

REVIEW

Influence of social media on purchase behavior of millennials: An empirical study in Bangalore city

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Today, abundance of information is available on the Internet due to the technology revolution which has evolved the way consumers make their purchase decisions. Marketers are always interested in studying the behavior of consumers. Millennials are the biggest segment in India demographically and comprise 47% of the working population. Social media exerts a powerful influence on the behavior of consumers. This study aims to study the influence of social media on different stages of the buying behavior of millennials, identify the most popular social media site among the millennials and also identify the purpose of using social media among them. A cross-sectional descriptive study is carried out using a standard structured questionnaire consisting of Likert-scale questions. The questionnaire was administered through Google Form. SPSS v26 was used to analyse the results. Cronbach's alpha was used to test the reliability of the scale, and data were analyzed using descriptive statistics and correlation and regression analysis. The study found that social media ads seem to be influencing the millennials in their buying decisions and the reviews on various platforms have a major influence on their purchase behavior.

Keywords: social media, purchase behavior, millennials, technology and purchase decision

1. Introduction

Today, media is no longer restricted to networking and having conversations; it is influencing the world of business. Social factors have impacted consumer's purchase habits, and the prevalence of smartphones and various online social networking sites has taken word-of-mouth to greater heights.

Today, due to technological developments, consumers globally are carrying the posting and purchasing power in their pockets. For motivation, they do not have to rely on stores or marketers, and their social feeds themselves are sufficient. When in doubt, the consumers need not call their friends for suggestions but just must post it on their social networks and receive responses from not only their known contacts but sometimes even from total strangers too. This is a very common

phenomenon, especially among millennials, and made possible because of technology.

Different research studies in the past have uncovered the impact that social media has on consumer behavior:

According to Forbes study that was conducted to find out how consumers involved themselves with different organizations and businesses, it was found that 81% admitted to being impacted by the recommendations from family and friends in their buying decisions, whereas 78% admitted that posts done on social media by the companies influenced their buying decisions (1). It has been predicted that, in the future for decades, social media's impact will be the highest on shopping behavior (2).

According to the study conducted by Gartner (3), 84% of millennials admitted to posts by even strangers have had influence on their buying.

A total of 52% of the total purchases both online and offline were influenced by Facebook in 2015. (4). The likelihood of purchase based on the referrals in the social media posts was 71%. (5). A total of 64% of the overall social revenue generated and half of the social referrals were due to the social networking platform Facebook (6). According to the Sprout Social Index 2022 report, 65% of the marketers surveyed and 71% of consumers intended to use Facebook in the coming year (7).

India had 749 million Internet users nationwide in the year 2020, and by the year 2021, there were 830 million. By 2025, there are projected to be 1,134.04 million Internet users, indicating that social media will likely experience very rapid development due to the rapid technological developments. Given that there are more people using the Internet than ever before and that everyone has access to large amount of information online, buying behavior of consumers has evolved to be more deliberate and informed.

Consumer buying decision process is a series of stages/steps through which a consumer goes before making a purchase. It starts with recognition of the need followed by information search and evaluation of alternatives and Purchase. The consumer's post-purchase behavior will be determined by his/her experience with the purchase. When the purchase meets the expectations of the consumer, he/she is satisfied. If the performance of the product is below the expectations, then the consumer is dissatisfied, and when the performance exceeds the expectations, the consumer is delighted.

Based on the report entitled 'Trend-setting millennials: Redefining the consumer story' by Deloitte, millennials who are also called Gen Y, comprise 47% of the working-age population and are the main earners in India. Not only globally but in India too, the millennials are tech savvy being digitally connected and having a higher amount of disposable earnings are able to steer rapid growth and development with their consumption (8).

Anil Talreja, partner at Deloitte India, expressed that India has the largest population in terms of millennials who are almost half of the working age group segment in India. Though there is Gen Z who are born in the 21st century, they have a different set of tastes and preferences. It is Gen Y that is dominating the market today. There are 7.4 billion millennials globally comprising 27% of the population, whereas it is 440 million in India comprising 34% of the Indian Population (9).

There are various studies conducted in the past that focused on the influence of social media on the youth and teens, but there are very few papers that focus on the Internet usage patterns of millennials. Hence, this paper focuses on the influence of social media on the purchase behavior of the millennials with a special reference to Bangalore City.

