



BHARATA MATA COLLEGE THRIKKAKARA

Affiliated to MG University, Re-accredited by NAAC with 'A+' Grade, ISO 9001-2015 Certified

DEPARTMENT OF ECONOMICS

**“STUDY ON THE EFFECTIVENESS AND IMPACT OF
SOCIAL MEDIA ON THE CONSUMER BEHAVIOUR AND
DECISION MAKING OF ELECTRONIC GOODS”**

Dissertation Submitted in the Mahatma Gandhi University, Kottayam

In partial fulfilment of the requirement for award of

Bachelor's Degree of Arts (Economics)

Submitted by

NIKHITHA T N

REG NO: 210021011918

NANDANA SURESH

REG NO: 210021011914

JOYAL JOHNSON

REG NO: 210021011910

UNDER THE GUIDANCE OF

ASST.PROF. AKSHARA SASIKUMAR

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BHARATA MATA COLLEGE
DEPARTMENT OF ECONOMICS
(Affiliated to Mahatma Gandhi University – Kottayam)
THRIKKAKARA P. O, KOCHI-682021, KERALA

DATE: -

CERTIFICATE

This is to certify that this dissertation entitled “STUDY ON THE EFFECTIVENESS AND IMPACT OF SOCIAL MEDIA ON THE CONSUMER BEHAVIOUR AND DECISION-MAKING OF ELECTRONIC GOODS” has been prepared by NIKHITHA T N, NANDANA SURESH AND JOYAL JOHNSON under supervision and guidance in partial fulfilment of the requirement for the award of the degree of Bachelor of Economics of the Mahatma Gandhi University.

They are allowed to submit the dissertation

DR. JOHNSON K M

Principal

Bharata Mata College

ASST. PROF. AKSHARA SASIKUMAR

Academic Guide

Dept. of Economics

LT.DR. NITHIN THOMAS

HOD of Economic Department

DECLARATION

We Nikhitha T N, Nandana Suresh and Joyal Johnson Bachelor Degree of Economics final year students, Department of Economics, Bharata Mata College, Thrikkakara hereby declare that the dissertation submitted for award of Bachelor Degree of Economics is our work. We further declare that the said work has not previously been submitted to any other University or Academic Body.

NIKHITHA T N

NANDANA SURESH

JOYAL JOHNSON

Place :-

Date :-

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Nikhitha T N, Nandana Suresh, Joyal Johnson

CHAPTERISATION SCHEME

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- **CHAPTER 2 – LITERATURE REVIEW**
- **CHAPTER 3 – DATA ANALYSIS AND INTERPRETATION**
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CHAPTER - 1

1.1, INTRODUCTION

Social media platforms are online services that enables users to create and share content, interact with others, and participate in virtual communities. Some popular social media platforms include Facebook, Instagram, Twitter, Tik Tok, YouTube, and Pinterest. Each platform has its unique features, audience demographics, and purposes, catering to different types of content and interactions. Business and individuals use social media platform for various purposes, including marketing, networking, entertainment, and information sharing.

Consumer behaviour and decision making are complex processes influenced by various factor. These include personal preferences, psychological biases, social influences, cultural norms, economic considerations, and marketing strategies. Understanding these factors helps businesses tailor their products, services, and marketing efforts to effectively reach and engage with their target audience.

The relationship between social media, consumer behaviour, and decision making is intricate. Social media platforms serve as channels through which businesses can influence consumer behaviour by leveraging various psychological and social factors. By analysing consumer data and engagement on social media, businesses can gain insights into consumer preferences and decision-making processes, allowing them to tailor their marketing strategies accordingly. Furthermore, social media facilitates peer-to-peer recommendations and reviews, which play a significant role in shaping consumer perceptions and purchasing decisions. Overall, social media has become a powerful tool for businesses to understand, influence, and engage with consumers throughout their decision-making journey.

1.2, SIGNIFICANCE OF STUDY

a. Insight into Consumer Behaviour

Understanding how social media influences consumer behaviour provide valuable insights into why and how people make purchasing decisions in today's digital age.

b. Marketing Strategies

Businesses can tailor their marketing strategies more effectively by leveraging the knowledge gained from studying social media's impact on consumer behaviour. This includes targeted advertising, content creation, and engagement tactics.

c. Brand Engagement

Social media platforms offer unique opportunities for brands to engage directly with consumers. By understanding how consumers interact with brands on social media, companies can enhance their brand presence and customer relationships.

d. Consumer Empowerment

Social media empowers consumers by providing them with access to information, reviews, and opinions from others users. Understanding how consumers use social media to research products and make decisions can help businesses adapt and meet their needs more effectively.

e. Market Trends

Tracking social media trends and conversations can provide early indicators of shifts in consumer preferences and market dynamics. This information can be valuable for businesses in staying ahead of the competitions.

1.3, STATEMENT OF THE STUDY

The study aims to examine the effectiveness and impact of social media on consumer behaviour and decision making. Specifically, it seeks to understand how social media platforms influence consumers "purchasing decisions, brand engagement, and empowerment, as well as how businesses can leverage this understanding to enhance their marketing strategies and adapt to changing market trends."

