THE ROLE OF SOCIAL MEDIA ADVERTISING IN CONSUMER BUYING BEHAVIOR

Adnan Veysel Ertemel, (Ph.D.)

Istanbul Commerce University, Turkey

Ahmad Ammoura, (MSc.)

Istanbul Bilgi University, Turkey

Abstract:

P Consumer buying behavior is known also as consumer decision making is the process by which individuals search for, select, purchase, use, and dispose of goods and services to satisfy require needs. This study has been designed to answer main question about the role of social media advertising on consumer buying behavior in very active field which is fashion retail industry, then determine the differences if existed in this relation regarding to the name of the brands and consumer demographics factors.

By electronic questionnaires conducted for consumers live in Istanbul-Turkey, findings showed weak relation between social media advertising and consumer need recognition, no relation at all with search for information, strong relation with evaluate the alternatives, and moderate relation for both buying decision and post-purchase behavior, as those steps represent the five steps need recognition model in consumer buying behavior.

Moreover, findings showed no changes in this relation regarding to consumer's age, and education level. However, there were changes between Females and males in the relation with consumer need recognition, and search for information. In addition, another changes regarding to income between social media advertising and evaluate the alternatives especially for consumers earn more than 5.000TL among other income groups.

Keywords: *Social Media, Social Media Advertising, Consumer Buying Behavior, Five Steps Need Recognition, Fashion Retail*

Industry

1. Introduction

The emergence of Web 2.0 is one of the biggest development in the history of commerce came along with Social Media as an evolution based on the Web 2.0, this technical revolution had huge affecting in the traditional marketing approach, brought new era among marketers, an era were social media changed totally the relationships between marketers and stakeholders,

Social Media is shifting the power from marketers to consumers, because regarding to the democracy allowed in social media all users as consumers can now be in contact with each other exchanging the information about products and services, which push marketers changing their old methods to match the new needs of consumers, and contact with them in individual as possible as they can, especially in their buying behavior by using social media as marketing channel in both free as word-of-mouth and paid as social media advertising. Furthermore, advertising is simply one way that consumers learn about new products, learn about things consumers may want or need, because the more consumers know about products more choices they can make, as no one prefer to make poor choices when it comes to purchase, what social media provide is smart many choices more than poor or just many choices (Evans, 2008).

This study tries to highlight the impact of social media advertising as paid social media marketing tool in consumer buying behavior regarding to the five steps need recognition model for companies working in fashion retail industry in Istanbul city, which step has the strongest relation with social media advertising and which has no relation at all regarding to the changes in the consumer's demographic factors.

2. Literature Review

2.1 Fashion Retail Industry and Social Media

The latter part of 20th century had witnessed many development In direct marketing which become very important promotion tool used by retailers, at the same time another development in technology helped retailers to reach consumers with different ways, this developments paved the way for online retailing, the advent of the internet and the dot-com led to a host of pure play online retailers and an era of fast-moving technological innovation that touched virtually every aspect of the retail value chain, from product development and sales to operations, resulting to that a host of new channels emerged, most of them at the hand of the end consumers like social networking and viral marketing (KPMG, 2009, P7-9).

Fashion retail industry has deep roots and one of the most important types of retail industry, like most other quickly started using the internet to gain improvements in the efficiency and effectiveness of operations and marketing. Nevertheless, consumers are increasingly using internet to make extensive amount of research on products and fashion trends before purchasing through and media, also making more and more online purchase (Tuhnainen, Rossi, 2012).

There are some notable studies on impact of social media in fashion retailing. Dorado (2011) examines the use of social media by fashion retail companies, and how they use it to effectively reach their target audiences, and how their audiences are responding, then examines why people choose to create relationship with a particular fashion brand via social media. Another study by Preece (2012) deals with social media as public relation strategy. Moher (2013) studied social media as a marketing strategy and how it affects the market shrinkage in fashion and luxury markets. It can be concluded by all three studies mentioned that consumers like to be in contact with fashion brands in social media platforms, which push fashion retail companies to give a huge interest to social media as marketing channel.

2.2 Consumer Buying Behavior and Social Media

According to Khan (2006) all of us are consumers, we consume daily regarding to our needs, preferences, and buying power, which open the door for too many questions about what to buy? How we buy? Where and when we buy?

