1982) that if the alternative desired is identified, then the consumer may search for information about prices and stores where that alternative is available, for instance the price levels, locations, service capabilities, and so on. Bettman (1979) has suggested that the relative information availability within the particular choice environment affects the type of information consumer seeks for. For example, he mentioned, particular alternatives may be only available at particular stores, or vise versa, which makes the search for the dealer be extensive (120).

One of the issues that have to be denoted in Bettman's (1979) findings is in regards of the influences on the source from which information is sought. In his findings, he has brought up the temporal patterns of source usage found in innovation search by Rogers (1962). Rogers (1962) states that mass media sources tend to be used during the earlier awareness and interest stages of adoption whereas word-of-mouth communication tends to be most used during later evaluation and trial stage (see in Bettman 1979).

2.4.5 Decision Processes

In general, decision process takes place throughout the course of selecting information and comparing purchase alternatives. Bettman (1979) has indicated that the decision process does not follow a sequential flow, but rather a cycling procedure; that is, if conflict arouses, attention and perceptual encoding may be redirected regarding the solution of the conflict, eventually it may result in a change of decision choice.

2.4.6 Effects of Consumption and Learning

The consumption of the purchased products will most likely serve as a source of information to the individual on future purchase decisions. Depending upon how

consumers interpret the outcomes they experienced, different inferences may developed accordingly regarding the cause of the outcome, which can result in differing actions on future purchases (Bettman 1979).

3 SOCIAL MEDIA

3.1   What is social media

Many researchers have come across the interchangeable usage of the terms "*social media*" and "*Web2.0*" (Safko and Brake 2009, 6; Kaplan and Haenlein 2009, 60); however, Safko and Brake (2009, 6) have stated out that these two terms are closely related yet not exactly synonymous, and they differ in terms of usage. For the purpose of this research, and in order to avoid any confusion, the above mentioned terms will be defined, despite the fact that social media is the central gravity of the research.

In regards of the term *Web 2.0*, Tim O'Reilly, the founder of O'Reilly media, has coined that "Web 2.0 is the business revolution in the computer industry caused by the move to the Internet as platform, and an attempt to understand the rules for success on that new platform." He has further provided a general business aspect in relations of Web 2.0 as the "harnessing of collective intelligence", in which Web 2.0 provides platforms and fills the Web with user-generated content where all individuals – *the former audience are able to take part in instead of important decisions made by a few people.* (O'Reilly 2006.) Alternatively, Web 2.0 is *a platform whereby content and applications are continuously modified and exchanged by all users* in participatory and collaborative manner, and no longer merely created and published by individuals (Kaplan and Haenlein 2009).

There are still many ongoing debates and discussions regarding social media's universal definition; as social media has been transforming and merging into the evolving development of New Media (Solis 2010). Regardless of what the standardized definition per se would be, many of the existing studies and articles have stated out the common core purpose of social media.

According to figure 3, Dann and Dann (2011) have demonstrated how social media is formed based upon the interconnected elements – *social interaction, content, and communication media*. Social media has created a new landscape in supporting the socialization of information (Solis 2007), as a result it has facilitated and enhanced communication flow by making it easier and to more people, and to spread useful information with potentially vast online audiences (Smith and Zook 2011, 10), in which the conversation may be taken place on media locally but lead to a global impact.
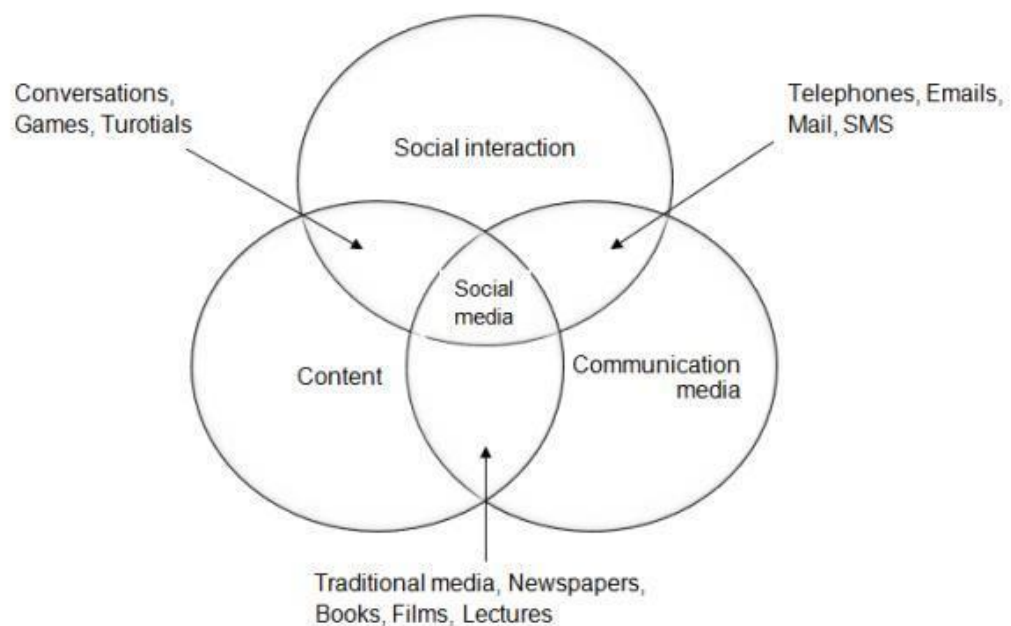

Figure 3. Social media components (Dann and Dann 2011, 345)

Safko and Brake (2009, 6) have supported the concept proposed by Kaplan and Haenlein (2009), as they have referred social media to "activities, practices, and behaviors among communities of people who gather online to *share information, knowledge, and opinions* using conversational media".

Nonetheless, social media expedites the flow of communication by encouraging contributions and feedback from everyone who is interested, and it is *a two-way conversation* when comparing to the traditional media because social media outlets are open up to feedback and participation (Mayfield 2008).

At its essence, social media describes the powerful new ways individuals are engaging with content on the Internet, and vice versa; that is, as many have

observed, social media is user-centric in which it emphasizes and facilitates *the process of creating, commenting, editing and sharing*. More importantly, social media is the democratization of content. (Solis 2007.)

3.2 Types of Social Media

In the discussion regarding different categories of social media, five distinct types of social media outlets are focused on – 1) social networking sites, 2) social news, 3) media sharing, 4) blogs, and 5) microblogging. Each of these social media platforms has provided unique features and experiences to individuals and entities, for instance marketers and consumers, in the social media sphere.

3.2.1 Social Networking Sites

Social Networking Sites (SNSs) are platforms where individuals are able to connect with others, for instance Facebook and MySpace. Social networking sites, as Weinberg (2009, 149) states, "are generic terms for sites that are used to connect users with similar backgrounds and interests". These platforms, generally, have few common elements across most of them – (1) users are able to create interactive and customized profiles, either a public or a semi-public, within a bounded system, (2) a list of suggested "friends" with whom they share a connection, and (3) view and traverse their list of connections and those made by others within the system (Boyd and Ellison 2007, 211).

To consumers, they are the outlets, which present wealth opportunities for establishing a closer relationship with the brand via several functions – fan pages, plug-in applications, and groups.

Recently, Empathica have conducted a survey about the U.S. consumers' usage of social media to make shopping decisions. The survey population is more than 6,500 U.S. consumers, of these consumers, over half (55 percent) have "Liked" a brand's Facebook page, and 73 per cent have claimed that *their choice of recent store visit is influenced* by a social networking site (Dugan 2012).

3.2.2 Social News and Bookmarking Sites

Social News sites and *Social Bookmarking sites*, for instance Digg, Reddit, and Scoop.it, are fairly similar, and are very much in the trend of online community. Social News enables users not only to be in control of their news streams, but also allows individuals to "submit and vote on content around the Web" but the core value of the latter one is to allow users "to collect and interesting links they have discovers and may wish to revisit." (Zarrella 2010, 103.)

In other words, individuals get to control and customized their news streams, this special attribute of social news site facilitates the democracy which creates values to users. These sites allow individuals to discover websites that a large number of people have already discovered; some say social news sites have changed the concept of newspaper nowadays and are governed by the

"wisdom of crowds" (Weinberg 2009), due to the fact that the contents personal and targeted news and they empower users by putting the audience in the center via active discussions and which reacts on how readers interact (Baekdal 2009).

3.2.3 Media-Sharing Sites

Media-Sharing sites (e.g. Youtube and Flickr) are outlets where individuals can upload, store, and share their multimedia files, for instance photos, videos, and music, with other users. There are myriad opportunities through the engagement to these websites, because these certain platforms within the social media segment has always been a stronghold to online societies, as they provide users opportunities to create their own podcasts with affordable technology and to propaganda their identical "channels" via subscriptions. One of the major elements of these media-sharing sites has to be highlighted is the *tag*. "A tag is a word assigned to a piece of content that helps describe it", which means that businesses have to acknowledge the importance of the search words on the search engines (Zarrella 2010, 81).

3.2.4 **Blogs**

A **blog** is an online journal which is as refer to a type of content management system (CMS), typically maintained by individuals or groups, and featured commentary and ideas for a larger group of audience (Safko and Brake 2009). Blogs create good hubs for other social media marketing tools (videos, hyperlinks, pictures, and so on), because they can be integrated into the platforms and posts; besides, blog software provides a variety of social features such as comments, blogrolls, trackbacks, and subscriptions (Zarrella 2010, 9). On the other hand, Weber (2009) has pointed due to the fact that blogs allow everyone to publish and to join multithreaded conversations online, in which some of the bloggers have no editorial restrains and have access to the entire Web; as a result, their posts can impact personal, products, or brand reputation harmfully.

3.2.5 **Microblogging**

Microblogging is a *real-time information network*, which shares similarity to blogging, yet it limits the size (number of words) of each post and encourages a faster mode of communication. Microblogging allows users to spread their short-texted messages via instant messages, mobile phones, e-mails, or the Web. For instance, Twitter, launched in 2006, is one of the primal and leading microblogs that currently has over 140 million users as of 2012 and handles over 1.6 billion search queries per day (Twitter 2011). Obviously, Twitter provides companies with leverage via Internet traffic by creating a buzz on online communities, as users get the essence and concise information through short-texted posts. Many companies have been using Twitter to tap into the business prospects, influencers, and customers; by doing so, businesses are able to take advantage in relationship building, achieving on-line and offline marketing objectives, and brand building etc. (Weinberg 2009). *Retweet* is one of the most powerful mechanisms to marketers, in which individuals can copy and paste what others have posted onto their Twitter stream. Consequently, the certain tweet gets to spread virally in a furious speed (Ingram 2012).

3.3 Social Media and Marketing

Social Media Marketing is an umbrella term that can be described as the utilization of social media platforms as marketing tools. According to Weinberg (2009), he refers *social media marketing* as *leveraging the 'social' through the 'media' to 'market' businesses' constituents*; in other words, it is a process in empowering individuals to promote their websites, products, and/or services through online social channels, to interact with and to tap into a much larger community that may not have been available via traditional advertising channels.

It is no longer a striking fact that most of the advertisements via mass media are not as efficient as in the past, because by advertising through the mass, the message is generally reaching far more people than the potential customer intended to reach (Weber 2009; Weinberg 2009). Social web is where people with a common interest can gather to share thoughts, comments, and ideas; hence, *instead of continuing as broadcasters*, marketers should become *aggregators* of customer communities; that is, the Web should not be considered as a mere advertising channel, it is a place where marketers can listen and respond to communities, review contents, as well as promote a particular piece of content within the vast social sphere (community building) (Weber 2009).

3.4 What makes social media marketing special?

Upon the insufficient advertising budget that companies oftentimes encounter via the traditional channels, social media marketing might be, particularly, easier and more effective for small and medium-size companies to take maximum advantage of it. While social media marketing is an evolving technology with much potential, yet marketing's role still reminds the same – *defining the target market, communicating with prospects, building loyalty, customer engagement and so on*. (Weber 2009.)