1.4, OBJECTIVES

1. Analyse the correlation between social media engagement and purchase of electronic goods
2. Examine how the social media advertising effectively influence the consumer behaviour, in promotion and discounts of electronic goods
3. Investigate in what manner of social media platforms facilitate customers engagement and interaction with electronic goods
4. Evaluate the effectiveness of social media listening and sentiment analysis in understanding consumer attitudes and preference towards electronic goods

1.5, RESEARCH METHODOLOGY

Research methodology refers to the systematic process of planning, conducting, and analysing research. It involves the methods, techniques, and procedures used to gather data, test hypothesis, and draw conclusions in a scientific manner.

The nature of data we collected during the study is both from primary and secondary data,

a. Primary data

The primary data is obtained by the means of Questionnaire from the information provided by the young people of Thrikkakara Municipality.

b. Secondary data

Secondary data for the study is gathered through various sources like different websites and journals

1.6, TOOLS AND TECHNIQUES

❖ Tool used for data collection:

- Questionnaire

❖ Tools used for analysis are:

- Bar diagram
- Percentage analysis

Sampling segment: Young generation of Thrikkakara Municipality

Sample size: 100 respondents

Sample techniques: Questionnaire

1.7, LIMITATIONS OF SYUDY

1. Sample size might not perfectly reflect the entire population, there exists a chance of error, but its limited.
2. Research completion faces challenges due to time, cost, and location constraints.

The reliability of available secondary data is questionable

1.8, CHAPTERIZATION

Chapter 1: Deals with introduction, objectives, methodology and limitations of the study

Chapter 2: Deals with the Review of Literature

Chapter 3: Contains the data analysis and interpretation about the effectiveness and impact of social media on the consumers of Thrikkakara municipality.

Chapter 4: Conclusion, Suggestion, Findings, Questionnaire

CHAPTER 2

LITERATURE REVIEW

1. Ghulam Rasool Madni (2014) in the Global Journal of Management and Business Research conducted a study on the topic **consumer behaviour and effectiveness of social media**. The result of the study indicates, Social networks heavily influence young educated consumers aged 25-29, particularly females, with monthly incomes over 30,000 PKR, who rely on online sources for product information before making purchases, mainly for convenience and home delivery options.
2. Jehangir Bharucha (2018) conducted a study on **social media and young consumer behaviour**. According to his study, social media plays a significant role in the lives of Indian youth, impacting consumer behaviour and offering business valuable opportunities.
3. Abu Bashar, Irshad Ahmad, Mohammad Wasiq (2012) did a study on the topic **effectiveness of social media as a marketing tool: an empirical study**. The result was businesses must transition from transactional to social relationships, utilizing engagement marketing principles to engage customers with high-quality, relevant information anytime, anywhere, and capitalize on the potential of social media for purchasing, requiring effective strategies for future success.
4. Ethel Lee (2013) conducted a study on **impacts of social media on consumer behaviour _ decision making**. The results indicate that the social media allows consumers in Finland to voice their opinions effectively but many are hesitant to share feedback, posing a challenge for marketers. Despite changing communication dynamics, traditional consumers behaviour stages engaging consumers throughout the decision-making process.
5. Nitin B. Veer, Prafulla A. Pawar, Ashutosh Kolte (2019) did a study on the **effectiveness of social media tools and its impact on promotions**. The study indicates that social media especially

Facebook, is great for advertising to a wide audience. However, banner ads on the side wall and popups don't work well. Infeed promotions on Facebook are the most effective. Gender doesn't affect promotional influence. Marketers should focus on informative content for better engagement

6. Michael Putter (2017) published a study on the Journal of International Business Research and Marketing, on the topic **the impact of social media on consumer buying intention**. The study shows that social media is crucial for engaging consumers and influencing their brand loyalty and purchase decisions. Companies must strategically utilize platforms like Facebook, YouTube, and Twitter, focusing on user-generated content and maintaining online customer relationships.
7. Bader M. A. Al Mohamadh (2019) did a study on **the effectiveness of social media -marketing antecedents on social media marketing, brand loyalty and purchase intention: a customer perspective**. The study confirms social media antecedent positive impact on marketing, loyalty, purchase intention. Social media marketing strongly influences brand loyalty and purchase intention, consistent with prior studies.
8. Yogesh K. Dwivedi, Kawaljeet Kaur Kapoor, Hsin Chen (2015) conducted a study on the **social media marketing and advertising**. The study shows, Effective managing social media presence requires strategic content creation that resonates with the audience, fostering a loyal relationship. Popular platforms like Facebook, Twitter, YouTube, and LinkedIn are central to this strategy, serving as key channels for engaging with target audiences in the dynamic landscape of web 2.0.
9. F. Safwa Farook, Nalin Abeysekara (2016) conduct a study on the **influence of social media marketing on consumer engagement**. This study highlights the significance of customer engagement in social media marketing, emphasizing the need for integrated strategies to enhance brand performance and loyalty. Marketers can leverage social media to interact with customers effectively, fostering communication and brand advocacy.

Consistently updating content and maintaining an active online presence are crucial for engaging both potential and existing clientele.

10. Dokym Lee, Kartik Hosanagar, Harikesh S. Nair (2013) did a study on **advertising content and consumer engagement on social media: evidence from Facebook**. The extensive study underscores the importance of balancing brand personality-related content and directly informative content for effective social media engagement. While emotional and philanthropic content drive engagement, informative content aids in performance marketing. Marketers must strike the right balance to maximize reach and engagement, adapting strategies to evolving consumer preferences and content trends.

