Impact of Social Media Advertisement on Consumer Behaviour of Millennial - A Case of Electronic Gadgets

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Abstract

Social media is changing the way information is communicated to and from people around the world. The rapid use of social media is changing the way companies respond to consumer's needs and wants and increasing the opportunities for companies to market their products and services in a personalized way. However, there is still limited research to answer some of the key issues concerning the extent to which social media advertisements is being utilized in firms and their effectiveness in marketing from a business perspective. The purpose of this study is to investigate the impact of social media advertisement on millennial and the perceived effects of these marketing practices on electronic gadgets. Data was collected by e-mail questionnaire with Information technology professionals of social media user. The empirical results showed that social media advertisements help the companies to create and enhance brand awareness and in turn this leads to increasing sales performance of companies. Additionally, the study found that most of Millennial consumer behaviour affected by social media advertisement rather than only blog or review.
Keywords: Social media, Social media Advertisement, Millennial, Consumer Behaviour

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1. INTRODUCTION

Now businesses have gone beyond the traditional boundaries of purchasing, selling or other commercial transactions and consequently due to international online platforms, the boundaries of national markets have disappeared and become indistinct. A new global consumer system requires businesses to carry on their commerce globally rather than in one place, and hence to use their core skills and information efficiently [12]. Therefore, social media has become very important tool with regard to the effective dissemination of information.

Social media created to facilitate the exchange of information via email, chat rooms, blogs, discussion forums, digital audio, images and movies among its users[31]. It includes websites like face book, twitter, blogs and MySpace whose major users are youths and young adults who use it for diverse purposes[21]. Many of these youths no longer depend on traditional media for their information and entertainment needs; rather, they are hook to the social media for all these.
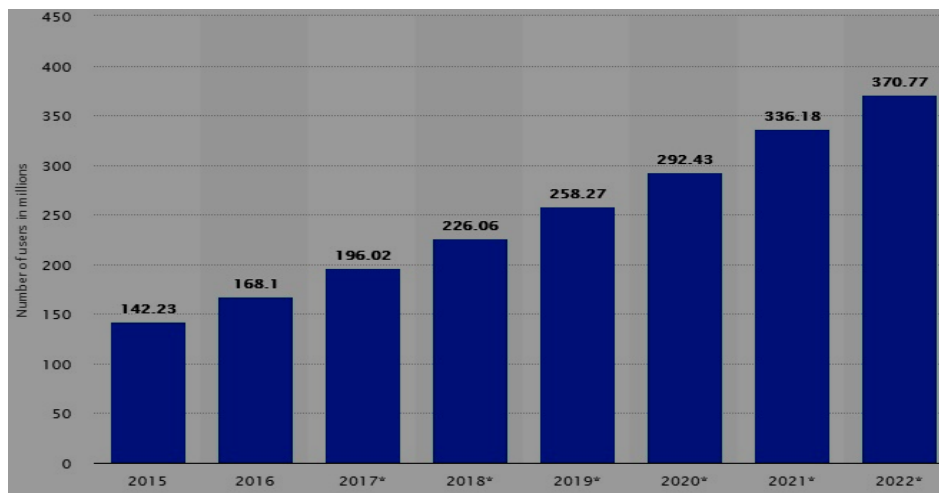

Figure 1: Expected Growth of Social Network User India

(Source: Worldwide Social Network Users: 2013 Forecast and Comparative Estimates)

Figure 1 shows the number of social network users in India from 2015 to 2022. In 2019, it is estimated that there will be around 258.27 million social network users in India, up from close to 168 million in 2016[34].

As more and more youths depend on social media for their needs, advertisers see it as an avenue to carry their advertising messages and to reach this important market segment [32]. Manufacturers who produce goods and offer services that appeal to youths usually place their adverts on social media. In fact, social media sites are now overloaded with advertisements [6].

Every time advertisers have sought for any media that will help them deliver their advertising message to their target prospects like millennial. As society and media use evolved, advertisers have always embraced changes in media landscape [10]. From town criers to books, pamphlets, posters, radio, television, billboards and now social media, advertisers have always been at the forefront of experimenting with any media that can deliver their advertising messages [15].

2. LITERATURE REVIEW

2.1 Background on Millennial

The Millennial generation, also known as Generation Y, spans the years 1979 through 1994. These children of Baby Boomers are the second largest consumer group and are expected to transform the market place. Millennial, the most ethnically and racially diverse generation in United States history, are a truly global generation and highly targeted by marketers because of their significant purchasing power [23].