Weinberg (2009) has proposed few reasons to tap into a solid social media strategy in addition to (or instead of) the traditional ones, which are – *facilitation in natural discovery of new content, boost up in traffic numbers, strong relationship building,* as well as *a cheap alternative to traditional marketing*. Unlike the traditional advertising, individuals in the social media era have access to contents that are not necessarily associated with commercial intent (neutral); consequently, if a person like a content, he/she is likely to pass it on to their peers, families, and so on via social sites, then content will be spread out quickly without interfering with traditional marketing. (Weinberg 2009.) Social media offers opportunities to achieve communities, once company has established its presence as a community participant worth following, eventually others will be likely interested in what it shares and pass to the relevant ones (Weber 2009). Besides, in the phase of the new marketing era, bringing the brand to alive depends solely upon the *engagement* within communities (Weber 2009; Silverman 2001), as a result if company is genuinely paying attention to the members of the community, *a strong relationship can be built* upon investing time in responding on feedbacks and concerns. (Weinberg 2009)

'*Mass media audience become more and more difficult to buy,*' said Martin

Sorrel (1996) of WPP (see Smith and Zook 2011, 282). The fortunes of advertising have grown alongside with the growth of mass media, however this growth has stopped these years. (Smith and Zook 2011.) In fact, there are many sport brands in the marketplace are taking social media marketing as a vital component in their businesses, in which they look at effective ways to gain a more detailed understanding of their social media fanbase. Nike has been putting more marketing muscle behind its digital initiatives, for instance by taking social media marketing in-house, claiming that *online channels are more valuable to its business strategy than traditional advertising*. (Joseph 2013.)

3.5   Social Media: The New Mindset

In order to gain a better position in the transition from traditional marketing approach to social media marketing, marketers will have to, firstly, change their

marketing mindset. Social media platforms has radically changed the approach of segmentation in implanting marketing strategy, instead of easily identified demographics, such as age, gender, or income are relatively less important, it groups people by *what they do, think, like, and dislike, and more importantly by their behaviors*, also known as behavioral targeting. (Weber 2009.)

Many marketing experts (Drury 2008; Mayfield 2008; Weber 2009; Weinberg 2009) have always emphasized that since marketing via social media is rather about receiving and exchanging perceptions and ideas, which makes social media marketing no longer one dimensional but a two-way process engaging a brand and an audience (Drury 2008) as well as a creation of increasingly visualize contents (Weber 2009). Oftentimes, content is a critical factor in achieving an effective marketing via social media; however, according to

Curata's "B2B Marketing Trends Survey 2012 Report" (MarketingProfs 2012), companies seem to encounter challenges in creating original content, having time to create it, and finding high-quality content (see Jacobs 2013).

Drury (2008) has argued that with social media in particular, the content of advertising and branding must be provided as relevant value-added content that is more about consumer, rather than brash product placement. When companies help their customers through social media outlets, it is more likely to build a long-term relationship, which will in turn propel and leverage the brand awareness and growth (Young Entrepreneur Council 2012)

Besides, with social media, company is able to create the platform of *true interactivity*; the American Express' OPEN Forum is undoubtedly an outstanding case, which has surly surpassed customer expectations when it comes to putting a customer first; because instead of heavily promoting their traditional financial offerings on the community, the company has considered its consumers and their concerns and needs while providing information about their services (Weinberg 2009). Social media platforms serve as a tool for consumers who may not have an outlet or support system to find one another; brands like Weight Watchers and Nike Women have demonstrated how

valuable social networking sites can be for bridging people who are facing similar daily obstacles (Young Entrepreneur Council 2012).

In the foregoing chapter about the course of information search and evaluation in decision making process, it has been discussed that individuals are likely to seek information that is consistent to their initial thought, and keenly avoid those that encounters with it; as a result, social media in today's marketing provides linkages to connect individuals who share similar interests and backgrounds, in which, to consumers, these communities serve as an vital "tuning" mechanism in the selection of needed information among the overwhelming information.

4 SOCIAL MEDIA AND CONSUMER

4.1   Social media as a mean of giving consumers a voice

Having explained the possible components involved in the consumer decision process, the nature and the essence of social media, as well as having a brief discussion of the prominent features in different social media outlets, the researcher believes that social media is an essential touch point in today's consumer decision process, from stage quo to the stage of post purchase; likewise, companies are engaging with the purpose of creating brand awareness, engaging their existing customers, driving traffic to other marketing properties and growing channel number (Zarrella 2010; Weber 2009; Weinberg 2009; Smith and Zook 2011). The following section discusses on how consumers are affected by social media, and identify which would be the considerate phase of the purchase process that marketers should tap into.

Regarding the information processing theory of consumer choice, it is mentioned that there are vast amount of advertisements competing with each other in order to grasp individuals' attention (Fennis and Stroebe 2011) and the fact that human beings have an obvious limited brain capacity in processing information; therefore, it is a challenge for each discrete message to get heard above the din (extraneous factors that distract or distort the message), even if marketers have the right message (Silverman 2001, 67).

Each of the social media platforms plays a role in *giving out, receiving, and exchanging information without any boundary limitations*, and as mentioned previously that social media enables two-way flow of information. Since the flow of communication does not merely impact how companies can access their targeted groups, but also it influences throughout the entire decision process, from interpreting the message, searching for available alternatives, as well as actions carried out in the after the purchase; thus, It is important to denote that

message rejection, misinterpretation, and misunderstanding are the possible pitfalls in the flow of communication (Smith and Zook 2011, 120).

In relating to social media marketing, the biggest fear of companies and brands is *to give up the control over the content, and the frequency of information*; however, it is essential for marketers to realize that reviews and discussions, as user-generated contents, serve to demonstrate a company's transparency. (Weber 2007.)

When Zagat and Amazon started inviting individuals (such as consumers and users) to give their opinions, there was no stopping the trend (Weber 2007); that is, the communication in present-day has drastically altered into a medium that is composed of millions of people who can actually contribute or detract from a marketing message. Consequently, comparing to offline traditional marketing channels (such as television, newspaper, magazines, and so on), word-of-mouth solely relies on social media outlets in this digital age (Knowledge@Wharton on Forbes 2012), due to the fact that websites allow users to create their own virtual spaces in which fosters and ignite the word-of-mouth. (Weinberg 2009.)

Conversation in traditional media is one-way: *the company spoke, an audience listened*. Mass messages are filtered through opinion leaders to the mass audience, in which opinion leader is very hard to be identified since they are not formal experts and do not necessarily provide advice but *have a certain degree of influence on consumers* (Katz and Lazarsfeld 1955).

In the notion of communication models theories (Goldenberg, Han and Lehmann 2010), the findings (Katz and Lazarsfeld 1955; Bulte and Wuyts 2007) have provided that opinion leaders are those *initially* exposed to certain media content who interpret the message based on their own opinion, and are more active than others both in seeking information and in conveying it to others. (See Wuyts et al. 2010, 283-300)

According to Lazarsfeld and Katz's hypothesis (1955), the information is channeled to the masses through opinion leaders, who have a more literate

understanding of media content, explain and diffuse the content to others. Listeners, in turns, subsequently feed back to the opinion leaders. (Smith and Zook 2011.)
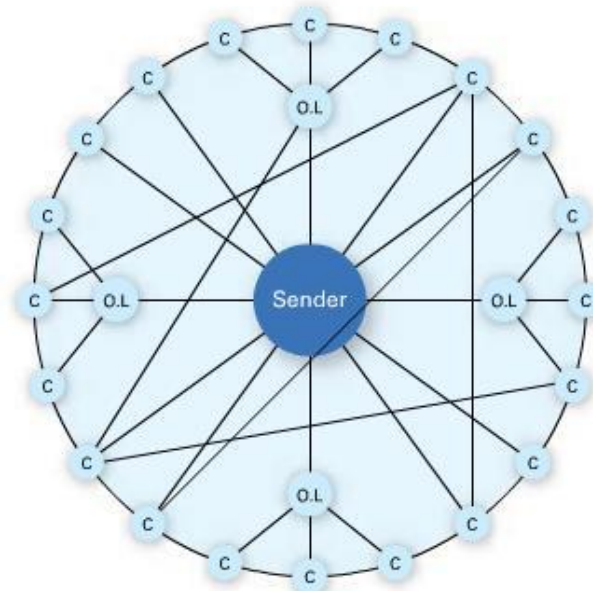

Figure 4. Web Communication Model (Smith and Zook 2011).

"Customer are screaming to be more engage with the companies that affect their lives," is how Diane Hessan, president and CEO of Communispace, describes the change of social media has brought to consumers. She further addresses that "Blooming trends like blogging, online communities, flash mobbing, buzz agents, and MySpace show that customers have a lot to say – *they want to be asked and they want to be involved.*" (Communispace 2013.)

As it is said, social media has put consumers back to the center by enabling them to engage in conversations, and neither decisions are no longer to be made by few individuals nor the message being sent to the masses by the brand owner. Smith and Zook (2011) have pointed out that customers, first, talk to each other (C2C) with the online platforms came the easier facilitation of customer communities, and secondly back to the company (C2B). According to figure 4, it has put forward that online communities have bridged the communication gap between brands and consumers, and eventually this certain

type of communication flow fosters a web communications between customers and opinion leaders in which spins around the brand. (Smith and Zook 2011.)

Mangold and Faulds (2009) has presented a new communication paradigm, figure 5, indicating that the independency of social media platforms has amplified consumers' ability to communicate with one another, in which has profoundly affected consumer behavior, and has bestowed consumers with power they have not previously experienced in the marketplace. (Mangold and Faulds 2009.)
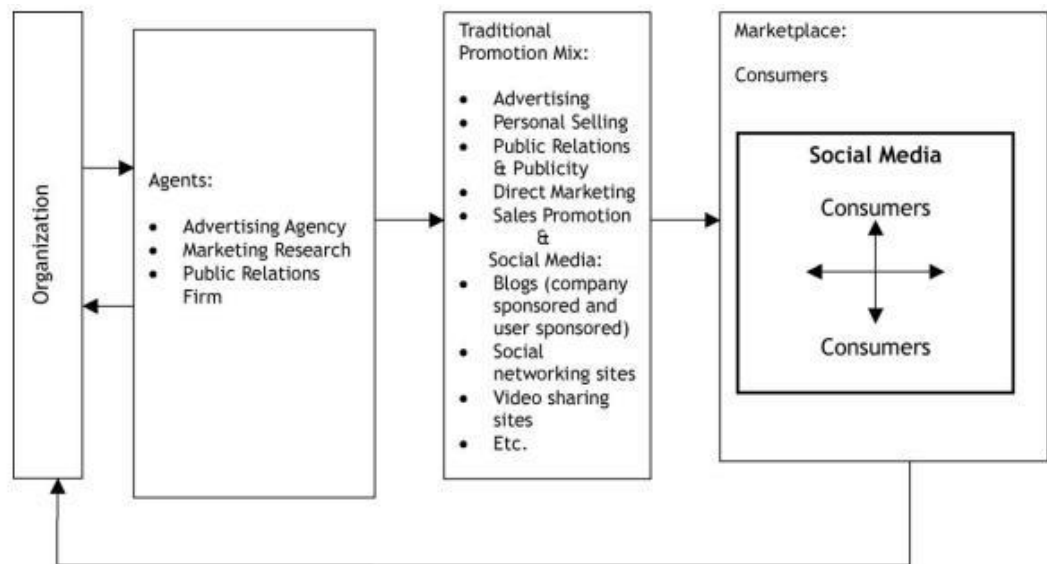

Figure 5. The New Communication Paradigm (Mangold and Faulds 2009).

Eventually, information and feedbacks are constantly circulating among the online communities and individuals are able to access to the information easily. Besides, considering that an average Internet user has 669 social ties (Hampton et al. 2011), as a result, word of mouth undoubtedly works much quickly online comparing to offline.

Most of the diffusion modeling (describes the process of how new products get adopted in a population) associated with marketing have suggested that the process in which a social system adopts an innovation is largely based on interactions among potential adopters; in this regard, consumer's decision to

perform an action may be influenced by the decision of those around them (Hui et al. 2012).

During the phase of information acquisition in the decision process, consumers are influenced by *external and internal source of information*, Glodenberg, Han, and Lehmann (see Wuyts et al 2010, 284) have explicated that *internal sources of information* are previous adopters of the innovation who *can influence potential adopters* by digesting, analyzing, filtering, customizing, and spreading word-of-mouth and functioning as role models in the market.