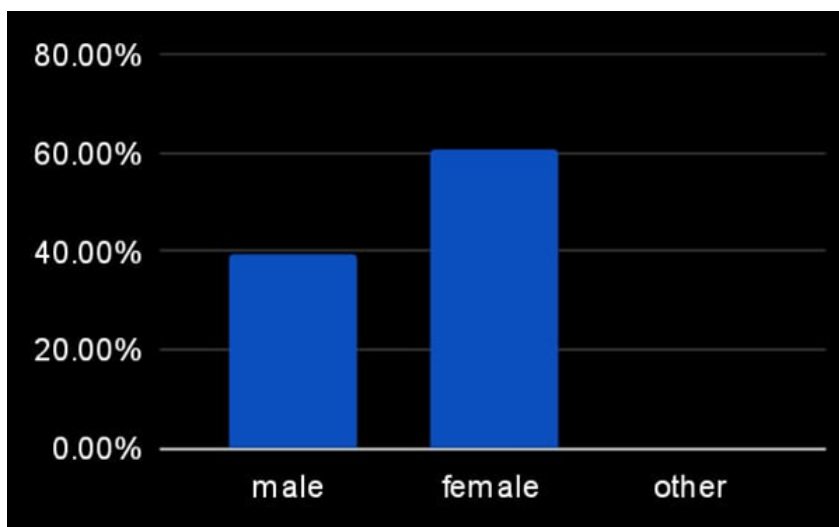
CHAPTER – 3

DATA ANALYSIS AND INTERPRETATION

Analysing and interpreting data on the efficiency and influence of social media on customer behaviour and decision-making entails looking at a range of measure, including demographic insights, engagement rate, click through rates, and conversation rates. These data points can be analysed to get insight in to how social media platform affect consumer involvement with brands, perceptions of brand, and decision to buy goods or services. To fully grasp the dynamics at work, it is imperative to also explore the qualitative element, such as user evaluation, comment, and debates.

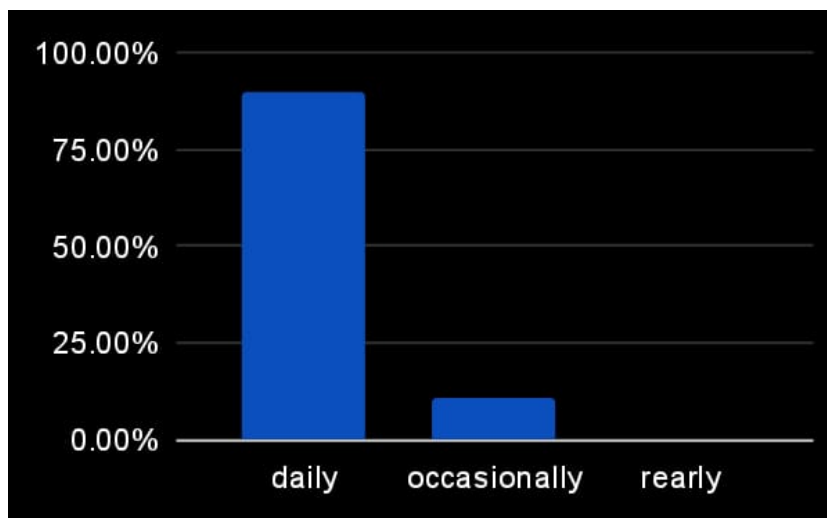
3.1 GENDER

Response	Percentage
Male	39.2%
Female	60.8%



3.2 USE OF SOCIAL MEDIA PLATFORM

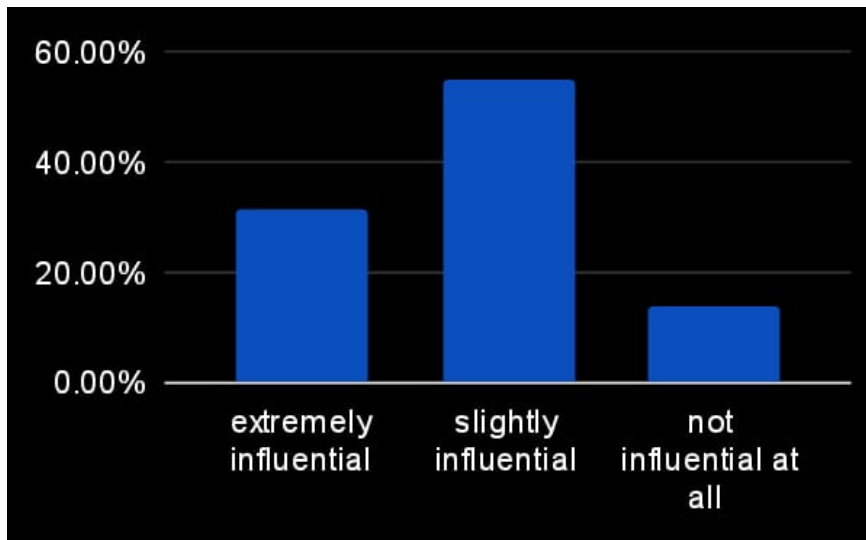
Response	Percentage
Daily	89.5%
Occasionally	10.5%
Rarely	0



89.5% of people use social media platforms daily, 10.5% use them occasionally, and 0% use them rarely according to the data provided.