2. Research elaborations

2.1. Review of literature

Dwivedi et al. (10) conducted a research entitled "Setting the future of digital and social media marketing research: Perspectives and research propositions" and have collated insights from many professionals on matters pertaining to marketing through digital and social media. The specialists have offered their comprehensive view on many general characteristics relating to social media and the opportunities to companies in the form of lesser costs, enhanced brand responsiveness and higher sales and problems posed by it in terms of negative word of mouth, intrusiveness of the medium, and sometimes irritating online brand presence.

Shawky et al. (11) in their study entitled "Using social media to create engagement: a social marketing review" analyzed the social marketing programmes that were conducted worldwide between 2005 and 2017 and tried to bring out the potential of social media through its two-way conversations in engaging with the customers and communities. It was found that Facebook and other such social media platforms have been used merely to connect and transfer information or knowledge among the target audiences. Social platforms were just replacing the traditional media and not utilizing the potential of the media as a tool to support the audiences' ability to revisit communications and become advocates of the programmes' activities.

Abuhashesh (2014) in his study entitled "Integration of Social Media in Businesses" emphasized the significance of integrating social media with core marketing and communication functions of the business. This paper has analyzed the integration of social media with other marketing and customer service functions. It also brought out the merits and limitations of this. It has also recommended the approach that needs to be adopted by businesses to derive sustainable strategic growth in the changing global environment.

Whiting and Williams (2013) in their study entitled "Why people use social media: a uses and gratifications approach" studied the application of theory of uses and gratification to social media and have come out with ten benefits of social media using this theory.

Jith et al. (2022) performed a study to discover the impact of technological changes like ICT on the everyday routine of consumers especially the influence of E word of mouth (eWOM) on buying decisions. This study revealed that, in Kerala's upcoming digital scenario, eWOM through social media had a major influence on purchasing behavior in this technological age. This study also identified that social media is having an impact on information search and purchase decisions that are influenced by reviews and recommendations.

Sudha and Sathya (2020) found in their study entitled "The Impact of Social Media on Buying Behavior of Consumers" a

good scope for online shopping currently due to the increase in internet usage. Due to convenience, customers prefer purchasing on social media, but they have some insecurities and are not aware of websites due to less promotion of the sites. Thus, they conclude that improving these constraints on e-commerce platforms can make huge revenue.

Ansari et al. (13), in their study, examined how the purchase decision of consumers is impacted by two variables like brand awareness and social media content. The study found that social media content is having a positive and significant impact, whereas the relationship with brand awareness is weak on the purchase decisions.

Voramontri and Klieb (14) in their study entitled “Impact of Social Media on Consumer Behavior” examined how social media is affecting the process that consumers adopt while taking decision in the case of complex purchases which are expensive and infrequent and have high risk, involvement and brand difference. The study revealed that customer satisfaction did not improve because of social media and still many consumers preferred to purchase offline from brick-and-mortar outlets.

Yogesh and Yesha (15) in his study entitled “Effect of Social Media on Purchase Decision” analyzed the relationship between personal characteristics of social media and the effect it has on consumers’ purchase decisions. He concluded that consumers believe in reviews on social media from strangers and friends who have an experience using the product or service are trusted equally. Thus, marketers can use social media to improve awareness and engagement goals and suggest that the firm could use discounts or offers to consumers via social media.

Sema (16) in her study entitled “Does Social Media Affect Consumer Decision” suggested that social media is the easiest way to reach a large audience at once. This benefits a person’s convenience to achieve whatever they want. People use the information shared by their friends on Facebook, Twitter, or any other social media sites to do the same.

Arora et al. (17) in their study entitled “Impact of social media advertising on millennials buying behavior” have come up with an exhibit that shows the effect of different ad content factors on Indian millennials’ attitude toward advertising on social media. The findings suggested that there was a major association between these two variables in the context of Indian Millennials.

Duffett (2016) in his study entitled “Influence of Social Media Marketing Communications on Young Consumers Attitude” found that those teens who frequently indulged in updating their profiles on social media and found to be using social media over a long time have shown favorable attitudinal response to the marketing programs on social media.

Pate and Adams (18) conducted a study on millennials to determine if they were influenced by social networking sites (SNS) in their purchase behavior. The study was carried out to find out if the millennial generation was influenced

by their contacts, followers or celebrities and to know if ads on SNS had any motivational impact. The results showed that millennials who are tech savvy were at ease with the digital formats and had more buying power in comparison to other age groups.