Figure 6. 2001 Google search for Comcast
(Weinberg 2009).

Individuals were likely to use the same traditional media channels to read about bad products or great ones from others who had firsthand experience, however, the advent of social media has changed the situation in nowadays; that is, with cheaper and faster technology, the extent of communication travels farther (Weinberg 2009, 12). He further explicates the proposed situation with an example of a search for a company (Comcast) on Google between different time period, in 2001 and in 2008.

Figure 7. 2008 Google search for Comcast
(Weinberg 2009).

As shown in Figures 6 & 7, the differences yield in the search results during different time phase, has clearly indicated that information is *no longer controlled by a single entity* (Weber 2007; Weinberg 2009). As the findings provided by Weinberg (2009), there are online platforms dedicated to letting consumers fight back or rant about poor products or services, for example blogs are now media for compliments about services or products or vice versa, and more than half of eBay's customers come from referral (Reichhfield and

Schafter, 2000); in other words, C2C communications can be viral negatively to company on the Web.

During the phase of mass communications, marketing guru Philip Kotler says, 'Bad news travel faster than good news' (see Smith and Zook 2011), therefore, it is not hard to picture the speed of bad news travel in present-day is in a formidable fast speed, as social media offers everyone an opportunity to their own message delivery systems, in which enables individuals to share and link stories to one another. If the negative press is highly visible, consumers may likely to look to a competing brand that is not facing a bad press while marking the purchase decision. As a result, social media platforms have added more dimensions to the communication, rather than having most of the messages flowing from the organization. (Weinberg 2009.)

As a matter of fact, the proliferation of social media is a double-edge sword. While social media has empowered the consumers due to they have access to information which previously was not available for them, has accelerated information flow, as well as has allowed discussions happened globally, yet social media has also offered marketers with the tools to better target their consumers more efficiently, to cultivate relationship among groups of consumers, as well as to exploit new opportunities (Constantinides and Fountain 2009). Indeed, the accessibility and availability to information has resulted changes in individuals' attitudes changes, which eventually leads to new needs and buying behavior; it will be further discussed.

4.2   The Influences on Decision Making Process

As the business world re-centers around serving and delighting customers, CMOs are confident that social media impacts *sales, brand awareness, and loyalty* (Olenski 2012); as a result, social media data impacts their decisions while making predictions or forecasts. According to social media marketing industry report, the social media realm is not a mere fad in which marketers are increasingly attracted and 83% of them place high value high value on social media of their businesses (Stelzner 2012).

Social media, as a new component, has further complicated the time-honored buying behavior process theory wherein the buying attitudes are not impacted merely by the traditional channels but *extend to the online platforms*. Preferences and decision marking are prompted depend upon the inputs provided by parties beyond the control of online marketers, such as peer reviews, referrals, blogs, social networks, and other forms of user-generated content.

Constantinides and Fountain (2008) have suggested an innovative Stimuli and Response model based on Kotler's (1994) framework, due to the increasing usage of social media. According to the presented diagram, see Figure 8, within a traditional shopping environment, consumers are most likely to be affected by the traditional marketing mix (e.g. ads on radio, newspaper, television, and so on) and other uncontrollable stimuli (e.g. values, societies, demographics, perceptions, and so on); however, with social media and Web 2.0, it extends to online marketing mix (e.g. emails, banners, cooperate websites, and so on) and the social media experiences, which are far beyond the marketer's control. (Constantinides and Fountain 2008)
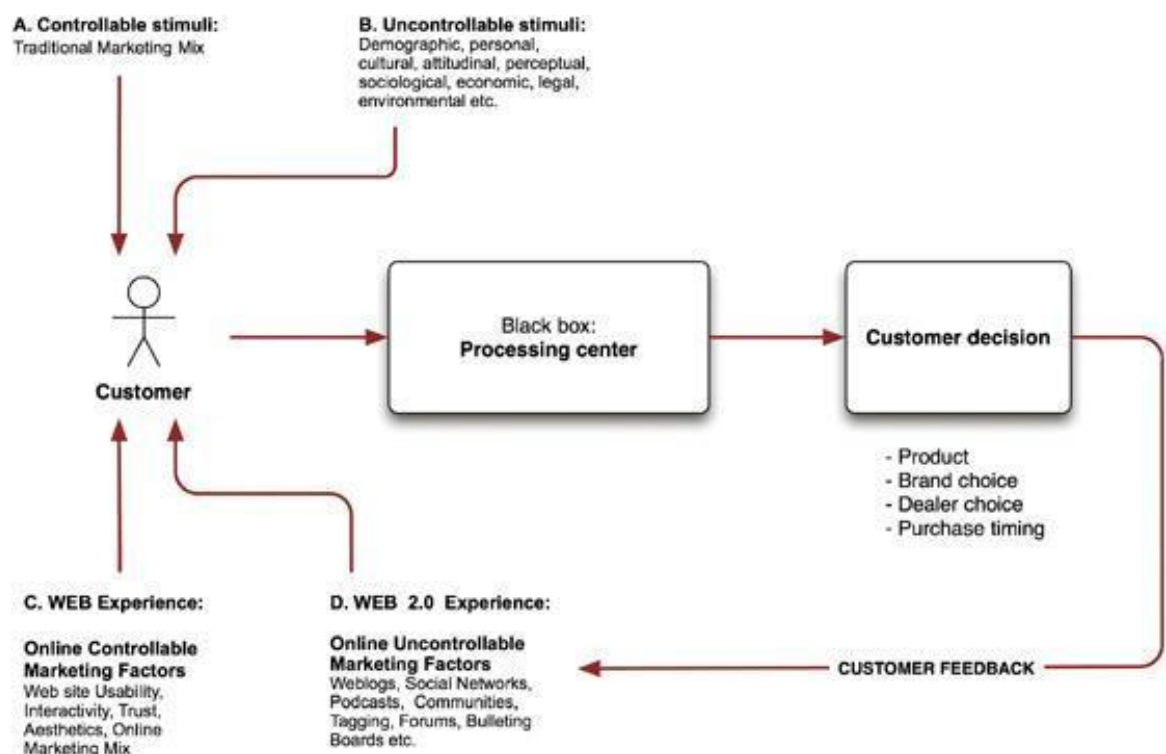
Figure 8. Stimuli and Response model (Constantinides and Fountain 2008).

Since the contents on social media are rather democratic and neutral, according to Vollmer and Precourt (2008), consumers are turning more frequently to various types of social media to *conduct their information searches and to make their purchasing decisions*.

Reviews and user-generated contents such as rate movies, books, music, and other things on social media are involved *a high degree of personal taste and subjectivity to users*, in which these reviews have one overriding attribute that gives their influence on consumers' purchasing decision – *trust*. (Silverman 2001.) "*More than a quarter of social media users say they are more likely to pay attention to an ad shared by one of their social connections*," Bannon noted. "*Additionally, more than a quarter of consumers are OK with seeing ads on social networking sites tailored to them based on their profile information*" (Miller 2012); that is, individuals tend to trust these contents so as to filter, distill, and *objectively evaluate the mound of information* (Silverman 2001).

Regarding the phase of marketers tapping into the purchase process with social media, Evans (2008) has presented the classic purchase funnel model as an indicator of how social media has impacted on consumer decision making process in different stages. Figure 9 illustrates the purchase funnel and the buying phases of awareness, consideration, and purchase.
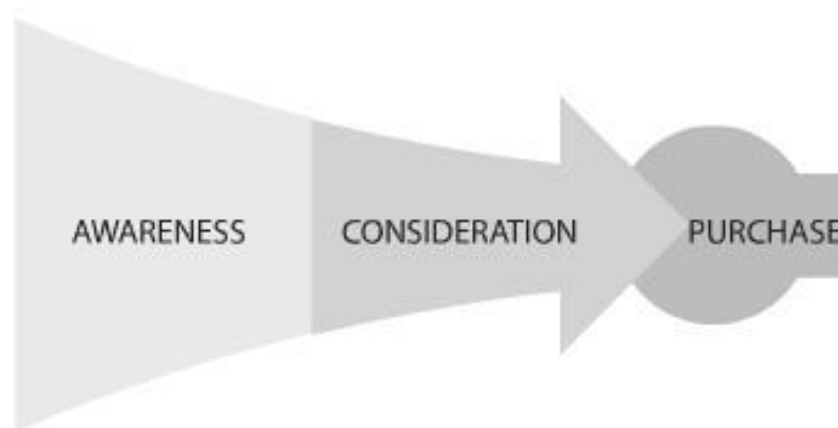

Figure 9. Classic Puchase Funnel (Evan 2008).

Consideration links the buying process activities by connecting awareness and purchase, thus all considered factors, such as *brand reputation, applicability,*

performance, and so on, trigger a potential purchase. In comparison to traditional media, since social media connects with and involves consumers from awareness all the way through consideration in which simultaneously tackles awareness and consideration instead of inciting a purchase from the awareness perspective.

Google (2012) conducted a research in U.K, U.S, France, Germany, Japan, Canada, and Brazil associating with the customer journey to online purchase, the research has shown different marketing channels influence the customer at different points in the path to purchase. In all the targeted countries, social media serves as an assisting channel in which to *build awareness, consideration, and intent earlier in the purchase funnel*. Sliverman (2009) has also stated that there are many brands competing for attention, therefore an interesting blog post or a compelling video on YouTube can be the stage quo in which a prospect pays attentions and gains awareness of a product or a service. During the stages of consumer decision process, social media is applicable as both a prompt (awareness) and as a validation (support the purchase decision takes place). (Evans 2008.)

As indicated previously, one of the most valuable aspects of social media is in building and maintaining a feedback loop, as the conversations are more dynamic and flow in two-way. The difference that social media has impacted on the purchase funnel is the *accessibility and transparency* of experiential data generated by current customers for the benefit of the next wave of shoppers and prospects.

Although there is an obvious decline in the usage of traditional channels both from marketing and consumer perspectives, traditional media still takes a part of the picture in terms of triggering awareness. Furthermore, Evans (2008) has explicated the importance to denote the role of the social feedback cycle as a *purchase validation tool* (Figure 10); that is consumer may find out a particular product or service or either television, radio, or magazine, and then consumer can verify it on Internet. As it is depicted in figure 10, social media extends the purchase funnel with the addition of post-purchase word of mouth and user-

generated contents; that is, the post-purchase conversation is built up and validated via the collective wisdom of crowd.
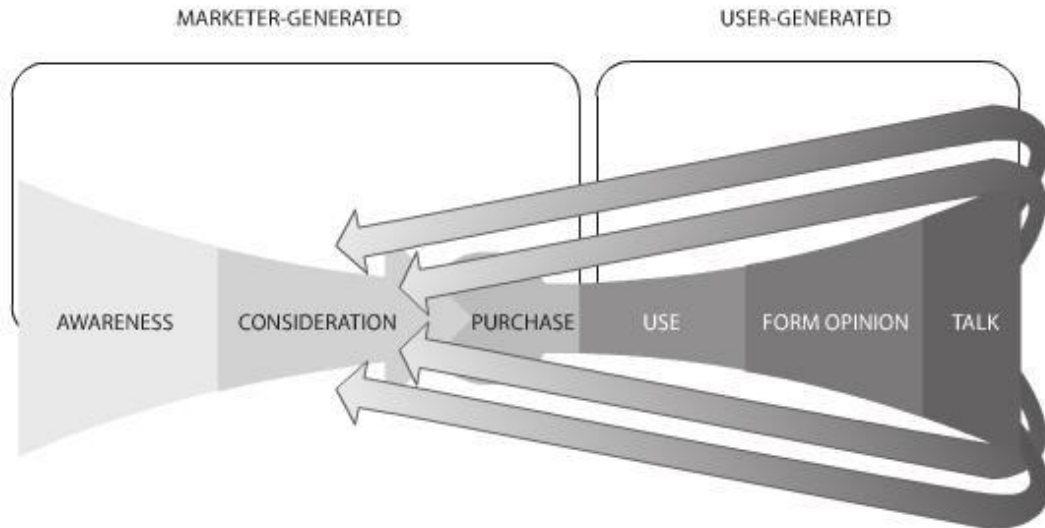
Figure 10. Purchase validation tool (Evans 2008).