3.3 THE INFLUENCE OF SOCIAL MEDIA

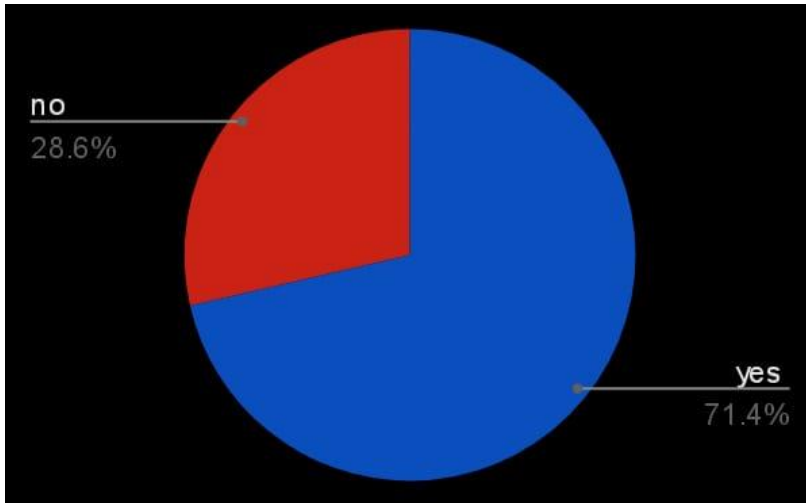
Response	Percentage
Extremely influential	31.5%
Slightly influential	54.8%
Not influential at all	13.7%



Based on the data provided, it seems that social media recommendations from friends or peers have a significant influence on purchasing decisions, with 31.5% of respondents finding them extremely influential and 54.8% finding them slightly influential. Only 13.7% reported that they are not influential at all. This suggests that social media recommendations from friends or peers play a substantial role in shaping consumer behaviour.

3.4 PURCHASE BASED ON SOCIAL MEDIA

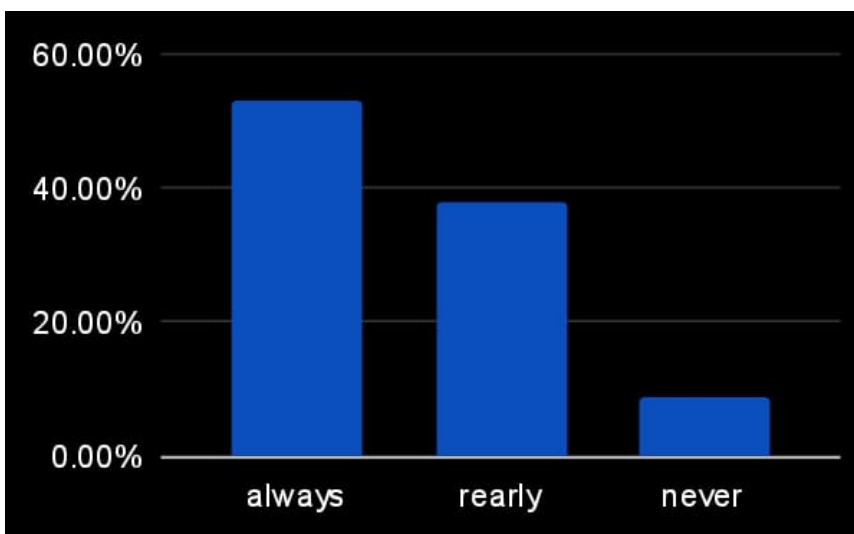
Response	Percentage
Yes	71.4%
No	28/6%



This statistic suggests that a significant majority of people, about 71.4%, have made a purchase influenced by social media advertisements, while 28.6% haven't. It reflects the increasing impact of social media on consumer behaviour.

3.5 SEARCH FOR PRODUCT IN SOCIAL MEDIA

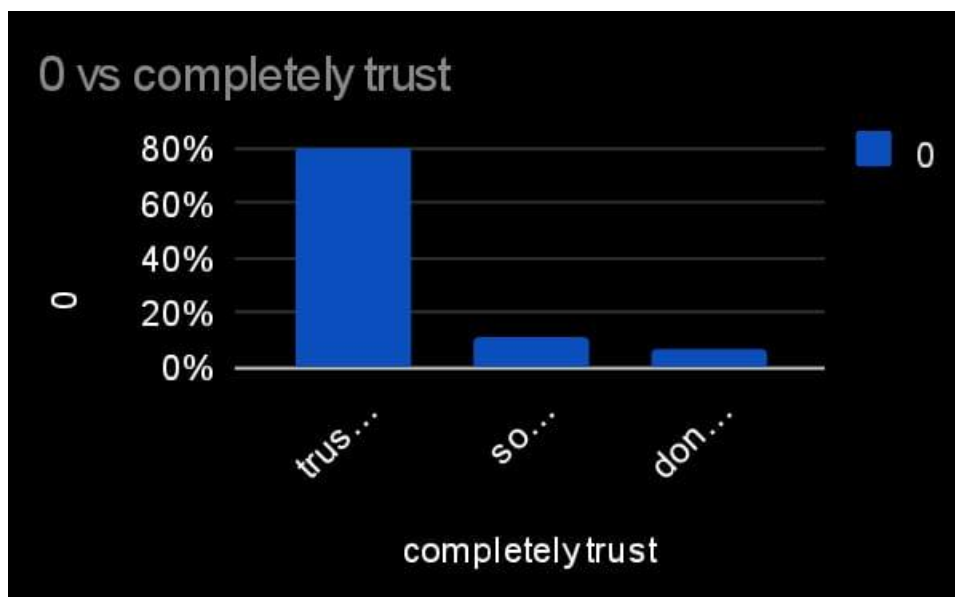
Response	Percentage
Always	53.2%
Rarely	38.1%
Never	8.7%



