

## **A study of the impact of social media advertising on the consumers who buy cosmetics online in Pune City**

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### **Abstract**

In the recent changing times, consumers are now getting more and more information about a product before they make a purchase in order to get a better understanding of it. Along with the information, such as ingredients list, reviews from other consumers and company facts, social media advertising is also playing an important role. In this study we have looked at how social media advertising impacts on consumers who buy cosmetics online in Pune City through analysing data from 150 consumers. The results of the study indicate that social media advertising of cosmetics has significant positive effects on the purchase decision of cosmetics online by the consumers.

**Keywords: Social Media Advertising, Cosmetics, Purchase Decision, Pune City.**

### **1. Introduction**

Consumers like comparing and contrasting products before they make a purchase or decision by using social media such as Facebook. The changing times have led many consumers to look for information about their product on different platforms like Facebook, Instagram, Blogs etc.

In the recent changing times, consumers are now getting more and more information about a product before they make a purchase in order to get a better understanding of it. Along with the information, such as ingredients list, reviews from other consumers and company facts, social media advertising is also playing an important role. In this study we have looked at how social media advertising impacts on consumers who buy cosmetics online in Pune City through analysing data from 150 consumers. The results of the study indicate that social media advertising of cosmetics has significant positive effects on the purchase decision of cosmetics online by the consumers.

## 2. Review of Literature

The use of social media sites to advertise goods and services is becoming frequent these days due to their trustable sources, credibility and easy accessibility (Perry et al. 2008, Krishnan & Rajagopalan 2010, Alkadry, 2012). Due to this reason many companies are using social media sites for advertisement. However, more and more consumers are using social media sites for information (Mahajan, 2011). The reason behind the use of social media advertising is that it serves as an indirect form of advertising (Krishnan & Rajagopalan 2010).

It is not direct contact with the end consumer which can be embarrassing for the company, but it can make a much bigger impact on consumers due to its credibility and trustable sources. They also help in awareness creation and promotion of a product with much less cost (Bhardwaja & Muralidharan 2011). The flexibility and convenience of social media advertising allows the companies to promote the products to a large number of consumers (Girish & Mishra 2011). It is really helpful for the companies in promoting their products and providing further information about them to the consumers.

Accordingly, it is a bit risky for the companies because they have to depend upon online visitors as well as an automated system which gets biased towards one particular product or brand. The social media campaigns are vital assets for modern day organizations. In fact, promotion through social media has many advantages and ideally should be carried out with full attention.

Social media is an effective way of reaching a large number of people with minimal effort and cost. As these days, more and more people use social media on their mobile phones, then it is an easy way to promote a business through Facebook, Twitter and YouTube etc. The idea behind promotion through social media is to convey the message clearly without any ambiguity or complexity so that consumers get a better understanding of the products.

The increasing popularity of social media sites has encouraged companies to promote their brands and products using social media sites such as Facebook, Twitter and YouTube among others. The marketers are using social media during the testing phase of a product to gather information like consumer preferences and feedback. They are also using social media as marketing method to cultivate brand awareness, increase customer loyalty, build customer confidence and direct customer communication. Also, they are using social media sites to engage customers in various online communities that share a common interest.

Social media advertising on Facebook lets marketers to create highly targeted and relevant ads which maximize reach and impact potential on many demographic groups at low cost (Tendulkar & Choudhary 2011). The ability of companies to advertise their business through the internet has increased because more and more consumers engage themselves in social media sites for advertising purposes (Krishnan & Rajagopalan 2010).

A company's brand image can be affected by the way the company advertises and sells their products. This can lead to the loss of trust on the part of consumers and a bad opinion about the company. The advertising campaign of a business may also be affected by social media sites. The aim behind using social media tools over regular advertising methods is to reach out to as many consumers as possible with a bit more cost effective manner. It is an effective way to reach out to mass audience with less cost than traditional advertising methods (Krishnan & Rajagopalan 2010).

Social media sites such as Facebook, Twitter and YouTube can be used to advertise a company's products or services. The reason behind the use of social media advertising is that they are very flexible and they can be used in different situations. This is because the variety of people who use social media sites varies with age, region, specific time etc (Krishnan & Rajagopalan 2010). The ability of companies to advertise through social media sites is widely known among many industries which will not work as well in other industries (Perry et al. 2008).

Accordingly, these tools are ideal for companies engaged in manufacturing industry for promoting their products. They will be able to reach out to the consumers and it will be easier for the companies. The purpose behind using social media tools such as Facebook, Twitter and YouTube is to reach out to millions of people around the world with a few clicks of buttons. One can also use social media sites for creating a buzz about their products.

The sites are also ideal for business companies that want to gain a lot more from their advertisement campaigns. Social media sites such as Facebook, Twitter and YouTube have similarities with traditional advertising methods like television, print ads, radio and outdoor advertising (Krishnan & Rajagopalan 2010). They are more fit in many situations and that is the reason why they are used by many companies around the world. The large community of social media sites like Facebook, Twitter and YouTube can help to reach out to a large number of people periodically with a small budget (Perry et al. 2008).

In short every company should utilize social media marketing for its business. Social media marketing is one of the most efficient ways of success that needs less efforts and has a good return on investment (Krishnan & Rajagopalan 2010). This will bring positive change in the way a business operates.

### **3. Objectives of the study**

1. To find out the effect of social media advertising on consumers who buy cosmetics online in Pune City.
2. To find out how consumers perceive social media advertising and its effectiveness on their buying behaviour.
3. To suggest some strategies for making social media advertising effective for the cosmetics industry.