2.2. Objectives

The main objective of this study is:

1. to explore the effect of social media on purchase behavior stages of the millennials.

TABLE 1 | General outline of the respondents.

Particulars	Frequency	Percentage
Gender		
Male	145	45.3
Female	175	54.7
Occupation		
Student	35	10.9
Working professionals	165	51.6
Self-employed	60	18.8
Home maker	60	18.8
Annual income (in lakhs)		
Less than 5	190	59.4
5–10	60	18.8
10–15	40	12.5
15–20	10	3.1
Greater than 20	20	6.3
Average time spent on the Internet daily (h)		
Less than 1	85	26.6
1–2	120	37.5
3–4	85	26.6
5–6	15	4.7
Greater than 6	15	4.7
Purpose of using social media		
Shopping	25	7.8
Chatting	50	15.6
Information sharing	155	48.4
Networking	70	21.9
Others	20	6.3

Primary data, 2022.

TABLE 2 | Preferred source of information for purchase decision.

Source	Frequency	Percentage
Company’s website	90	28.12
Advertisements	45	14.06
Friends and family	165	51.56
Social media reviews	195	60.94

Primary data, 2022.

2. to identify the most influencing social networking site among the millennials.
3. to learn the purpose of social media among millennials.

2.3. Research questions

This empirical research aims to uncover answers to the following questions:

1. Why do millennials use social media?

TABLE 3 | Source that influences the decision to purchase a product.

Source	Frequency	Percentage
Knowledge/awareness of the brand	205	64.06
Previous experience	125	39.06
Information from the Internet through reviews and forums	140	43.75
Information from mass media	60	18.75
Information from friends and family members	135	42.19

Primary data, 2022.

TABLE 4 | Social media platform that has a higher influence on the millennials' purchase behavior.

Platform	Frequency	Percentage
Instagram	205	64.06
Facebook	140	43.75
WhatsApp	100	31.25
LinkedIn	25	7.81
Quora	20	6.25

Primary data, 2022.

TABLE 5 | Frequency of purchase because of social media ads.

Particulars	Frequency	Percentage
Never	40	12.5
Rarely	95	29.7
Sometimes	115	35.9
Several times	70	21.9
Total	320	100

Primary data, 2022.

TABLE 6 | Reliability.

Cronbach's alpha	N of Items
0.932	11

Results from SPSS v26.

2. Among the millennials which social networking site is used most?
3. Does social media exert any effect on the purchase decision process of millennials?

2.4. Research methodology

This is an empirical study carried out through an online survey. Secondary data were collected through a literature review that enabled the identification of the research gaps, and based on this, primary data were gathered through a

TABLE 7 | Descriptive statistics.

	Cronbach's Alpha	Mean	Std. Dev.
Need identification			
Social Media often gives me an idea to purchase something	0.798	2.69	1.275
I get influenced to make purchase because of social media		2.70	1.115
Many times, social media triggers me to make purchase		2.72	1.009
Search for information			
Before I buy, I use social media to search for information	0.789	2.80	1.254
It is easier to search for information about a product or service on social media compared to Mass Media		3.03	1.276
Social media is more trustworthy compared to Mass Media when it is about information about a product or service		2.67	1.106
Evaluation of purchase			
My purchase decision is influenced by reviews, comments and posts on social media	0.811	2.97	1.325
Social media influencers' recommendations play a major role in my purchase decision		2.63	0.994
It is easy for me to decide on the purchase due to social media		3.02	1.140
Purchase			
Currently, I am shopping more online		2.80	1.094
Before the COVID-19 outbreak, in-store shopping was my favorite choice in my leisure time		2.95	1.193

Results from SPSS v26.

standard structured questionnaire that was directed to the respondents via Google Form. Non-probability sampling technique of convenience sampling was adopted to collect the data from the respondents. The questionnaire consisted of various types of closed-ended questions and adopted a Likert scale to study the purchase behavior of the respondents. As the population size is large, a sample size of 500 was selected and this form was shared with 500 students who represented the millennials. However, only 320 responses were received, and SPSS version 26 has been used for data analysis. Data were analyzed using descriptive statistics. Correlation and regression analysis was carried out to identify the relationship among the stages of purchase behavior. The reliability test on SPSS for the entire set of Likert scales was done through Cronbach's alpha.