It seems like a majority of people, about 53.2%, consistently use social media to search for products or services before making a purchase decision. About 38.1% do this rarely, while a smaller percentage, 8.7%, never do it.

3.6 REVIEW OF PRODUCTS

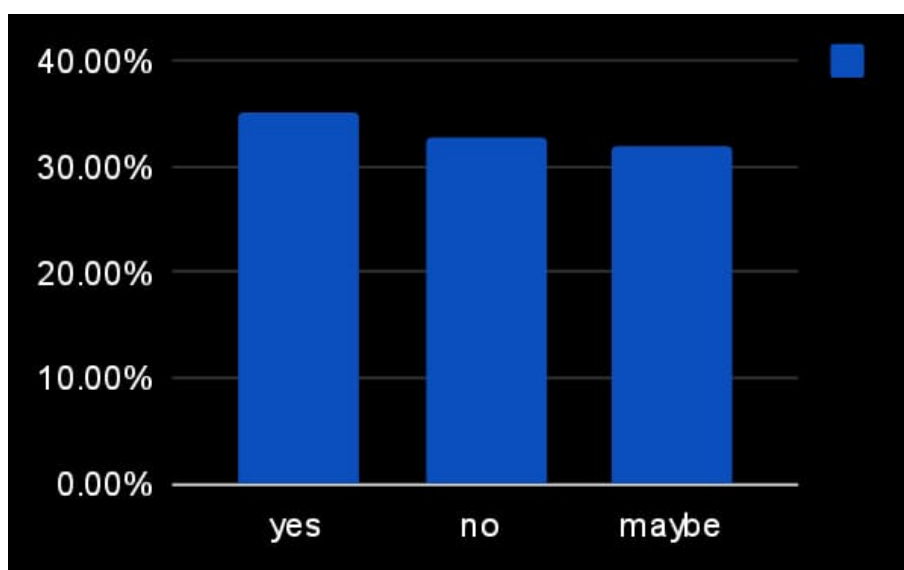
Response	Percentage
Completely trust	0
Trust to someone extend	80%
Somewhat distrust	11.2%
Don't trust	7.2%



It seems like the majority of people trust product reviews on social media to some extent, with 80% indicating trust to some degree. However, there's still a notable portion, around 11.2%, who somewhat distrust them, and 7.2% who don't trust them at all. Interestingly, none of the respondents reported complete trust in social media product reviews.

3.7 RECOMMENDATION OF SOCIAL MEDIA MAKE PURCHASE

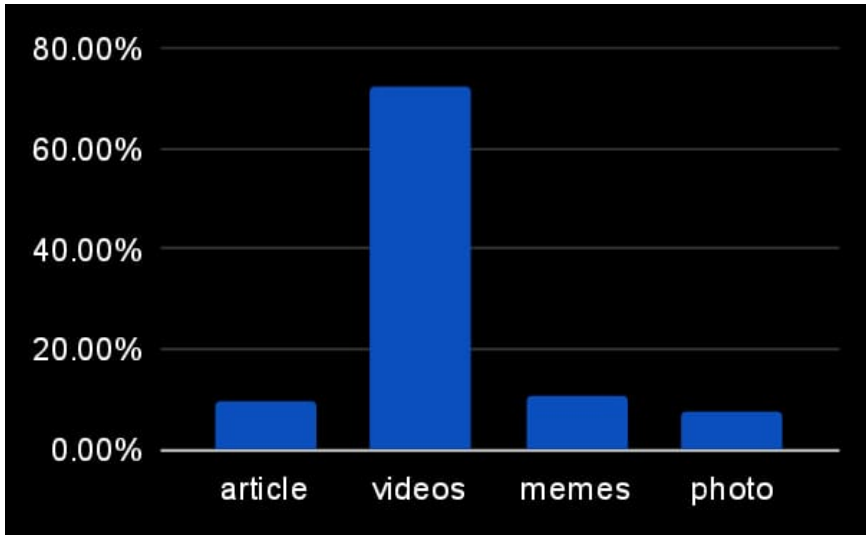
Response	Percentage
Yes	32.2%
No	32.8%
Always	32%



This data suggests that a significant portion of people have been influenced by social media influencers' recommendations when making purchases, with a smaller percentage either not influenced or uncertain about it.