Word of mouth is self-generating, self- contained, and it costs nothing, besides it is *increasingly manifesting itself through social media*, where it spreads both farther and faster. Silverman (2001) has suggested the phenomenon of individuals liking to review products or services and engage in word of mouth is due to the basis of Zagat guides to restaurant, and it expects consumers to vote on everything from cruise lines to cookware; as a result, customer review becomes particularly important (Weber 2009) and word of mouth has become an attribute of a product (Silverman 2001).

In contrary, the exposure of an ad in traditional media is limited to the direct or pass-along readers. It is noticeable that the delivery of word-of-mouth is *an efficient way to make decision easier*, instead of confusing and low credibility information in the form of traditional marketing. (Silverman 2001.) The Social Web has had a pronounced impact on how people view *their ability to gather unbiased information, to seek, find, and obtain a wider range of products and services, and to talk with others about actual experiences both before and after purchase*. The main objective of marketers, particularly with social media, is to

get people to talk about their positive experiences and to accelerate the spread of these contents around the communities.

4 RESEARCH METHODOLOGIES

4.3   Introduction

The objectives of this research are twofold – first to find out the components and variables involved in decision making process; second to identify the changes that social media has brought to the decision making process, in which, essentially by elaborating the difference between marketing via social media and via traditional ones. This research strives to provide a clearer, and perhaps a better, understanding to both consumers and companies of *why, when, and how* social media has impacted on decision making process. It may also offer possible insights for companies to identify the pitfalls and opportunities in the new marketing era.

In essence, the dominant approach of this research involves the development of a theory that is subjected to a rigorous test, where the theoretical framework *provides the basis of explanation, permit the anticipation of phenomena, predict their occurrence and therefore allow them to be controlled*. (Hussey and Hussey 1997, 52.) Secondary data – theoretical framework serves as the foundation for this research, and primary data aims to answer the objectives stated in the research and to provide evidence in supporting the secondary data. The primary data of this research were collected through questionnaires from individuals in Finland.

Theoretical part regarding steps and components constituting the consumer decision making process has demonstrated a systematic approach in buying of the stages individuals would engage in a potential market transaction before, during, and after the purchase. On the other hand, it has also identified the essence of social media marketing in which has illustrated a clarification on the change of the nature in today's marketing approach, and its effects on purchasing decision.

The empirical part focuses on finding out *how individuals in Finland process information on social media before a purchase*, *the actions carried out after a consumption, as well as what are their perspectives regarding the new marketing era, in particular with social media*. By getting a general perspective on the current buying behavior in Finland, this research also aims to provide new insights regarding the impacts of social media on different demographics (age and gender) in the decision making process.

The following chapter explains the choice of research method, how the data was gathered and analyzed, as well as the evaluation of reliability and validity regarding the research.

4.4   Research Data and Data Collection

There are two distinct research methods – quantitative and qualitative, in collectiing data for the purpose of obtaining information from them, to solve or answer a particular research problem or question (Ghauri & Grønhaug 2005, 109). Quaitative data is any data collection technique or data analysis procedure that generates or uses numerical data (Saunders et al 2009); whereas qualitative data is in form of descriptive accounts of observations or analysis which is conducted through the use of conceptualization (Ghosh and Chopra, 2003; Ghauri & Grønhaug 2005, 110).

Although it is usually better to link quantitative data with other methods (such as in-depth interviews) in order to complement the findings of a research (Saunders et al. 2009), this research is to identify the stage where social media has interfered in the consumer decision making process, in which is to describe facts and reasons in different phenomena (social media and traditional mass channels) and to explain the case-and-effect relationship between overwhealming information on social media and consumers' responeses.

For the purpose of this research, quantitative data was gathered and utilized. With the strategy of survey, it allows the collection of a large amount of data from a sizeable population in a highly economical way (Saunders et al. 2009), it

is also a logical and critical approach which allows the researcher to control measurement and outcome. Since the scope of the research focuses on a geographical area; thus the aim of the research method is to reach individuals ranging in different age and gender groups within Finland, and the more responses are collected the higher the credibility of the findings are. Taking the sample size into consideration, the researcher has decided not to conduct any in-depth interviews with the targeted respondents as the results may be difficult to analysize due to the subjectivity of individuals' beliefs and attitudes. Besides, the survey was not created merely as a collection of quantitative data, because few open-ended questions are included where respondents can have a chance to comment, to express, or to add extra.

By adding open-ended questions to survey data collection, it helps the researcher to gain valuable qualitative information and insights for deeper analysis. While comprehending the qualitative data, Saunders et al. (2009) have mentioned summarizing of meanings as one of the analysis processes, which implies condensation of meanings from the large amounts of text into fewer words, while becoming familiar with the main themes evolved from data collection.

4.5 Research design

Again, the aim of the survey is to find out how, why, where social media has influenced individuals in the process of decision making, as well as, hopefully, to identify new insights that companies may take advantage of. The survey was carried out in the form of questionnaire.

Since there was only one chance to collect the data, the researcher had to identify precisely of what data is needed, and to design the questionnaire in order to meet the research objectives (Saunders et al. 2009). The questions (Appendix 2) for the questionnaire were designed and built closely upon the theoretical framework – decision making process, information processing theory, and social media marketing, which has discussed thoroughly in previous chapters of the research. In order to ensure respondent decodes the questions

in the way the researcher intended, the clarity of the questionnaire structure was a dominant factor.

Since the researcher had to keep an appropriate length of the questionnaire, thus, not every theory discussed previously could all be included in the questionnaire. The logical order of the questions was structured mainly based on the steps carried out during the decision making process – problem recognition, serach of information, evaluation of alternatives, final decision, and post purchase behaviour. Components of information processing theory were integrated in the questions as well.

As stated in the begining of the research, the researcher tries to examine the relationship between social media and consumer behavior from a consumer perspective, therefore, they are many questions subjected to indivduals' beliefs and attitudes, which are expressed in the form of scale questions. Condiering the matter of subjectivity, the use of close questions was critical in order to allow statistical conclusions to be made in a relatively objective manner; likewise, a few open-ended questions allow individuals to develop own responses, and may reveal attitudes or facts (Grummit 1980).

The questionnaire was sent out via school e-mail (see Appendix 1) to all international business program students and teachers in TUAS, as well as all personal contacts of the researcher who are currently living in Finland, which yields the sample size to be approximately 150 individuals. Participation was voluntary and the questions were designed in English.

4.6 Data Quality - Validity and Reliability

In order to ensure the validity of the research, the questionnaire was pilot tested, so that to refine the questionnaire and to assure respondents will not encounter problems in answering the questions (Saunders et al. 2009). Before sending the questionnaire to the tagarted respondents, the researcher had consulted with and approved by the thesis supervisor when the questionnaire

was outlined, also it was sent out to few people in order to get suggestions and comments for later modifications.

Analyses and conclusions of the research are made upon actual numerical facts of the colleted data, in order to obtain verified and applicable data. As for the reliability of the research, it refers to to the stability of a measure, and the extent to which the data collection method will yield consistent analysis. (Saunders et al. 2009.) The sample group of respondents was decided to enclose as many people as possible in order to receive many answers, and finally altogether 108 questionnaires were completed in which delivers a good range of answers to yield consistent findings and sufficient extent upon; thus, reliable conclusions can be made.

5 DATA ANALYSIS

5.1 Background

This following section presents analysis made on the data collected from the questionnaire. The set of questions based on the theories discussed in preceeding chapters were sent to all possible individuals who are currently living in Turku Region, Finland. Each question and response option associates with componenets of theories, and they have been modified in order to allow respondents to understand easily and to avoid any potential error in misunderstanding.

Since the survey was sent out to approximately 150 individuals, and the number of participants were 108, therefore the total percentage of responses was 72 (%).In total the questionnaire contains 31 questions. Questions were divided into 6 stages according to the course of decision making process: *exposure, problem/ need recognition, search for alternatives, evaluation of alternatives, final decision, and post purchase evaluation*. In the upcoming sections, analysis and the findings are presented; as for conclusions and further suggestions, they are discussed in the next chapter.
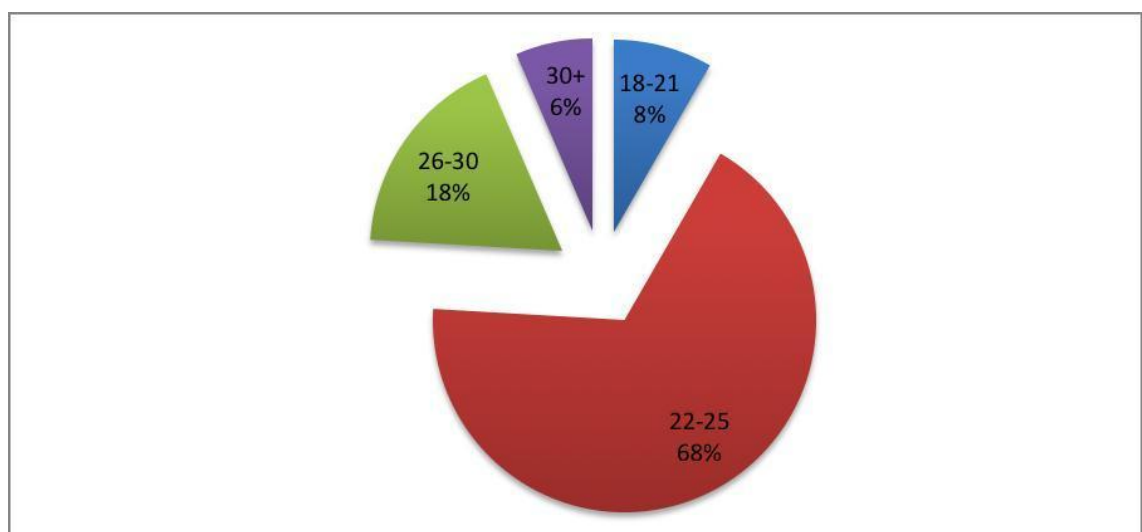

Figure 11. Age Distribution

By asking these two general questions – gender and age may help to identify weather social media has impacted the decision making processes differently based on these two segmentations. From the received 108 questionnaires, 62 (%) of the respondents were female, and 38 (%) were male. Four different age groups are covered by collected data, they are 18 – 21 years old (8%), 22 – 25 years old (68%), 26 – 30 years old (18%), and 30 years old or more (6%). Since the collected data covers a wide range of demographic, therefore the following analysis is carried out in examining the general consumers behavior in Turku, instead of a particular segmentation.

5.2 Exposure

Questions in this section were aimed to find out how individuals are exposed to information on social media platforms in comparison to mass media channels.

Considering that, previously discussed in Chapter 2.4, information exposure is a critical determinant in the decision process, because it may impact on how the information search is taken place, and how the information will be processed in later stages. By identifying which channels or platforms are mostly used, it can help to understand how consumers are actually exposed to information and the type of source they are exposed to. Also, by comparing the usage between social media platforms and mass media channels, it can reveal whether mass media is lossing its effectiveness in advertising among the targeted group or not.