The more common factors in millennial comparing with previous generations, thus, providing more insight into their behaviour. Millennial are demanding consumers who expect a large variety of items, personalization and customization of goods and services, as well as instant gratification[17] .These core behaviours, which are important to understanding buying patterns, include, but are not limited to: expectations of more choices, flexibility/convenience, result oriented, multi-taskers, digital natives, nomadic communication styles, and balanced lives. Millennial believe that they are special and believe their problems are the nation's problems and others will feel the necessity to solve these problems [6].

Millennial are more likely to be team players and less likely to rock the boat. They feel that standards and rules make life easier and that those who break the rules should be punished. Millennial feel pressured and believe that their performance in the present will influence their success in the future [8].

The millennial core traits of confidence, team-orientation, pressure and achievement have a significant impact on how retailers try to reach this group of consumers. With their busy schedules, Millennial believe that they are excellent multi-taskers [28]. Millennial are very busy with much of their free time scheduled for extra curricular activities that is believed to improve their chances for a successful [6]. Millennial have grown up in a digital world and are at home with a constantly connected, consumer driven, networked world. They use the digital world to multi-task and accomplish more with the time they have [20].

2.2 Social Media

The social media era was started around ten years ago. It began with LinkedIn, which was launched in 2003, followed by both MySpace and Facebook in 2004, YouTube in 2005, and Twitter in 2006. Social media term is construct from two areas of research, communication science and sociology [4]. In the context of communication, social media is simply a means for interactive connections between customers and brands by sharing information and experiences via the web. In the realm of sociology, and in particular social (network) theory and analysis, social media platform is a social structure made up of a set of social actors (i.e., individuals, groups, or organizations) with a complex set of dyadic relationships among them[1].

The major aim of advertising is to make an impact on buying behaviour; however, this impact about brand is changed or strengthened frequently in people's memories [8]. Memories about the brand consist of those associations that are related to brand name in consumer mind. These brand cognition influence consideration, evaluation, and finally purchases. The principal aim of consumer behaviour analysis is to explain why consumers act in particular ways under certain circumstances [29]. It tries to determine the factors that influence consumer behaviour, especially the economic, social and psychological aspects. When young people choose advertising

information and characters as their role models, they may not only identify with them but also intend to copy them in terms of how they dress and what they are going to buy [2].

Social media has gained a lot of popularity over the past few years and as a result of this popularity, other traditional Media have experienced decline in both business and popularity [4]. The main stream media channels have faced many challenges in recent times that have led to closure with TV facing down turn in their profits levels [1]. After the correlating the performance of these traditional channels to the rise of social media in marketing and brand management. As a result of completion and tough economic environment, companies have tightened their budgets especially advertising budgets which have shifted to online channels [1]. The companies are gradually shifting their advertising priorities to align better with today's buyers. Today's buyers are tech savvy and social media maniacs. Therefore, it is the proliferation of the social media network services in brand management and marketing that bring us to the attention of social media networks [2].

The most popular social network sites that are widely used are; Face book, Twitter, YouTube, LinkedIn and Flickr. In fact, Facebook, twitter and YouTube are the most common channels companies use in their online marketing for creating brand awareness or just engaging with the customers.[3] Though LinkedIn is also widely used by companies, it mainly targets to establish relationship on a professional perspective and slowly becoming strong medium compared to other three networking sites mentioned above.

But now day's facebook is very important social networking site. Facebook have over more than 800 million active users, of which 350 million users access Facebook through mobile devices [10]. An average Facebook user is estimated to have at least 130 friends and is connected to 80 community pages, groups and events. There are more than 70 languages available on the site[32]. Its main use is to establish and maintain relationships in work related situations, in political affiliations or just among friends and families. Facebook has become the most powerful tool for marketing today[11].

2.3 Social Media Advertising

In relation to social media, social media marketing concept is defined as any form of direct or indirect marketing that is used to build awareness, recognition, recall, and action for a brand, business, product, person, or other entity and is carried out using the tools of the social Web, such as blogging, micro blogging, social networking, and content sharing [30] . This kind of marketing as an integral part of online marketing activities that integrates with the traditional Web marketing strategies, such as email marketing, webinars, and online advertising, but not equal to online marketing because online channels are static in nature and are just one way communication of which firms used to give out information without interacting with customers[4]. The difference between social media marketing and traditional methods of marketing is that the social media marketing is related to relationship marketing, where the firms need to shift from "trying to sell" to "making connections" with the customers.