3.8 INFLUENCE OF CONTENT IN SOCIAL MEDIA

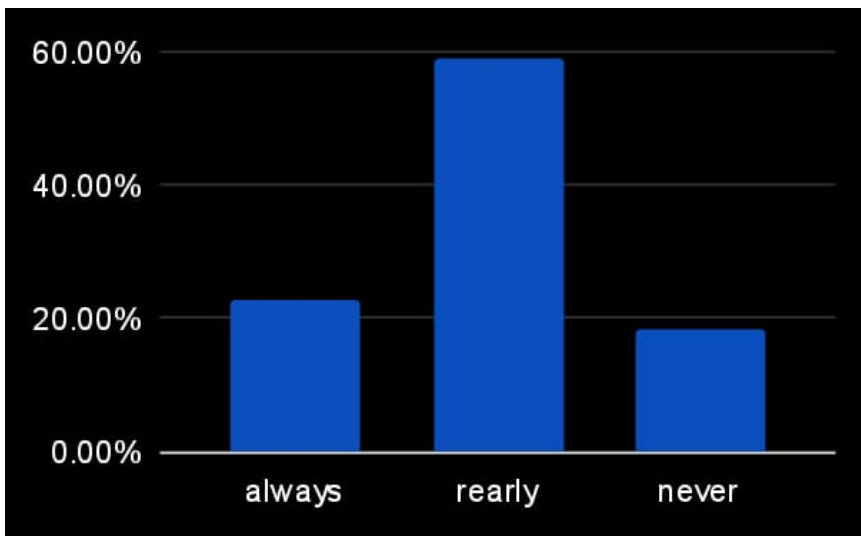
Response	Percentage
Article	9.7%
Video	72.6%
Memes	10.5%
Photos	7.3%



It seems like you're drawn more towards video content, with articles coming in second. Memes and photos have less of your interest

3.9 INFLUENCE OF LIMITED OFFERS IN SOCIAL MEDIA

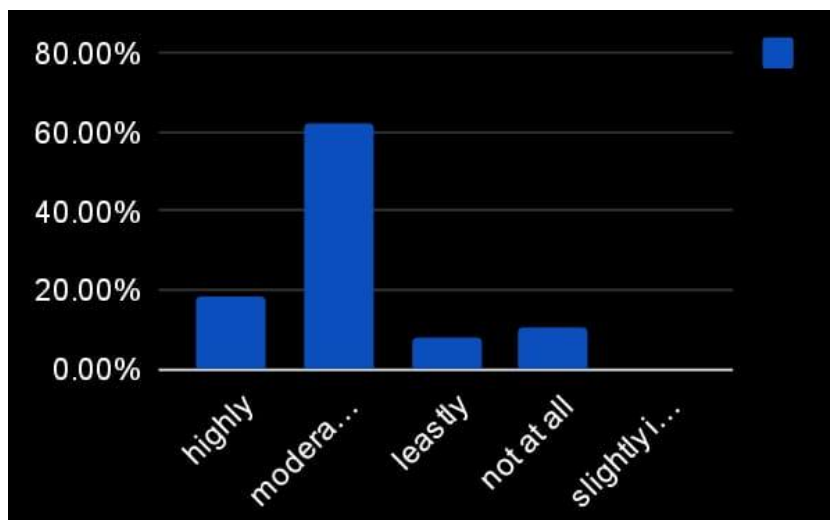
Response	Percentage
Always	22.6%
Rarely	58.9%
Never	18.5%



Based on those numbers, it seems like limited time offers on social media do influence purchasing decisions for a significant portion of people, but the majority are less swayed by them

3.10 ROLE OF SOCIAL MEDIA CONSEDERING BRAND

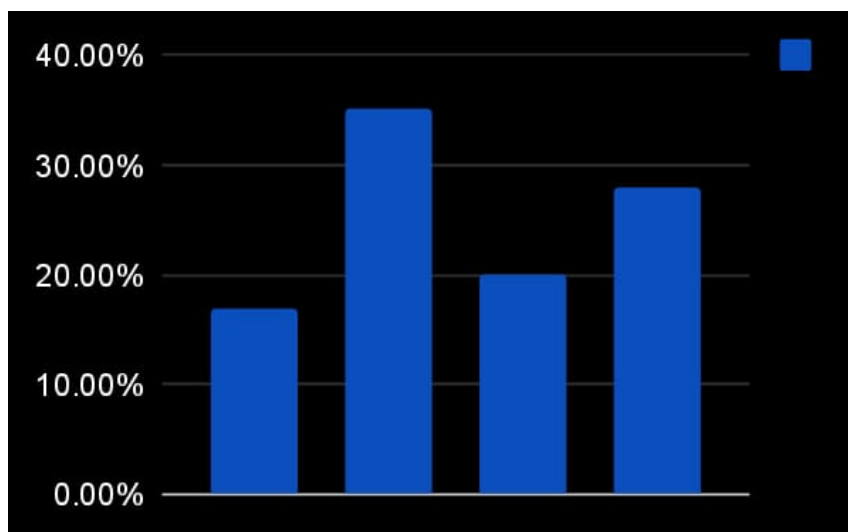
Response	Percentage
Highly	18.6%
Moderately	62.6%
Leastly	8.2%
Not at all	10.6%
Slightly important	0



Seems that a significant portion, 62.1%, see social media as moderately influential when considering a brand highly. Meanwhile, 18.5% consider it highly influential, 10.5% not at all, and 8.1% least influential. The negligible 0% rate it as slightly important.