In addition, when we say consumer we refer to two types of consuming unites, first one is the organizational consumers like business organizations, government agencies, or non-profit organizations, second one the final consumers like individuals, families, or households (Al-jeraisy, 2008, P43). For sure within this project we are going to focus on the second type which represents the final consumers as the field we applied in is the fashion retail industry.

2.2.1 Five Steps Model to Consumer Buying Behavior

Consumers are the focus of all retail decisions, many questions had been asked about how consumers decide upon what product to buy, the brand, and the store to buy them from. Therefore, it is important to appreciate how consumers making their buying decisions. There are many models try to explain the process of consumer buying behavior, but in this project we will focus on the famous five steps of need recognition starting from the first feeling of need to take the buying decision through searching for information and evaluate the other alternatives, then finally after purchase behavior.

1. Need Recognition:

The buying process starts when people recognized that they have unsatisfied need, while unsatisfied need actually arises when consumer satisfaction differ from his or her present level of satisfaction (Levy, Weitz, 2004, p.111). Moreover, need arousal can be triggered by external environment or internally from the buyer itself, needs themselves arise from either physiological (biogenic) or psychological (psychogenic) states, and once a need has been aroused the buyer seek out way to satisfy it (Sullivon, Adcock, 2002, p.52). Cox & Brittan (2004) says that consumers as human have certain fundamental needs can be satisfied in quite simple ways but when it needs some complex requirements it is become a problem, the natural response to this problem is to seek a solution which lead to search of information (p.79), in other words it is reasonable to suggest that consumers are looking to satisfy needs when they buy products or services (Semenik, 2002, P152).

2. Information Search:

Once the consumer has recognized a need, it is often not obvious what the best way to satisfy that need would be (Semenik, 2002, P153), therefore, this stage is concerned with gathering information and processing it to allow consumer to move towards a purchase decision, and this search can involve information retrieval from the buyer memory (internal) as well as external search if internal information is insufficient (Sullivon, Adcock, 2002, p.52). Semenik (2002) explained in more details what internal and external information search are, regarding to him Internal Information Search drawing in personal past experience and prior knowledge and maybe all that is required to make the decision, thus it is important for promotion function in this stage to focus on beliefs and attitude of consumers, but when it is not enough the External Information Search will be important to help consumers collecting information they need which most of the time will be by searching about others experiences like friends and relatives, nowadays social media become the major tool for this kind of research to read and see what other people writing and saying about other brands. Moreover, marketing efforts at this stage should increase the amount of information available to consumers about products they are searching for (Al-jeraisy, 2008, p. 90-91).

3. Evaluation of Alternatives:

This stage is an extension of the previous one, once the required information is available, the buyer will begin to evaluate each purchase option with the aim of gradually reducing the list of possible purchases to one. Actually this process will developed a strong purchase intention within the mind of buyer which lead to expected purchase unless some problems arise in the period between intention development and final purchase (Sullivon, Adcock, 2002, p.53). In addition, Semenik (2002) explain that evaluative the alternatives could be structured by the consumer's consideration set which mean subset of brands from a particular product category, and evaluative criteria which include many other factors such as price, warranty, or colour (P154).

4. The Buying Decision:

It is not a single decision but a bundle of decisions, any one of which can result in a change of mind and an alternative route being followed (Cox, Brittan, 2004, p.80). Moreover, if we want to get specific in retailing Levy & Weitz (2004) says that consumers may not buy the product which is the highest in the list of evaluation, for sure it gives the great benefit but it may not be available in the store or it risks outweigh the potential benefits (p.122).

5. Post-Purchase Evaluation:

Once the purchase has been made, evaluations continues so consumer can feel that he made the right decision which meet the expectations as we called it Post-purchase satisfaction, or Post-purchase dissatisfaction if the evaluations does not meet the expectations (Sullivon, Adcock, 2002, p.53). Again promotion can play very good role in this case to make sure that consumers will be satisfied by creating appropriate expectations for a brand's performance before a purchase and by helping the consumer who has already bought the advertised brand to feel good about doing so (Semenik, 2002, P155).

Figure 1: Five steps need recognition model

It is very important for this project, after getting through consumer behavior and buying decision, to determine how social media can affect consumer behavior in general and consumer buying behavior in specific to be a start point for determine the role of social media advertising on them regarding to other studies related to this subject.