3. Results and analysis

From **Table 1**, we can see social media is being used by the millennials for information sharing and networking rather than shopping.

Social media reviews impact the most as the source of information for purchase decision followed by friends and family, which is seen in **Table 2**.

From **Table 3**, it can be identified that brand awareness followed by information from Internet, friends and family and previous experience of using the product seem to influence the decision to make a purchase.

Table 4 shows that among the social media platforms, Instagram is the prevalent social networking platform among the millennials followed by Facebook and WhatsApp.

TABLE 8 | Need recognition.

		Social media often gives me an idea to purchase something	I get influenced to make purchase because of social media	Many times, social media triggers me to make purchase
Social media often gives me an idea to purchase something	Pearson correlation	1	0.717**	0.468**
	Sig. (two-tailed)		0.000	0.000
	<i>N</i>	320	320	320
I get influenced to make purchase because of social media	Pearson correlation	0.717**	1	0.525**
	Sig. (two-tailed)	0.000		0.000
	<i>N</i>	320	320	320
Many times, social media triggers me to make purchase	Pearson correlation	0.468**	0.525**	1
	Sig. (two-tailed)	0.000	0.000	
	<i>N</i>	320	320	320

**Correlation is significant at the 0.01 level (two-tailed). Results from SPSS v26.

TABLE 9 | Information search.

		Before I buy, I use social media to search for information	It is easier to search for information about a product or service on social media compared to mass media	Social media is more trustworthy compared to Mass Media when it is about information about a product or service
Before I buy, I use social media to search for information	Pearson correlation	1	0.670**	0.370**
	Sig. (two-tailed)		0.000	0.000
	<i>N</i>	320	320	320
It is easier to search for information about a product or service on social media compared to mass media	Pearson correlation	0.670**	1	0.618**
	Sig. (two-tailed)	0.000		0.000
	<i>N</i>	320	320	320
Social media is more trustworthy compared to Mass Media when it is about information about a product or service	Pearson correlation	0.370**	0.618**	1
	Sig. (two-tailed)	0.000	0.000	
	<i>N</i>	320	320	320

**Correlation is significant at the 0.01 level (two-tailed). Results from SPSS v26.

TABLE 10 | Evaluation of purchase alternatives.

		My purchase decision is influenced by reviews, comments and posts on social media	Social media influencers' recommendations play a major role in my purchase decision	It is easy for me to decide on the purchase due to social media
My purchase decision is influenced by reviews, comments and posts on social media	Pearson correlation	1	0.479**	0.778**
	Sig. (two-tailed)		0.000	0.000
	<i>N</i>	320	320	320
Social media influencers' recommendations play a major role in my purchase decision	Pearson correlation	0.479**	1	0.503**
	Sig. (two-tailed)	0.000		0.000
	<i>N</i>	320	320	320
It is easy for me to decide on the purchase due to social media	Pearson correlation	0.778**	0.503**	1
	Sig. (two-tailed)	0.000	0.000	
	<i>N</i>	320	320	320

**Correlation is significant at the 0.01 level (two-tailed). Results from SPSS v26.

TABLE 11 | Purchase correlation.

		Currently I am shopping more online	It is easier to search for information about a product or service on social media compared to mass media
Correlations			
Currently, I am shopping more online	Pearson correlation	1	0.588**
	Sig. (two-tailed)		0.000
	<i>N</i>	320	320
It is easier to search for information about a product or service on social media compared to mass media	Pearson correlation	0.588**	1
	Sig. (two-tailed)	0.000	
	<i>N</i>	320	320

**Correlation is significant at the 0.01 level (two-tailed). Results from SPSS v26.

It is seen in [Table 5](#) that millennials seem to be influenced by social media ads to buy the product.

3.1. Millennials' buying behavior

Likert scale with 11 statements has been used to study the purchase behavior. [Table 6](#) presents the results of the reliability test on SPSS for the entire set of Likert scale used in the questionnaire which shows a Cronbach's alpha value of 0.932 which is way above the standard value of 0.7, and hence it shows that the scale used for collecting the data is reliable.

3.2. Reliability analysis for the entire measurement scale

3.2.1. Descriptive statistics

[Table 7](#) presents the reliability, mean and standard deviation of the instrument scale, used in the research.

Stage 1: Need Identification.

The first stage in the purchase process is the identification of the need. Three statements measured whether social media helped millennials in this stage of the buying process.