3.11 ADVANTAGES OF ACTIVE IN SOCIAL MEDIA

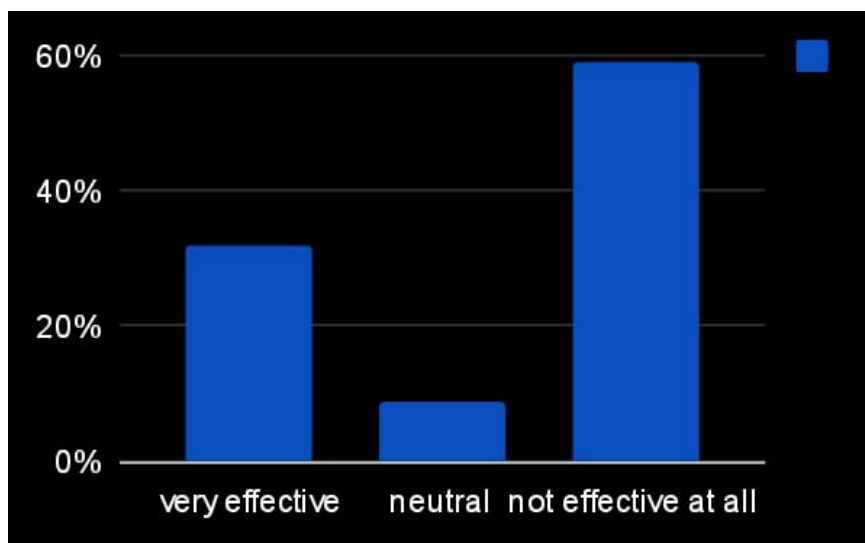
Response	Percentage
Direct communication to brand	16.8%
Access to exclusive deals and promotions	35.2%
Quick customer support	20%
All of the above	28%



Being active on social media offers various advantages for consumer direct communication to the brand. These include providing access to exclusive deals and promotions, offering quick customer support, and fostering a sense of community and engagement with the brand. By being present on social platforms, brands can directly interact with customers, address their concerns promptly, and offer them special offers and promotions, ultimately enhancing customer satisfaction and loyalty.

3.12 SOCIAL MEDIA PLATFORMS AND PURCHASING DECISIONS

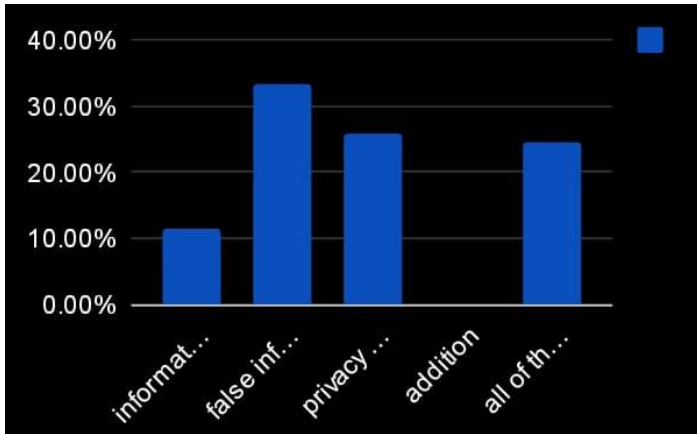
Response	Percentage
Very effective	32%
Neutral	59.2%
Not effective at all	8.8%



Based on these statistics, it seems that a majority of people are neutral or find social media platforms not very effective in influencing their purchasing decisions. Only a small percentage, 32%, find them very effective in this regard.

3.13 IMPACT OF SOCIAL MEDIA ON CONSUMER BEHAVIOUR

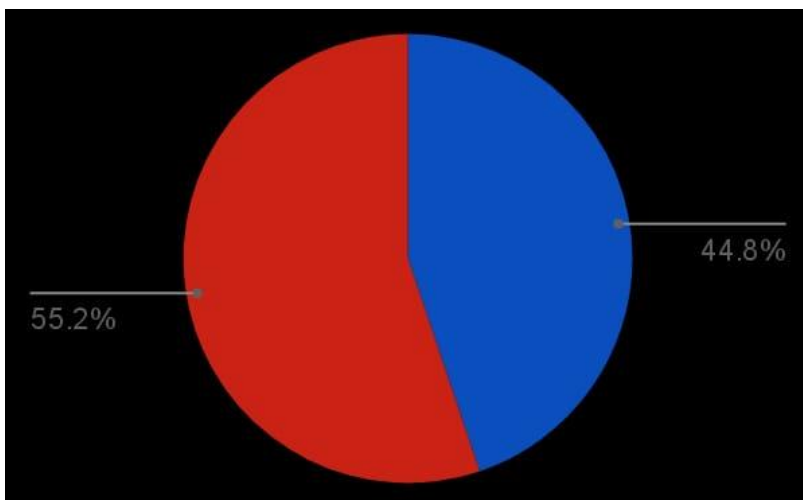
Response	Percentage
Information overload	11.4%
False information	33.3%
Privacy concern	26%
Additional	0
All of the above	24.4%



the primary risks or downsides of social media impact on consumer behaviour include information overload, false information, privacy concerns, and addiction. These factors can all contribute to negative effects on individuals' behaviour and well-being.