With the third question, it was identified that, among 4 age groups, social networking sites are being used most (98%), and microblogging is being used least (11%); the rest were: blogs/ forums with 32 (%), social news with 12 (%), and photos and videos sharing with 63 (%). The choice of the social platforms are narrowed down into 5 catagories, and the reason of doing so has already indicated in the preceeding chapter (see chapter 3.2 of the research). As the responses are illustrated in the following chart, it shows that the pattern of using

different social media platforms among different age groups are similar that social networking sites are mostly used on daily basis.
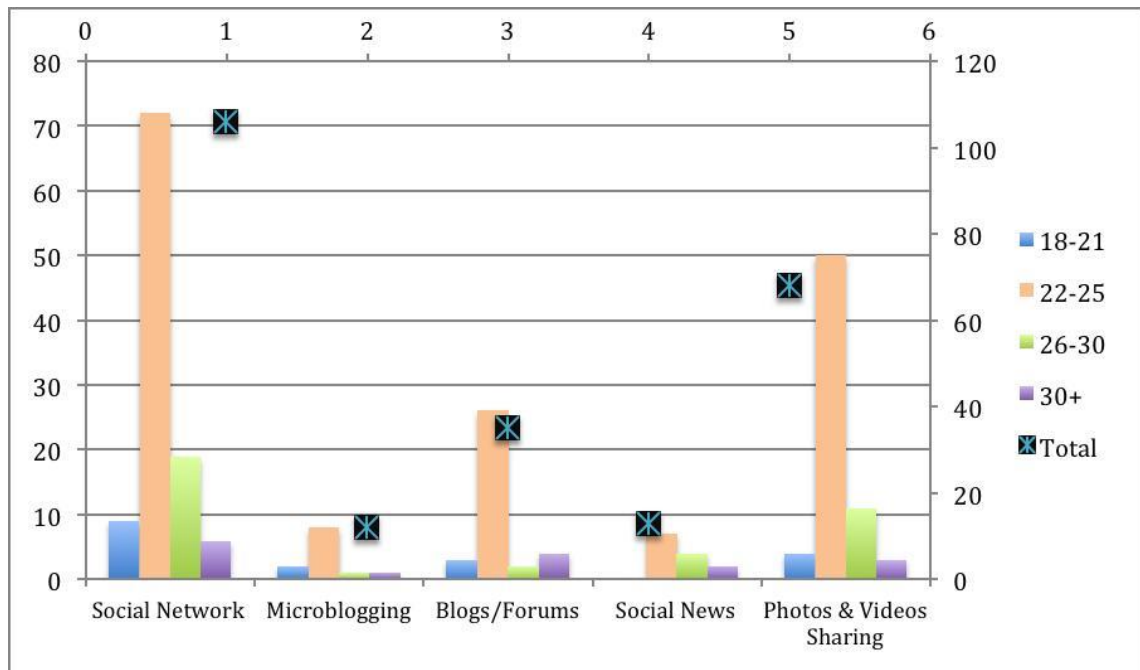
Figure 12. Types of socail media sites used on daily basis

In the following questions (4 & 5), respondents were asked how much time they spend on social media platforms and mass media channels per week. The reason is to examine whether the time of exposure to information via social media platforms comparing to mass media channels may imply to one of the reason that advertising via mass media may not be as effective as it was before (see Smith and Zook 2011, 282).

Figure 13 and 14, below, have demonstrated that only 16 (%) of respondents tend to spend 10 hours or more per week on mass media whereas 27(%) of respondents spend on social media platforms. As it is seen, there is a sudden drop in between 4-6 hours (30%) and 7-9 hours (15%) usage in mass media channels per week. Despite the age groups, in combination of the answers, an individual spends an average of 6.2 hours on social media sites per week.

Figure 13. Time spent on social
media per week

Figure 14. Time spent on mass
media per week

Also, with question 6, 58 (%) of the respondents had shown agreement that they are able to seek out information initiatively with the social media sites. According to Sternthal and Craig (1982, 83), c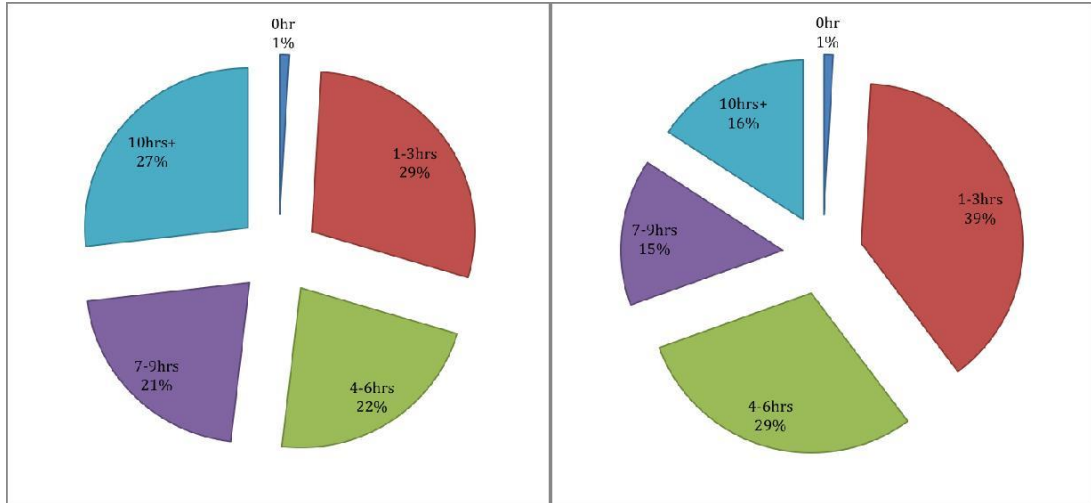onsumers in this case are considered as an active information process; whereas in the passive process, information is delivered in a faster rate, it tends to decrease consumers' attention and disrupt cognitive elaboration (Moore, Hausknecht, and Thamodaran 1986).

5.2.1 Attitude

Besides taking the type, duration, and method of exposure into consideration, attitude of individuals is one of the critical factor in associate with the buying model. In order to uderstand better the factors which cause attitude, and how attitudes affects and altered during the course of decision making process, several questions were asked. Answers were combined into the figure 15.

With 48 (%), 44 (%), and 4 (%) of the respondents claimed that they sometimes, often, or always have prejudgment towards products or services before any actual consumption. An actual consumption in this case refers as trying or using the particular product or serivce. As a matter of fact, the responses regarding question 11, "*Do you tend to seek out information that **is consistent with your initial opinion/preference for a purchase***", has shown similar results as the

tendency of having prejudgment before a consumption. Prejudgment leads to the types of information which individuals would seek for. As Sternthal and Craig (1982) have stated that individuals' initial opinions (attitudes) are important determinants of the information they will seek out; it provides the fact that information exposure is *selective***.**
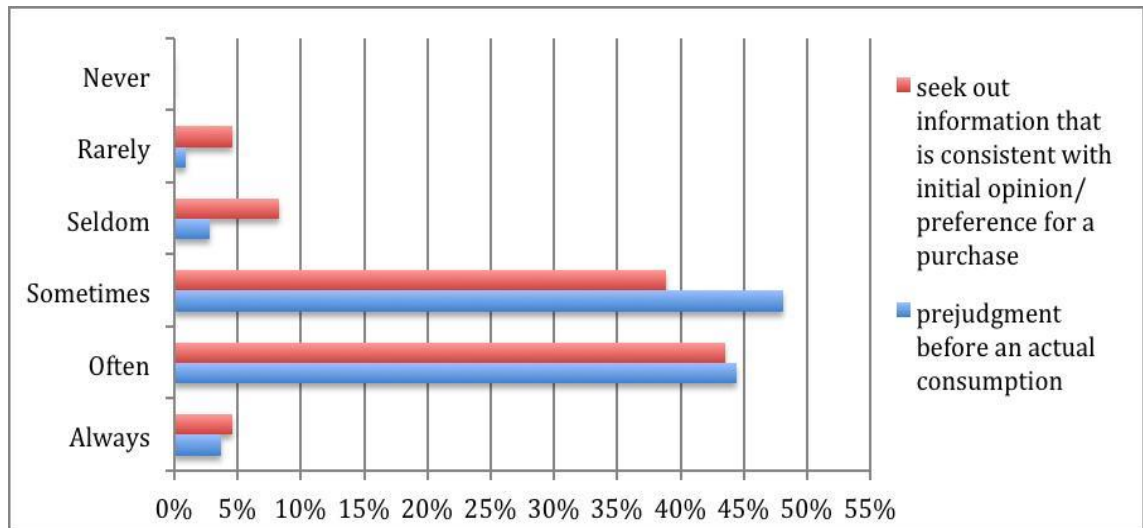
Figure 15. Prejudgment and initial search of information

There are many factors causing the individuals' attitudes regarding particular products and services, thus the selection of cause in question 10 was narrowed down into 6 factors, both including direct and indirect experiences. Figure 16, below, indicates that besides "information from mass media" (28%), the rest of the factors are fairly spreaded.
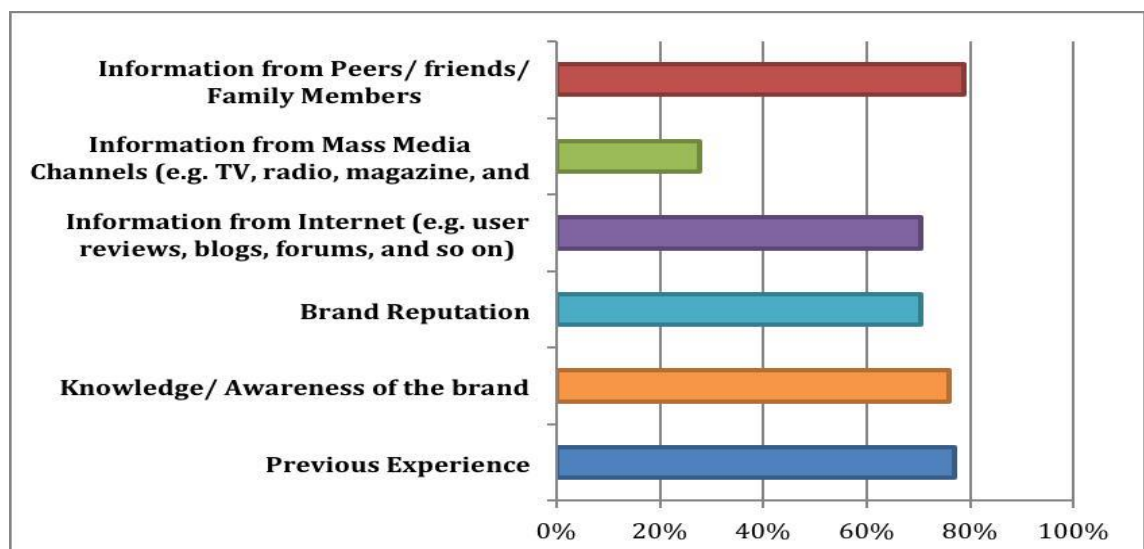

Figure 16. Factors causing prejudgments

Among the list of factors, 79 (%) of respondents expressed that information from peers, friends, and family members are the cause of their prejudgment, in which the credibility of source of information is high. In contrary to the source of information from mass media, 70 (%) of the respondents claimed that information from the internet (such as user reviews, blogposts, forums, and so on) are one of the factors that influenced their attitudes towards a product or service. The reasons of causing this phenomenon are discussed in the upcoming sections in associating with the relevant questions.

5.3 Problem Recognition

In the stage of problem recognition, an individual may be triggered by an internal or external stimuli; that is, in this research, social media sites and mass media channels are considered as the external stimuli. By looking at the gathered data from the survey, there were 32 (%) and 35 (%) of respondents were not sure and doubted about social media as a trigger to purchase; whereas, 32 (%) of respondents believed it is a trigger to perform a purchase. On the other hand, the responses regarding the attractiveness of advertisements on mass media channels were proportionally spread, with a 45 (%) no, and a 55 (%) yes. Besides, advertisements on television are still considered as the most attention drawing approach, in which 39 (%) of the respondents pointed out.

As aforementioned in the social media marketing chapter, although advertising through mass media does not consider as powerful as it used to be, they still have a certain influence in triggering or drawing consumers' attention.

Adversely, the data cannot tell if social media has a great effect in triggering individuals to realize their problems or needs which would lead to a purchase.

5.4 Search for Alternatives

As the data shows, social media allows individuals to seek out information actively (see question 6) instead of receiving information passively; therefore, it is important to identify how information is accessed with the mentioned platforms, types of social media platforms are used during the search of

Information, as well as how it can be beneficial to companies at this stage via the available outlets.