Correlation

From [Table 8](#), there is a high correlation between the idea to purchase from social media and getting influenced to make the purchase (0.717, $p = 0.01$) and a moderate correlation between idea to purchase from social media and influence of social media in triggering the purchase (0.468, $p = 0.01$). The

TABLE 12 | Regression model.

Model	<i>R</i>	<i>R</i> ²	Adjusted <i>R</i> ²	Std. error of the estimate
Model Summary				
1	0.588 ^a	0.346	0.344	0.886

^aPredictors: (Constant). It is easier to search for information about a product or service on social media compared to mass media
Results from SPSS v26.

TABLE 13 | Regression coefficients.

Model		Unstandardized coefficients		Standardized coefficients	<i>t</i>	Sig.
		B	Std. Error	Beta		
Coefficients^a						
1	(Constant)	1.268	0.128		9.925	0.000
	It is easier to search for information about a product or service on social media compared to mass media	0.504	0.039	0.588	12.972	0.000

^aDependent variable: Currently, I am shopping more online. Results from SPSS v26.

correlation between influence of social media in triggering the purchase and getting influenced to make the purchase is moderate (0.525, $p = 0.01$).

Stage 2: Search for Information.

Three statements measured whether social media helped millennials in this stage of the buying process.

Correlation

It is observed from **Table 9** that a high correlation exists between using social media to search for information before buying and searching social media for information is easier than mass media (0.670, $p = 0.01$) and a low correlation between using social media to search for information before buying and information on social media is more trustworthy than mass media (0.370, $p = 0.01$). The correlation between searching social media for information is easier than mass media and information on social media is more trustworthy than mass media is moderate (0.618, $p = 0.01$).

Stage 3: Evaluation of Purchase Alternatives.

Three statements measured whether social media helped millennials in this stage of the buying process.

Correlation

A high correlation is found in **Table 10** between my purchase decision is influenced by reviews, comments and posts on social media and ease of purchase decision-making due to social media (0.778, $p = 0.01$) and a moderate correlation between my purchase decision is influenced by reviews, comments and posts on social media affects my purchase decision and social media influencers' recommendations play a major role in my purchase decision (0.479, $p = 0.01$). The correlation between social media influencers' recommendations plays a major role in my purchase decision and the ease of purchase decision-making due to social media is moderate (0.503, $p = 0.01$).

Stage 4: Purchase.

Regression

As seen in **Table 10**, there is a moderate correlation between shopping more online (0.778, $p = 0.01$) and it is easier to search for information about a product or service on social media compared to mass media (0.588, $p = 0.01$). As seen in **Table 11**, there is a high correlation where $R = 0.588$ shows that there is 58.8% of relationship between shopping more online and it is easier to search for information about a

product or service on social media compared to Mass Media. In **Table 12**, the value of R^2 is 0.346, which shows 34.6% variance between the same two variables.

The regression equation is expressed as follows:

$$Y = 1.268 + 0.504X$$

The regression equation is $Y = a + bX$ where Y is the dependent variable-Currently, I am shopping more online and $a = 1.268$ and $b = 0.504$ as shown in **Table 13** and X is the independent variable-It is easier to search for information about a product or service on social media compared to mass media.

From this, we can infer that the more the millennials search for information on the Internet, the more they will shop online. They will shop 50.4% more than the searching information on the Internet.

4. Conclusion

We can conclude that millennials are influenced by the social media in their shopping behavior. The research objective of studying the effect of social media on different stages of the millennials has found that at each of the stages-need recognition, information search, evaluation of alternatives and purchase, social media is playing a lot of influence.

Instagram is found to be the most accepted social networking platform among millennials followed by Facebook and WhatsApp. The purchase behavior of millennials is seen to be influenced by social media ads.

Millennials are found to use social media mostly for information sharing and networking but also get impacted by the reviews and posts on social media during the purchase.

This study will help marketers in targeting millennials through social media. It gives them insights into the purpose of usage of social media by millennials and the most popular social media site among millennials. Brand marketers can generate positive reviews on social media for them and through social listening they may diminish the impact of negative reviews.

This study has taken into consideration only the behavior of millennials. Future research can also consider other cohorts. Also, there is potential to do further research

in this area taking a specific product category into consideration in place of this general study. This will help the company to target their audiences through social media platforms effectively.

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