3.14 ANY ALTER BEFORE AND AFTER BUYING HABBITS USING SOCIAL MEDIA

Response	Percentage
Yes	51.6%
No	41.9%



Based on the data provided, it seems that social media has indeed influenced buying habits, with a slight majority indicating that it hasn't. However, for those who have seen changes, social media offers more options for purchasing products, allows for choosing from a variety of products and brands, and makes products more attractive through user-generated content and information sharing.

CHAPTER – 4

FINDING, SUGGESTIO AND CONCLUSIONS

4.1 FINDING

The purpose of this study is to determine why consumer use social media to make purchase. The research gathered indicate that peoples use of social media is primarily, impacted when they are looking for information. Through it has little direct impact, social media plays a vast storage of knowledge of any topic. The information that influences a consumer choice may come from reviews or insights gained from other people. When confirmed with this kind of knowledge, people readily adopting a new perspective or hold onto their original idea. The survey found that customer use social media to validate purchasing decision. The majority of respondent consider social media to be electronic word-of-mouth. Compared to other who utilised other social media user found decision making easier and more pleasurable. Individuals who found social media content to be of better quality and quality than predicted reported increase overall happiness. Overall, the study found that social media had a considerable impact on consumer decision.

The study shows social media influence customer decisions. This thesis examines the imact of social media on consumer purchasing decision through an analysis of their usage habit. Technological advancement enables social media platform to store data.

4.2 SUGGESTIONS

1. **Understand Your Audience:** Use analytics tools to gain insights into your target audience's preferences, interests, and behaviour on social media platforms.

2. **Engagement Strategies:** Create engaging content that resonates with your audience and encourages interaction, such as polls, quizzes, and user-generated content.

3. **Influencer Marketing:** Collaborate with influencers who have a significant following and credibility in your niche to amplify your brand's reach and influence consumer decisions.

Customer Feedback and Reviews: Monitor and respond to customer feedback and reviews on social media platforms to build trust and credibility with your audience.

4. **Personalization:** Utilize data-driven personalization techniques to deliver tailored content and offers to individual consumers based on their preferences and past interactions.

5. **Social Proof:** Highlight positive social proof, such as testimonials, user-generated content, and endorsements, to reassure potential customers and influence their decision-making process.

6. **Omni-channel Integration:** Integrate your social media efforts with other marketing channels to provide a seamless and consistent brand experience across all touchpoints.

7. **Data Analysis:** Continuously analyse social media data to identify trends, measure the effectiveness of your strategies, and make data-driven decisions to optimize your campaigns.

8. **Mobile Optimization:** Ensure that your social media content is optimized for mobile devices since a significant portion of social media users access platforms via mobile devices.

9. **Ethical Considerations:** Maintain transparency and authenticity in your social media marketing efforts, adhere to privacy regulations, and avoid deceptive practices that could damage your brand reputation.

4.3 CONCLUSIONS

Social media has the most user compared to other networks, indicating a strong audience for advertising not only social.

Online promotion is a major source of money for both media and social networking organisation. The first hypothesis testing results indicate a favourable correlation between infeed promoted advertisements and involvement in them. Infeed promotion on Facebook wall was more effective. Our investigation indicates that banner advertisement on social media platform have no substantial impact on user perception of purchasing decisions. This indicates that the promotional banner on the platforms side wall is not effective.

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- <https://www.ijert.org/impact-of-social-media-on-consumer-purchasing-decision-making>
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- <https://www.scribd.com/document/464943773/impact-of-social-media-on-consumer-behaviour>

QUESTIONNAIRE

1. Gender

* Male

* Female

* Other

2. How often do you use social media platform

* Daily

* Occasionally

* Rarely

3. How influential are social media recommendations from friends or peers on purchasing decision.

* Daily

* Occasionally

* Rarely

4. Have you ever made a purchase base on seeing an advertisement on social media.

* Yes

* No

5. How often do you search for product or service on social media before making a purchase of electronics.

* Yes

* No

6. Do you trust product reviews posted on social media.

* Completely trust

* Trust to someone extent

* Somewhat distrust

* Don't trust

7. Have you ever been influenced by an influencer recommendation on social media to make a purchase electronics.

* Yes

* No

* Maybe

8. What type of concept on social media catch your attention.

* Articles

* Videos

* Memes

* Photos

9. Do limited-time offer on social media influence your purchasing decision on electronics.

* Always

* Rarely

* Never

10. Rate the influence of social media while considering a brand.

* Highly

* Moderately

* Leastly

* Not at all

* Sightly important

11. What are the key advantage of brand being active on social media for consumer.

- * Direct communication the brand the brand
- * Access to exclusive deals and promotions
- * Quick customer support
- * All of the above

12. How effective do you find social media platform in influencing your purchasing decision on electronics.

- * Very effective
- * Neutral
- * Not effective at all

13. What are the primary risk pr downsides of social medias impact on consumer behaviour

- * Information overload
- * False information
- * Privacy concern
- * Addition
- * All of the above

14. Has social media altered your buying habit compared to before you started using it. If you ,in what way.

- * Yes
- * No
- * More option to purchase products
- * Choosing product of our liking
- * Varieties if product from so many brand

- * Social media users
- * More attractive things
- * Will get more information