### **4. Hypothesis**

H1: Social media advertising has a positive impact on the buying decision of online cosmetics.

H2: There are significant differences in the buying behavior of consumers who buy cosmetics online across Pune City on the basis of gender.

### **5. Research Methodology**

This study has been conducted to find out the effect of social media advertising on consumers who buy cosmetics online in Pune City. For the purpose a questionnaire survey and secondary data analysis have been conducted to collect data. All the respondents are people between 18 and 40 years and live in Pune City. The sample size is limited to 150 participants which contain same number of males and females.

The questionnaire was closed ended and contained Likert based questions. Based on the objectives of the research, the questionnaire has been divided into two sections.

Section 1: Contains the demographic profile of the respondents.

Section 2: Dedicated to find out how consumers perceive social media advertising and its effectiveness on their buying behaviour.

## 6. Findings and Results

Table 1. Questionnaire validity analysis

| Sr. No | Factor   | Items | Cronbach's Alpha |
|--------|--|-------|------------------|
| 1      | Buying Behaviour affected by social media advertisements with a Likert scale of 5, where 1 was for highly negative impact and 5 was for highly positive impact | 17    | 0.812            |

From the above table it can be seen that the Cronbach Alpha values are higher than 0.7. This indicates that the questionnaires have the element of internal validity as desired. Various aspect of social media advertisements were considered for the same purpose. They were as follows:

1. The type of social media advertisements (Video/ Photographs/ pamphlets etc.
2. The number of positive reviews.
3. Number of likes
4. Number of Shares/ Reposts
5. Number of negative reviews.
6. Number of comments/ reply to comments
7. Number of followers/following ratio
8. Frequency of post update's.
9. Quality/quantity of posts
10. Frequency in terms of number and length of posts
11. Duration in terms of time posted
12. Frequency in terms of number and length of updates
13. Duration in terms of time posted.
14. Quality/quantity of pictures
15. Frequency in terms of number and length of pictures
16. Duration in terms of time posted
17. Video Quality/videos uploaded on the site

Table 2. Significant differences in the buying behavior of consumers who buy cosmetics online across Pune City on the basis of gender.

**Group Statistics**

|  | Gender | N  | Mean   | Std. Deviation | Std. Error Mean |
|--|--------|----|--------|----------------|-----------------|
| Impact of the social media advertisements. | Male   | 75 | 3.1600 | 1.07854        | .12454          |
|  | Female | 75 | 3.6800 | 1.23201        | .14226          |

From the above table it can be seen that the mean impact on the females was much higher than the males. This shows that females are more affected by social media advertisements as compared to males.

**Table 3. Independent Samples Test**

|  |                             | Levene's Test for Equality of Variances |      | t-test for Equality of Means |         |                 |                 |                       |   |         |
|--|-----------------------------|---|------|------------------------------|---------|-----------------|-----------------|-----------------------|---|---------|
|  |                             | F                                       | Sig. | t                            | df      | Sig. (2-tailed) | Mean Difference | Std. Error Difference | 95% Confidence Interval of the Difference |         |
|  |                             |   |      |                              |         |                 |                 |                       | Lower                                     | Upper   |
| Impact of the social media advertisements. | Equal variances assumed     | 6.276                                   | .013 | -2.750                       | 148     | .007            | -.52000         | .18907                | -.89363                                   | -.14637 |
|  | Equal variances not assumed |   |      | -2.750                       | 145.456 | .007            | -.52000         | .18907                | -.89368                                   | -.14632 |

To check if the difference in the means is statistically significant, an Independent samples T test was used. The above table shows that both the means are statistically significantly different. This leads us to reject the null hypothesis and accept the alternate hypothesis. This means that “There are significant differences in the buying behavior of consumers who buy cosmetics online across Pune City on the basis of gender.”

As far as the total impact of the social media advertisements is concerned, a one sample T test was used to find if the social media advertisements had a more than average positive impact on the buying behaviour of the males and females. The results were as follows:

|  | N   | Mean   | Std. Deviation | Std. Error Mean |
|--|-----|--------|----------------|-----------------|
| Impact of the social media advertisements. | 150 | 3.4200 | 1.18305        | .09660          |

|  | Test Value = 3 |     |                 |                 |   |       |
|--|----------------|-----|-----------------|-----------------|---|-------|
|  | t              | df  | Sig. (2-tailed) | Mean Difference | 95% Confidence Interval of the Difference |       |
|  |                |     |                 |                 | Lower                                     | Upper |
| Impact of the social media advertisements. | 4.348          | 149 | .000            | .42000          | .2291                                     | .6109 |

The above tables show that the P value is less than 0.05. This also means that the null hypothesis is rejected and there is a above average positive impact on the buying behaviour of the males and females combined.

### 7. Conclusion

Social Media Advertising is more than just a tool that is used to maintain customer relations and interact with the consumers using social media sites. Social media marketing is used to help companies market their products, advertise their business and display their brand-image. The overall impact of social media on the buying behaviour of consumers is positive because it helps companies to reach out to as many consumers as possible at a reasonable cost with less efforts as compared to traditional advertising methods. Again it was interesting to note that the female respondents were more positively influenced by the social media advertisements as compared to the males. This can be due to the following reasons:

1. The women are generally more fashion conscious as compared to the men.
2. The women generally have more money in their hands as compared to the males.
3. The products that are advertised by these companies are mostly luxury and hence they will be used by females with a higher income bracket.

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