A majority of respondents (in total 72%) has indicated that information searching is easier through social media comparing to mass media, which has proven that social media has created a new landscape in supporting the socialization of information (Solis 2007). However, information searching does not necessarily mean the search is relating to products or services. Therefore, in responding to this question, respondents were asked about the frequency of performing a search via the social media before a purchase; as a result,

"sometimes" was chosen the most (37%) in comparing to "often" (25%) and "always" (8%). This indicates that there are certain reasons which keep individuals in performing a search via social media before a purchase, such as the credibility of the source, the available time, the available information, etc.
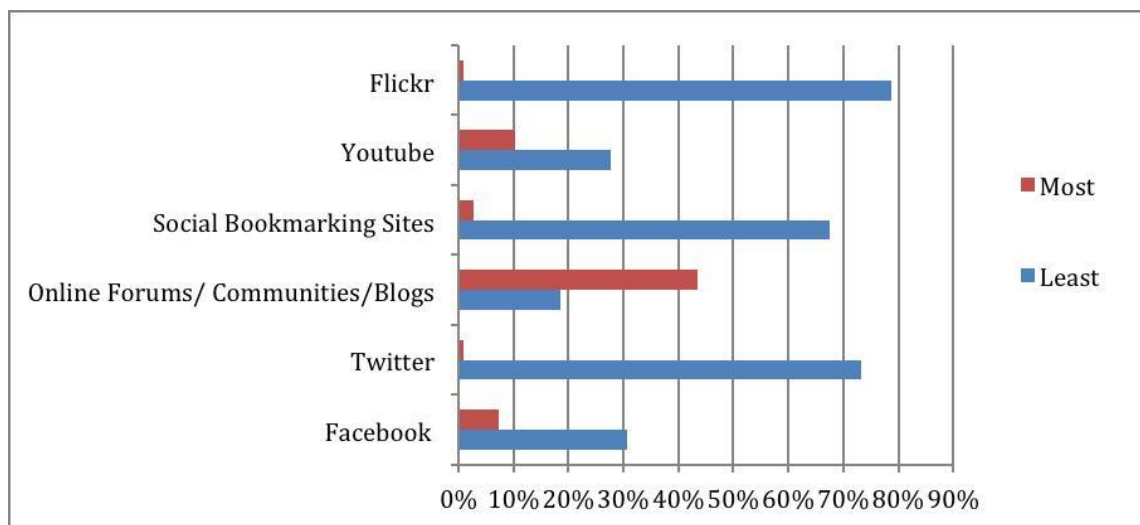
Figure 17. The source of information on social media used most and least
Respondents were inquired the source of information on social media which they use before a purchase base on the frequency, figure 17. Among the 5 catagories of social media, "online forums/ communities/ blogs" (44%) is the source of information being used most before a purchase; whereas most of the respondents (78%) have used the photo sharing platforms least. As it is shown, the researcher has split the category of video and photo sharing platforms into two – video sharing, and photo sharing, because the researcher has believed

that a video sharing platform (Youtube) will have a relatively greater impact to individuals as a source of product/service information comparing to a photo sharing site (Flickr).

Due to the decline in the effectiveness in traditional mass media, it is noticeable that new products, services, or brands are oftentimes neglected and are not able to overcome consumers' *filter*. However, social media at this point helps these young products, services, or brands to deliver their presence to individuals. 68(%) of the respondents has expressed that new products, services, and brands are able to draw attention via social media sites comparing to mass media; whereas there was only 9 (%) of respondents who has taken an opposite stand.

5.5   Evaluation of Alternatives

One of the profound changes that social media has brought to individuals is the ability of getting access to any content. In theory, when consumers have accumulated sufficient information, they undertake an alternative evaluation according to their motives or goals (Sternthal and Craig 1982). Direct or indirect experience serve as an indicator at this stage of buying process, in which social media provides means for consumer to gather information of indirect experience regarding their initial preference of purchase. The questions which fall under this section are to find out the perspectives that consumers are holding towards information available on social media and on mass media. By having an answer of it can lead us to an explanation of how social media is interfering consumer's decision making process before a purchase.

As in previous section, the findings have shown that social media has provided a more powerful platforms where new products, services, or even new brands to be noticed in the marketplace. However, this does not imply that social media could influence consumers to actually try these products and services. In the gathered data, it reflects that individuals (64 %) are indeed influenced to try new products, services, or brands because of the user-generated contents (blogposts, Facebook status, user reviews, and so on) available on the social

media. According to the data, it reveals that contents available on the social media have a different degree of effect on different age groups, which is presented in the following table.

Table 1. Influence of social media on age groups to try new products/ services/ brands

Age Group	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
18-21	0%	67%	33%	0%	0%
22-25	12%	58%	19%	10%	1%
26-30	0%	58%	16%	21%	5%
30+	14%	14%	57%	14%	0%

In the theoretical part, it is mentioned that the determinants in the impact of indirect experience, in which affects an individual's attitude formation as well as the decision of the final choice, are *the expertise and the credibility* of the source of information (Fazio and Zanna 1981). Since both mass media and social media have provided certain amount of information to consumers, and the critical determinant which differ them is the credibility of them. Thus, respondents were inquired to mention their beliefs in how credible and reputable the information on social media is comparing to those on means media. 58 (%) of respondents believes that *contents available on social media have a higher credibility than those on mass media*.

Then, respondents were asked to express their opinion. Regarding the statement "*contents available on social media have a higher credibility than those on mass media*", 60 (%) of the respondents who has agreed, or strongly agreed upon the statement have expressed their point of view - contents available on social media are believed to be "*unbiased, more critical, trust-worthy, real experience, and with less commercial basis*", and one even pointed out that "*blogger who (s)he has followed for a period of time allows him/her to know what the person (blogger) is like and makes her/him to respect the blogger's opinion rather than opinion from random people in advertisements*". Also, it is

also seen that information is "*easier to find*" and "*information spreads faster and in large numerous*" on social media has created a higher credibility than information on mass media.

On the other hand, 18 (%) of the respondents have hold a disagreement upon the credibility that social media has comparing to traditional media. In summary of their opinions behind the disagreement, 55 (%) of the disagreements has reflected the concern about the possibility of the false information, because "*information on blogs is mostly opinions of people but not fact*" and user-generated contents can also be paid editorials and with commercial basis.

Both communication models of traditional media and social media (see chapter regarding social media and consumer) have mentioned individuals who share their reviews, comments, or experiences though the social media can be referred as opinion leader, in which they have a certain degree of influence on consumers. With the available platforms on social media, the gathered data has proven that information is easier to find and the flow of information is faster and access to more individuals; that is, everyone can be an opinion leader and has a certain degree of influences on the Internet over the others.

Most importantly, as mentioned in the theoretical part (social media and consumer) and with the combination of the above findings, the social media enables information *to go beyond the company's control* which *leads to a higher credibility of the source of information* in comparison to the information on mass media; 64 (%) of the respondents have agreed that the statement as a critical factor.

5.6 Final Decision

According to five-stages buying model and information processing theory, they both have indicated that stages in decision process are rather in a cyclic order, due to perceptual interpretation of stimuli and attention are continually interacting. In other words, consumers may learn about the purchase environment while the course of information, for instance to *reduce the risks* of

making an uncertainty, negative or unsatisfactory purchase, which leads to a change in their purchase preference, establish new criteria not previouslt considered, and eventually the search of information repeats again.

Since social media is considered as an extent of external stimuli in the decision process (Constantinides and Fountain 2008), in order to examine the influence of information available on social media on consumers' decision process, respondents were asked whether *they would change their initial preference after carrying out information search via social media*, and to study the reason behing the change.

The data in Figures 18 and 19 have revealed that the percentage of respondents that has reflected "*sometimes*", "*often*", and "*always*" as the frequency of *pursuing an initial preference before a purchase* is 48 (%), 44 (%), and 4 (%); whereas, 57 (%) of the respondents *sometimes encounter changes in their initial preference after searching relevant information on social media*. 55 (%) of the respondents have stated that they are *likely to change their attitudes towards a certain brand or product or service after reading positive contents on social media sites*, yet there are 36 (%) of the respondents expressed *uncertainty* regaring the issue.
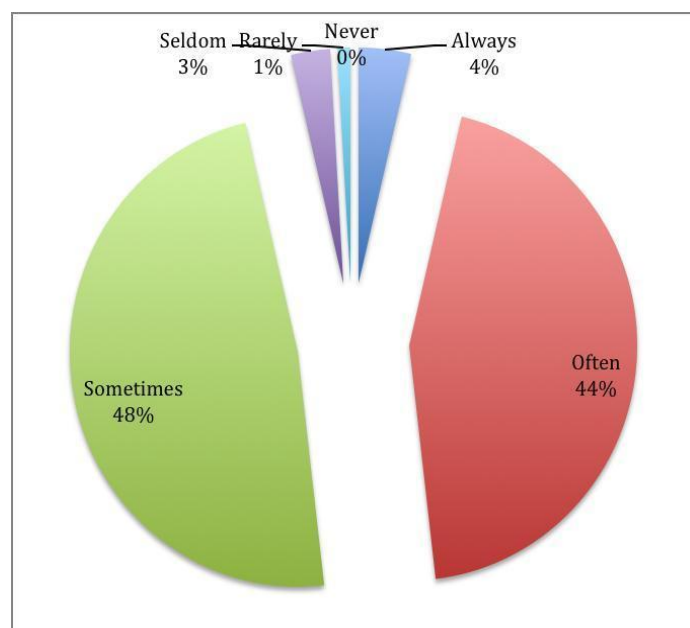

Figure 18. Initial preference/ attitude before a purchase
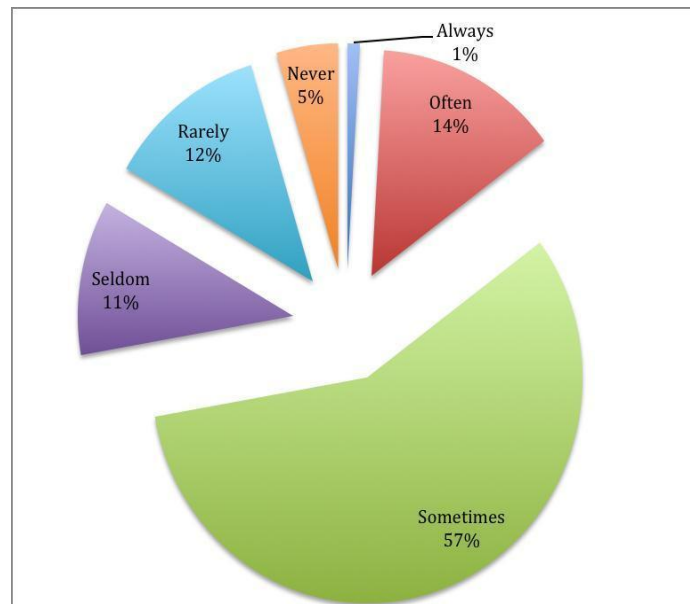
Figure 19. Change of initial preference after a
search of information on social media

From the above, one can observe that information available on social media
has a certain degree of influence on consumer behavior; that is, a change in
attitude (positive or negative) can be made prior to purchase. Likewise,
companies can utilize the platforms on social media to interact with consumers
in order to strive for building up a better and stronger relationship. Also, as it is
shown, social media can serve as a "second chance" for companies to project
their products, services, or brands even if consumers did not consider initially.

Moreover, 70 (%) of the respondents have either *agreed* or *strongly agreed* that
feedbacks on social media sites do affect their purchase. This expression has
indicated that consumers are undoubtedly *influenced* by the *infomediaries who
publish their evaluations* (Kotler and Keller 2009).

5.7   Post-purchase Evaluation

After a consumption, consumers experience differently which leads certain
levels of satisfaction or dissatisfaction, and evaluates the wisdom of the choice
made in selecting the alternative. Dann & Dann (2011) have stated that social

media is formed based upon the interconnected elements – *social interaction, content, and communication media*; that is, social media enables a two-way conversation, and enhances the communication flow by encouraging individuals whoever is interested to join the conversation. Thus, after a purchase and a consumption, it is critical to identify the actions of individuals would carry out in particular with the access to social media sites.