With the large number of users, viewers, and followers of various social networking sites, retailers and manufacturers use these advertising outlets to reach current and potential customers. Social networking allows merchandisers to reach the target market more directly than other types of advertising. Social networking sites assist retailers and manufacturers by

developing an advertising awareness that best matches their target consumer, whether it is a new viral video star, a flashy facebook presence, or a Twitter feed [6].

Social networking sites as a marketing tool have become so valuable that retailers are relying on newer software to reach the most influential customers. Samsung, an electronic company, recently introduced a smart phone camera with a facebook Remote view button to transfer the photo to different social networking programs and comment instantly[34]. The ability to analyze data surrounding a social network has become specific to the social network instead of an individual's call records. Tracking data on social networks has become a common information tool for retailers and government agencies to study the influence of consumers on their peer groups[8].

Social advertising has been deemed more trustworthy by users because the information is coming from a "friend" and users are more likely to pay attention [26]. Advertising in this format is seen as a conversation in which users are active participants instead of the traditional one-way commercials. These conversations are creating brand images with consumers that are more interesting and effective than traditional media [17].

In summary, today, it is no longer enough to solely rely on traditional media for marketing, more is it acceptable for the firms to simply step in and explore how to utilize their interactive media as a part of the marketing strategy and culture of operations within firms [31]. This highly interactive social media holds enormous potential for firms to become more connected to customers and, by doing so, increase revenue, reduce costs and improve efficiencies [36, 37].

4. METHODOLOGY

There are two distinct research methods–quantitative and qualitative, in collecting data for the purpose of obtaining information from them, to solve or answer a particular research problem or question. Quantitative data is any data collection technique or data analysis procedure that generates or uses numerical data; whereas qualitative data is in form of descriptive accounts of observations or analysis which is conducted through the use of conceptualization [21].

Although it is usually better to link quantitative data with other methods in order to complement the findings of a research. 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 [15].

The objectives of this research are twofold – first to find out the components and variables involved with use of social media for electronic gadgets; second to identify the age, income etc background of IT professionals. This research strives to provide a clearer, and perhaps a better, understanding to usage pattern of millennial specially IT professionals. It may also offer possible insights for companies to identify the pitfalls and opportunities in the new marketing era.

4.1 Survey Development

The researchers developed the survey after reviewing the literature and communicating with IT professional millennial. Questions asked of the millennial during survey development included their use of social networking sites, their on-line shopping behaviors, and influences of their purchases. The literature reinforced many of the comments made by millennial and provided background information into the millennial generation's behaviours.

4. DATA ANALYSIS

This analysis made on the data collected from the questionnaire. The set of questions based on the social media related issues, were sent to IT professionals. Each question and response option associates with components of theories, and they have been modified in order to allow respondents to understand easily and to avoid any potential error in misunderstanding.

4.1 Internet used by Millennial

Table 1: Cumulative percent of accessing internet

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Almost Everyday	368	71.6	71.6	71.6
	4-5 Days/week	90	17.5	17.5	89.1
	2-3 days a week	24	4.7	4.7	93.8
	Once a week	10	2.0	2.0	95.8
	Rarely	13	2.4	2.4	98.2
	Never	9	1.8	1.8	100.0
	Total	514	100.0	100.0	

Interpretation: Out of 514 respondents, 368 millennial access internet almost every day, 90 millennial access internet 4-5 days / week, 24 millennial access internet 2-3 days / week, 10 millennial access internet once a week, 13 millennial access internet rarely in a week and 9 millennial do not access internet at all. And out of 100% respondents 71.6% millennial access internet almost every day, 17.5% millennial access internet 4- 5 days / week, 4.7% millennial access internet 2-3 days / week, 2.0% millennial access internet once a week, 2.4% millennial access internet rarely in a week and 1.8% millennial do not access internet at all.

4.2 Use of Social Networking Sites Like Face-Book, Twitter, Linkedin

Table 2: Frequency of using SNS within a week among working millennial.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Almost Everyday	286	55.6	55.6	55.6
	4-5 days/Week	118	23.0	23.0	78.5
	2-3 days a Week	40	7.8	7.8	86.3
	Once a week	26	5.1	5.1	91.4
	Rarely	17	3.6	3.6	95.0
	Never	27	4.9	4.9	100.0
	Total	514	100.0	100.0	

Interpretation: Out of 514 respondents, 286 millennial use social networking sites like Face- book, Twitter and LinkedIn almost everyday, 118 millennial use SNS 4-5 days/week, 26 millennial use SNS 2-3 days/week, 17 millennial use SNS once a week, 27 millennial use SNS rarely and 63 millennial never use SNS in a week. And out of 100% respondents 55.6% millennial use social networking sites like Face-book, Twitter and LinkedIn almost everyday, 23.0% millennial use SNS 4-5 days/week, 7.8% millennial use SNS 2-3 days/week, 5.1% millennial use SNS once a week, 3.6% millennial use SNS rarely and 4.9% millennial never use SNS in a week.