As the below Figure 20 shows, when respondents were asked if they were *likely to share their opinions (comments, reviews, or related articles etc.) to peers or friends via social media after a purchase*, only 4 (%) and 8 (%) of the respondents have shown that they "*always*" or "*often share their comments regarding the purchase*".
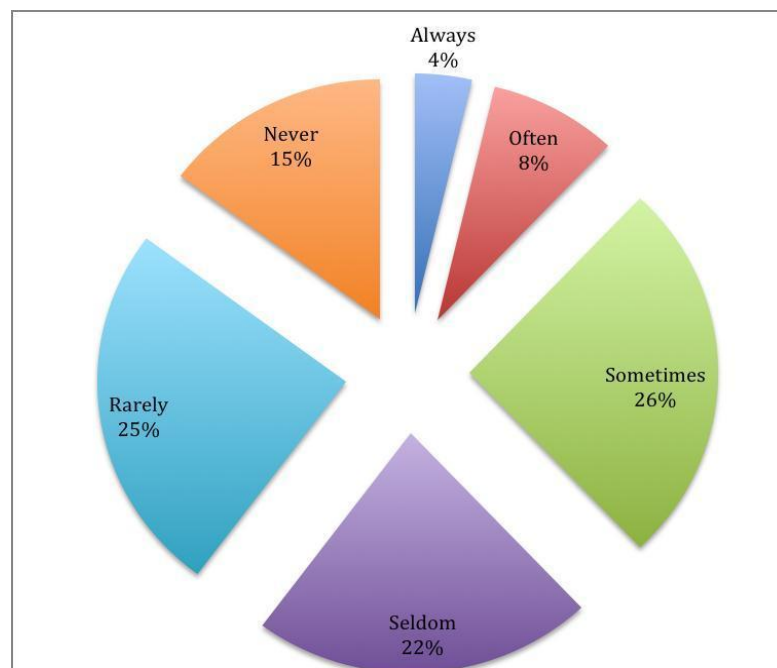
Figure 20. Tendency in passing of information on
social media after a purchase

Then, the following questions were asked "do you agree that social media has provided an effective and powerful platform for *consumers to communicate with each other and with the companies*", and the answers were within expectation that majority of the respondents (78 %) have agreed or strongly agreed upon the statement, while 3 (%) of them have shown disagreement. However, when they were inquired *whether they feel encouraged to voice their opinion after a*

purchase via social media platforms or not, the data has revealed that many of the respondents do not feel the encouragement even if there is available platforms on social media.
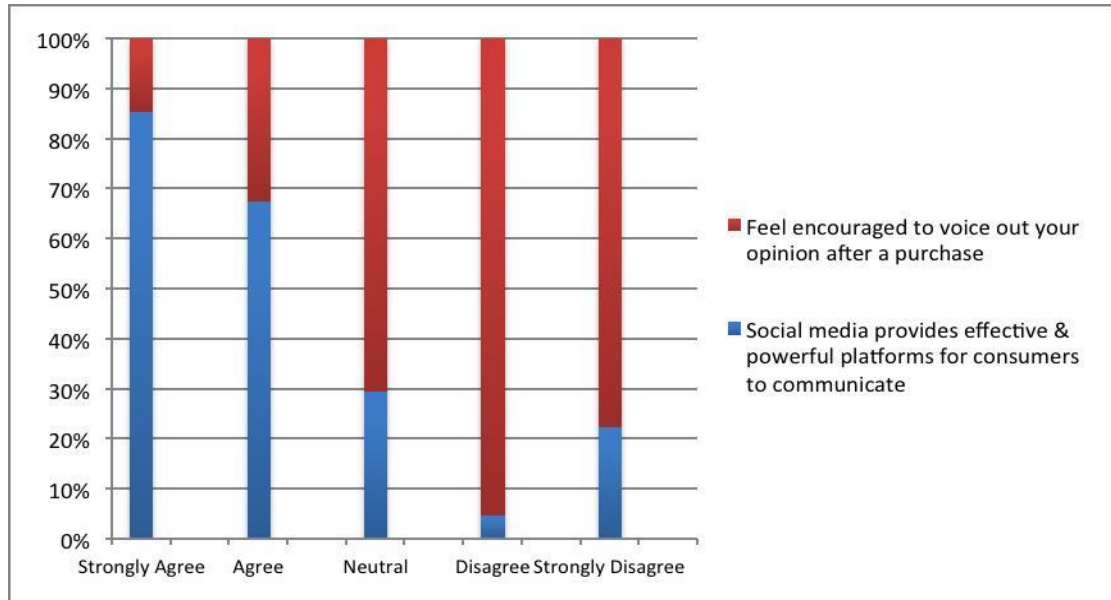
Figure 21. Available platforms vs. Willingness to voice out

As Figure 21 has shown the comparison in percentage between two variables – available of effective communication platforms and whether individuals are encouraged or not. It is observed that even social media has provided an effective communication platform to consumers, yet individuals do not feel encouraged to join the conversation. In this circumstance, as a purchase validation tool (Evans 2008), social media cannot be used to the fullest in promoting consumers to "talk" and linking these "talks" back to the *consideration stage* of the decision process among the respondents.

From one of the collected opinions (question 31), the respondent has denoted that mass media oftentimes initiates a thought in purchase or introduces a new product, then (s)he will then use social media to seek information relating to certain products or services. This indication has proven that social media, according to Evans (2008), has added an important value to the purchase funnel of nowadays, which is the role the social feedback cycle as a *purchase*

validation tool. Consumer may find out a particular product or service or either television, radio, or magazine, and then consumer can verify it on Internet.

5.8 Big Picture of the Entire Process

As a consumer, the researcher has always realized that social media has affected her decision making processes without paying much attention to it; thus, the last two questions were based on the researcher's personal interest that to find out whether individuals are well-aware of the **degree of impact** *that social media has brought to the stages involved in their buying decision*, and their opinions regarding the **biggest difference** *in making a buying decision between using information from the social media and information from the mass media*, the findings are demonstrated in below table 2.

Table 2. Impact on stages in decision making process

Response	Exposure	Problem Recognition	Search for the alternatives	Evaluation of information	Post-purchase Evaluation
Most affected	21%	11%	17%	13%	11%
Affected	31%	34%	34%	38%	27%
Neutral/I don't know	23%	24%	27%	27%	27%
Less Affected	15%	19%	12%	15%	13%
Least Affected	10%	11%	11%	7%	22%

After comprehending the results, one can notice that the stage of exposure is the most affected while the stage of problem recognition is less affected; in which corresponding to the previous question of asking *whether respondents are triggered to make a purchase because of social media* and the result has shown that only 32 (%) of the respondents have answered "*yes*".

The data unfavors to conclude a statement regarding the stages of search of alternatives, evaluation of information, and post-purchase evaluation, due to the findings have yielded to the same percentage (27%) in the category of "*I don't know*". However, considering that there were 38 (%) of the respondents have chosen the degree of impact as "*affected*" which is slightly higher than those who have chosen "*I don't know*" (27%) during the stage of *evaluation of*

information; therefore, this may also refer to the degree of influence that social media has in this particular stage.

Last but not least, respondents were given a chance to express their opinions freely regarding *the usage of information from social media and those delivered through mass media before making a purchase decision*, which researcher believes it as a profound factor of differing social media from mass media and eventually has created a new landscape in today's marketing; thus, it hereby implies a support of all the above findings of how social media has impacted consumer decision making process at each stage.

Since there is a large amount of feedbacks (97%) has collected (see appendix 3), therefore the researcher has composed a summary from the received opinions regarding the point of view that individuals have towards social media and mass media.

In regards of the *nature* of the information on social media, two factors have been mentioned from the received comments – *accessibility and transparency* of the information; it has proven the suggestion made by Evans (2008) for the purchase funnel in present-days, in which social media has impacted by providing experiential data from current customers for the benefit of the next wave of shoppers and prospects. (see Chapter 5.2 of this research)

> "you can attain information very quickly through social media networks whereas in mass media the situation is quite different in that you have to rely on for instance magazines or TVs and that takes really time"

> "Customer experiences, word of mouth, going behind the marketing and advertising mumbojumbo/polished slogans"

> "When using social media, you can actually search for the aspects that interest you"

Many of the respondents have stated that social media not only enables them to obtain *independent, reliable, detailed, and a great range* of information about the products and services, but also empowers them to control their information in the own interest, for instance the ability *to skip advertisements on social media sites*. The provision of information is made by *different entities/ a third*

party , such as *bloggers, individual users, consumers, as well as companies*; that is, information on social media is considered as real information, real life experiences, and more subjective due to the *accessibility to different user experiences from real consumers*, in which entails both negative and positive remarks of the product and service.

> "You have to filter the information from hundreds of users' opinion and comment. then make the decision of purchase yourself"

> "…in case of social media, I should take care each person's (internet user's) reputation is with it."

Differences *during the course of obtaining information* on social media and mass media were also mentioned in the answers. One of the respondents commented "*I always use other people's (friends', bloggers') opinions when buying* **cosmetics**, **because the mass media NEVER tells enough of the cosmetic products**", this shows that relative information availability within the *particular choice environment* affects the *type of information* consumer seeks for (Bettman 1979). With social media, the quantity of information concerning any kind of products or services is particularly enormous when comparing to mass media; hence, some of the responses have indicated that individuals have to filter out the relevant information based on what they are looking for, which in responds to the behavior in association with contents evaluation as Silverman (2009) has denoted (see Chapter 5.2 of this research).

> "In social media you can argue with friends about your future purchase, shortcomings and their previous experience with the same products"

> "…able to make a comment and discuss and others"

In comparison to mass media, due to the independency of social media platforms (Mangold and Faulds 2009), respondents have mentioned the social media has amplified consumers' ability to communicate with one another and *interactivity among consumers who have purchased the same products* available, wherein they can look for help by communicating with experts once they have an *uncertainty towards a purchase, and they are able to get immediate reply and information*. On the other hand, due to the vast amount of

quick and easy-access information available to everyone on social media, few respondents have concerned about the possibility of attaining false information, such as *exaggerations or fake descriptions*.

Besides, there are few intriguing responses that the researcher has come across to:

1. Some of the purchase decisions are taken place in the actual shop by comparing *the packages and prices etc.*, the only time they check reviews or ask from peers is when they have to *make bigger purchases*.

2. Respondents are aware of themselves being an active role in information exposure.

3. Traditional media still takes a part of the picture in terms of triggering awareness – *"From mass media advertising I might by something that I have not been looking for, a good deal"* commented one of the respondents.

6 CONCLUSION

6.1 Outline

The motive of the research was triggered by personal interest in how consumer behavior has changed in the Digital Age, in particular with social media. The amount of information available to us increases in each new day, as a result, we are overwhelmingly exposed and attained to different aspects of information via the Social Web. The accessibility and transparency that social media offers has led changes in how consumers position themselves in today's market, in which it is inevitable and necessary for companies to equip with a new marketing mindset. The central gravity of the research was to explain *why, when, and how* social media has impacted on consumer decision making process both in theory and in practice.

There is a generous amount of reports relating to social media marketing which are primarily aimed to help businesses benefit from this marketing trend. Oftentimes, businesses assume that they are on the right track in the new marketing era, for instance engaging customers by creating a Facebook page; in fact, customers may not share the same picture as businesses may have.

Therefore, the research was carried out in the *perception of consumers* (in Finland), which was aimed to explain the impacts of social media on different stages in their decision making process, by finding out *how consumers perceive social media* in the entire process.

Additionally, the research, perhaprs, could help company to *gain new insights* from this perspective and to *identify potential pitfalls and opportunities via social media*, for instance to develop *appropriate ways* to tab into the decision making process at the *right time* or to have a better understanding of why their social media marketing campaigns may not be executing as they would have anticipated.

Essentially, the theoretical framework of this research was built upon consumer buying model and the changes social media has predominately brought to marketing. The five stages in the buying model served as a basis of the logical order of how the survey was carried out and the theories in social media provided guidelines on which set of questions would grasp the research questions.

The following chapter presents the conclusions drawn from the research findings. Nonetheless, further discussions and limitations are outline and deliberated.

6.2   Conclusion

The objective of the research was to explain *why, when, and how* social media has impacted on consumer decision making process. Research questions were designed to narrow down the subject and to help the researcher to identify the explanations of the issue. The three research questions for this thesis were as follow:

1. How do consumers *attend, process, and select* the information before a purchase?

2. What are the differences between marketing on social media and through mass media?

3. What are the changes social media has brought to consumers in different stages of their decision making?

To begin with, social media has brought profound changes to both consumers and businesses, the findings of this research are consistent with the theories presented in the theoretical framework, Chapter 2 to 4. The collected data from the survey is elaborated in association with the presented theories in Chapter 6 Data Analysis of the research.

In terms of the first research question, the five-stage decision making model has provided a systematic approach in outlining the general stages that consumers

engage in all purchase, while the information process theory addresses an in-depth perspective of how information is in used of throughout the course of decision making.