4.3 Education Background of Millennial

Table 3: Cumulative percent of Educational background

		Frequency	Percent	Valid Percent	Cumulative
Valid	Non Graduate	85	16.5	16.5	16.5
	Graduates	286	55.6	55.6	72.1
	Post Graduate	143	27.9	27.9	100.0
	Total	514	100.0	100.0	

Interpretation: Out of 514 respondents, 85 millennial are non graduate, 286 are graduates and 143 are post graduates. And of 100% respondents 16.5 % millennial are non graduate 55.6% are graduates and 27.9% are post graduates.

4.4 Annual Income of Millennial

Table 4: Cumulative percent of annual income

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Upto 3 Lakhs	223	43.4	43.4	43.4
	3.1- 5 lakhs	183	35.7	35.7	79.1
	5.1-10 lakhs	90	17.5	17.5	96.6
	Above10 Lakhs	18	3.4	3.4	100.0
	Total	514	100.0	100.0	

Interpretation: Out of 514 respondents, 223 millennial are having annual income Up to Rs. 3 lakhs, 183 millennial upto 3.1-5 lakhs, 90 millennial upto 5.1-10 lakhs and 18 millennial upto above 10 lakhs. And out of 100% respondents 43.4% millennial are earning annual income upto 3 lakhs, 35.7% millennial upto 3.1-5 lakhs, 17.5% millennial upto 5.1-10 lakhs and 3.4% millennial upto above 10 lakhs.

4.5 Age of Millennial (IT Professional)

Table 5: Cumulative percent of Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25(A)	367	71.3	71.3	71.3
	26-30(B)	91	17.8	17.8	89.1
	30-35(C)	56	10.9	10.9	100.0
	Total	514	100.0	100.0	

Interpretation: Out of 514 respondents, 367 millennial from 18-25, 91 millennial 26-30 and 56 millennial are 30-35. And out of 100% respondents 71.3% millennial are A, 17.8% millennial B and 10.9% millennial are C category IT professionals.

4.6 Consumer Buying Behaviour

Table 6: Millennial who have purchased consumer electronic items through social media.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	269	52.3	52.3	52.3
	No	245	47.7	47.7	100
	Total	514	100.0	100.0	

Interpretation: Out of 514 respondents, 269 said they have purchased the consumer electronic items through social media and 245 said they have not purchased the consumer electronic items through social media. And out of 100% respondents 52.3 % millennial said they have purchased consumer electronics items through social media and 47.7% millennial said they have not purchased the consumer electronics items through social media.

4.7 Reason behind purchase of the electronic item through social media
Table 7: list of reasons due to which millennial purchased consumer electronic items through social media.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Read online review or blog about that particular product	149	28.9	28.9	28.9
	View the advertisement of the product over the social Sites	322	62.7	62.7	91.6
	None of the above. Any Other	43	8.4	8.4	100.0
	Total	514	100.0	100.0	

Interpretation: Out of 514 respondents, 149 millennial said they read online review or blog about that particular product, 322 millennial said they viewed the advertisement of the product over the social network and 43 millennial said there was some other reason than the one mentioned behind the purchase of electronic item through social media. And out of 100% respondents, 28.9 % millennial said they read online review or blog about that particular product, 62.7% millennial said they viewed the advertisement of the product over the social network and 8.4% millennial said there was some other reason than the one mentioned behind the purchase of electronic item through social media.

5. DISCUSSION
By the interpretation of research data it can be concluded that:
• Millennial from 18-25 age group are very active and big group
• Millennial are using social media not only for communication but also for collecting information regarding electronic gadgets and purchasing.
• Face book is the most used website as social media.
• Buying behaviour and decision making is influenced by social media directly and indirectly.
• Now social media became very useful technique for marketing promotional strategy.

6. CONCLUSION
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 polished slogans. In other words, marketing via social media is more

about creating high-quality contents that are consumer relevant, 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 millennial in the new marketing approach is the centralized gravity, because consumers are empowered.

To conclude, from the findings of this research, it can be observed that millennial are actively utilizing social media platforms as a tool in validating of the purchase decisions like electronic gadgets; 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 behaviour and contemporary frameworks regarding social media marketing, social media advertisements should be according to income, age and educational background of millennial.

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