The aforementioned theories and the data analysis of the research have both proven that, no matter it is in association with social media or mass media, consumers are highly selective in attending, process, and selecting the information before a purchase takes place. Information exposure is highly selective in the initial stage of information, because consumers have the selections of information source, in which determinates the type of information that consumer will be exposed to. To be noted, personal attitude is a crucial factor which underlines during the course of information acquisition and evaluation. As a result, not only judgments regarding products or services are presumably based, but also it is an vital determinant of the information consumers will seek out, in which it eventually affects the extent of the information reception.

At the essence, all platforms available on social media have offered a two-way communication flow, which is highlighted theoretically and practically. Consequently, this principle feature of social media has created a new landscape in supporting the socialization of information, and has forced marketers to give up what they old mindset in dealing with mass media marketing. As the collected feedbacks from the individuals, it has emphasized that, in particular with social media, consumers are able to access to customer experiences and word of mouth, in which surpasses the marketing and advertising mumbo-jumbo or polished slogans.

In other words, marketing via social media is more about creating high-quality contents that are consumer relevant (Drury 2008), instead of being a brash product placement. Moreover, marketing through social media focuses on building relationships between consumers and companies. The research findings have shown that the position of the consumer in the new marketing approach is the centralized gravity, because consumers are empowered. As

many respondents have reflected that social media has provided a more effective platforms to communicate with one another and with the company.

Finally the core objective of the entire research was to find out the changes that social media has brought to consumers in each stage of their decision making process. According to the finding, social media still cannot be considered as a powerful tool to trigger a purchase in Finland, whereas individuals have reflected that mass media still remains a certain influence in gaining awareness, for instance discounts available in stores, or a good deal. Social media has considered as a powerful tool in getting relevant information, while mass media creates awareness of certain discounts or promotions.

In theory, information exposure through mass media is considered as a passive process as individuals are exposed and receiving information unconsciously. However, when consumers seek out information initiatively, it is perceived as an active process. In the research findings, consumers play an active role in the course of information acquisition because of the accessibility and availability of information on social media platforms.

The accessibility and transparency of information that social media has offered to consumers have been indicated throughout the entire research. Consumers are able to access to relevant information not only in a great range but also in a faster speed, which mass media consumes more time in searching information. In contrary, contents are not in control and monitored, thus the chance of getting false and nonfactual information which the consumers have shown concern of. In terms of a business context, marketers have to be aware of the bad mouth on social media, because it can be spread virally and led to a damage to brand's reputation.

The research finding has revealed the current situation concerning consumers' post purchase behavior in Finland. Many individuals have noticed and agreed that with social media, they are able to voice out their opinions and to communicate with other consumers and with the company more effectively. However, again, many of them have felt not encouraged to voice out their

feedbacks and to pass along their comments to peers, friends, or family members via social media. In responding to the purchase validation tool (Evans 2008), the reason why social media has added value to today's marketing is by bridging up the *post-purchase word of mouth* with the *consideration stage* of the consumer decision process, which has extended purchase funnel. Specifically, due to the word of mouth and user-generated contents on social media, the "talks" are able to generate an experiential data for prospects; however, the findings have shown that the word of mouth would be insufficient for the influence because of unwillingness to share the information via social media. In the perspective of marketers, this pitfall may serve as a bottleneck in association with marketing via social media; thus, marketers should identify the reason of this particular negative feelings among consumers and initiate consumers to participate in the conversations.

Social media has altered the communication model which it used to be in mass media (see Smith and Zook 2011), instead of having companies deliver messages to the public all times, social media has fostered a web communications between customers and opinion leaders in which spins around the brand; consequently, this particular new communication flow has built interactivity and communities among all users, which the effects of it has penetrated in every stage of the decision making process. This influence has been reflected from the collected opinions (see Appendix 3).

To conclude, from the findings of this research, it can be observed that consumers in Finland are actively utilizing social media platforms as a tool in validating of the purchase decisions; however, consumers are deemed to be inactive in sharing their word of mouth to others with the available social media platforms. The consistency in the gathered data and time-honored theories relating to consumer behavior and contemporary frameworks regarding social media marketing, it has suggested that the essence of consumer behavior still remains the same even after the advent of social media, in which individuals have to go through the all the stages before a purchase, instead of straight to the purchase decision once a thought of purchase being triggered.

6.3   Future Research

Considering the limited time and scope of this research, many theories related to the subject were covered but in a rather general perspective so as to provide a big picture for the readers. Therefore, if further research could be conducted, then an in-depth survey should be carried out in tackling the research objective.

It would be undoubtedly useful and interesting to have a case company as a reference of the research. By studying the case company, it may offer a comparison between what company thinks it is working out, and what does its consumers actually perceive. Would the result reflect a diverse perception from two different parties in regards of social media and decision making proceed? The results could help company to gain an evident insights and to identify actual tactics to tackle the situation.

Since research has revealed that consumers do not feel encouraged to generate the word of mouth through social media, and this indications may imply that marketers would have to carry out certain actions in order to provoke these conversations. Therefore, a future research can be conducted based on this perspective in investigating the reasons associating with this particular feeling and how it could be altered in order to utilize social media as an effective purchase validation tool.

Nonetheless, if further research could be conducted for companies, then theories could be implied more accurately, because some of the theories are proposed and developed in aiming to help companies to gain a better position in the transition from the traditional marketing approach to the new marketing mindset. In that case, findings and conclusions could be drawn without vagueness.

6.4 Limitation

Despite the fact that theories were approved by findings from survey and the research is able to provide a certain degree of new insights in relating to the current situation, limitations may still exist.

In the foregoing chapter the above findings cannot represent all individuals across Finland as a whole; due to the decision making process involves psychological factors which may result in different behavioral actions. Also, regarding the summarization of question 31 in the survey, it may result in the lack of objectivity because the researcher may only highlight the comments according to the researcher's intention.

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Questionnaire Form

Impacts of social media on consumer decision making process

General Background

1) Age

⚪ Under 18

⚪ 18-21

⚪ 22-25

⚪ 26-30

⚪ 30+

⚪ 40+

⚪ 50+

2) Gender

⚪ Female

⚪ Male

Exposure

3) Which of the following social media sites you are using on a daily basis? (Please select all the platforms you are using)

☐ Social Networking Sites (e.g. Facebook)

☐ Microblogging (e.g.Twitter)

☐ Blogs/ Forums

☐ Social Bookmarking Sites/ Social News (e.g. Reddit, Digg)

☐ Photo & Video Sharing Sites (e.g. Flickr, Youtube)

4) Time (approx.) spent on social media sites per week

○ 0 hour

○ 1-3 hours

○ 4-6 hours

○ 7-9 hours

○ 10 hours or more

5) Time (approx.) spent on the mass media (TV, radio, magazine, newspaper and so on) per week

○ 0 hour

○ 1-3 hours

○ 4-6 hours

○ 7-9 hours

○ 10 hours or more

6) Do you think that with the social media sites, you are able to seek out products/services information initiatively (actively)?

○ Strongly Agree

○ Agree

○ Neutral

○ Disagree

○ Strongly Disagree

Attitude

7) Do you have prejudgment (positive/negative) towards a particular product and/or service **before an actual consumption**?

○ Always

○ Often

○ Sometimes

○ Seldom

○ Rarely

○ Never

8) Which of the following factors are the causes of your prejudgment? (You may select more than one answer)

☐ Previous experience

☐ Knowledge or awareness of the brand

☐ Brand reputation

☐ Information from the internet (e.g. user reviews, blogs, forums, and so on)

☐ Information from the mass media (e.g. TV, radio, magazine, and so on)

☐ Information from peers, friends, or family members

9) Do you tend to seek out information that is consistent with your initial opinion/preference for a purchase?

⭕ Always

⭕ Often

⭕ Sometimes

⭕ Seldom

⭕ Rarely

⭕ Never

Problem Recognition

10) Does social media triggers you to purchase a product/service?

⭕ Yes

⭕ No

⭕ Not sure

11) Do you find advertisements on mass media are still attractive?

◯ Yes

◯ No

12) Which of the following mass media channels you still find attractive?

☐ TV

☐ Radio

☐ Newspaper

☐ Magazine

Other (Please Specify)

[   ]

<u>Search for alternatives</u>

13) Do you agree that information searching is easier via social media
    comparing to mass media (e.g. TV, radio, newspaper, and so on)?

◯ Strongly Agree

◯ Agree

◯ Neutral

◯ Disagree

◯ Strongly Disagree

14) Do you search for related information on social media before a purchase?

○ Always

○ Often

○ Sometimes

○ Seldom

○ Rarely

○ Never

15) Rank on a scale of 1 to 5 for the source of information on social media you use before a purchase. **1 being least, 5 being most**

	1	2	3	4	5
Facebook	○	○	○	○	○
Twitter	○	○	○	○	○
Online Forums/ Communities/Blogs	○	○	○	○	○
Social Bookmarking Sites (e.g. Digg)	○	○	○	○	○
Youtube	○	○	○	○	○
Flickr	○	○	○	○	○

16) Do you agree that, for instance, advertisements/blog posts/ FB pages/user reviews on social media influence you to try new brands/products/services?

○ Strongly Agree

○ Agree

○ Neutral

○ Disagree

○ Strongly Disagree

17) Do you agree that social media has provided more effective platforms to new products/services/brands to draw consumers' attention than mass media channels?

○ Strongly Agree

○ Agree

○ Neutral

○ Disagree

○ Strongly Disagree

Evluation of Information

18) Do you agree that advertisements/ reviews/ blog posts etc. have a higher credibility than advertisements/ editorials/ other marketing means on mass media?

○ Strongly Agree

○ Agree

○ Neutral

○ Disagree

○ Strongly Disagree

Why?

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┌─────────────────────────────────────┐
│                                      │
│                                      │
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│                                      │
│                                      │
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19) Do you rely on information available on social media if you have uncertainties regarding a purchase?

○ Always

○ Often

○ Sometimes

○ Seldom

○ Rarely

○ Never

20) Do you change your initial purchase preference after searching relevant information via social media sites?

○ Always

○ Often

○ Sometimes

○ Seldom

○ Rarely

○ Never

Post-Purchase Behavior

21) Are you likely to share comments/reviews/blog posts/related articles etc. to peers or friends via social media after a purchase?

○ Always

○ Often

○ Sometimes

○ Seldom

○ Rarely

○ Never

22) Are you likely to change your attitude towards a certain brand or product or service after you have read positive comments/reviews/online articles etc. about it?

○ Yes

○ No

○ Not sure

23) Do you agree that feedbacks (reviews/comments/posts and so on) on social media affect your purchase?

○ Strongly Agree

○ Agree

○ Neutral

○ Disagree

○ Strongly Disagree

24) Do you agree that social media provides an effective and powerful platform for **consumers to communicate with each other and with the companies**?

○ Strongly Agree

○ Agree

○ Neutral

○ Disagree

○ Strongly Disagree

25) Do you feel encouraged to voice out your opinion after a purchase via social media platforms?

○ Strongly Agree

○ Agree

○ Neutral

○ Disagree

○ Strongly Disagree

26) Do you agree that information regarding products and services **have a higher credibility on social media** than on mass media channels because **the information is beyond the company's control**?

○ Strongly Agree

○ Agree

○ Neutral

○ Disagree

○ Strongly Disagree

27) In your opinion, which stage of your buying decision has been affected mostly because of social media? Rank on a scale of 1 to 5. **1 being least, 5 being most**

	1	2	3	4	5
Exposure to product/service information	○	○	○	○	○
Problem Recognition	○	○	○	○	○
Search for the alternatives	○	○	○	○	○
Evaluation of information	○	○	○	○	○
Post-purchase Evaluation	○	○	○	○	○

28) Do you think that social media makes your decision making **more complex**?

○ Strongly Agree

○ Agree

○ Neutral

○ Disagree

○ Strongly Disagree

29) Factors that affects the length of your decision making process. Rank on a scale of 1to 5. **1 being least, 5 being most**

	1	2	3	4	5
Recourse (e.g. time, finance)	○	○	○	○	○
Amount of available information	○	○	○	○	○
Personal factor (e.g. pressure)	○	○	○	○	○
Uncertainty	○	○	○	○	○
Risk	○	○	○	○	○

30) In your opinion, what is the biggest difference in making a purchase decision between using information from the social media and information from the mass media?

Thank you for your time!