2.3 Social Media Advertising

Social media can be defined as "a group of internet-based applications that build on the ideological and technological foundations of web 2.0, and that allow the creation and exchange of user-generated content". (Kaplan & Haenlein, 2010, P60). Moreover, Social Media Advertising can be definde as "An online Ad that incorporates user interactions that the consumer has agree to display and be shared. The resulting Ad displays these interactions along with the user's persons (picture and/or name) within the Ad content" (IAB, 2009, P4).

Advertising is very important tool in promotion mix for all kind of organizations usually it refers to one-way communication in any mass media. The American Marketing Association define it as " the placement of announcement and persuasive messages in time or space purchased in any of the mass media by business firms, non-profit organizations, government agencies, and individuals who seek to inform and/or persuade members of particular target market or audience about their products, services, organizations, or ideas". However, with the development of the internet and online world especially social media environment, a lot of changes happened in advertising, in its capabilities and functions which require a new paradigm (L.Tuten, 2008, P2).

Regarding to L.Tuten (2008, P3-5) there are many differences between traditional advertising and social media advertising. First difference is the form of media, while traditional advertising tied with the "mass media" include television, radio, print, or outdoor, advertising by social media might mean both one-to-one advertising through permission-based, and targeted messages, or it could be mass coverage using a display ad, when defining advertising for online media, the size of the audience should not be used as a defining factor of advertising.

Second, traditional advertising must be paid communications, it is the fact in each definition of advertising since this concept appears, on the other hand social media advertising could be totally free and unpaid or it can be indirectly paid as the case in some aspects of social network advertising like paid ads on Facebook.

Third, traditional advertising has been viewed always as on-way communication from the marketers to the target audience through some traditional media, but with the world of web 2.0 it is become truly enable for two-way or

even multi-way communication between firms and consumers, and this is the case in social media advertising and online advertising in general.

Forth, traditional advertising relied on a model of interrupting consumers lives, but consumers accepted this interrupting sometimes because it represent a free tool to know about brands via television or radio ads.

3. The Research Methodology

Regarding to Nielsen (2013) since social media as concept appear most of marketers used the benefit of its free tools, but after 2009 there were increasing in using of another method which represent the paid social media marketing and by 2012 about 75% of marketers indicated that they use this paid method with about 10% of their overall online budget, 64% of them was assuring that this amount of budget will increase in the future. Moreover, with question to identify which form of paid social media marketers regularly use, the overwhelming majority use Facebook ads (90%), followed by LinkedIn ads (20%) and twitter ads (17%) (Stelzner, 2014).

Nevertheless, fashion retail industry is not out of this, it is for sure part of competition war, were most companies and retailers working in this field using social media sites with both free and paid methods to promote their products, regarding to Demirtas (2012) one out of two active internet users in Turkey do shopping through the internet mostly with fashion categories like clothes and shoes. Thus, in this study researcher will try to analyze how one of social media marketing tool which is paid social media advertising influence the buying behavior of end users regarding to the different brands they will find and consumers demographic factors in Istanbul city were fashion is very important trend. With regard to this, the research problem of this study can be formulated as the following question:

Is there a role of social media advertising on consumer buying behavior in fashion retail industry in Istanbul?

It is known that consumer get throw process when he decide to buy anything weather the buying happened online or offline, and there are many model to explain this process but the most important one is the need recognition five steps (need recognition, search for alternative, evaluate the alternatives, take the decision, evaluate the decision). Therefore, it is very important not just to determine the impact of social media advertising on consumer buying decision but also to specified which step was the most affected one. Regarding to that we can form the first hypothesis as:

H1: there are meaningful relation between social media advertising and consumer buying behavior in fashion retail industry.

Moreover, It is known that consumers differentiated regarding to their demographics factors like Age, Gender, income, education level...etc. which mean that the impact of social media advertising on consumer buying behavior could be different as well regarding to main changes on consumers characteristics, and the secnd hypothesis will be:

H2: there are differences in the way that social media advertising will affect consumer buying behavior regarding to the consumers demographic factors in fashion retail industry.

The overall process and idea of data collection follows a particular strategy that helps minimize cost and increase the efficiency by providing valid information. It is ensured that reliable data is provided within the present study. Regarding to that some further questions which related to the survey researcher put it and then answered them like: Who were the respondent people? These were the people from social media sites: Facebook, LinkedIn, Instagram and Twitter and also from the online survey website named "survey monkey". How the questionnaire got distributed? It got distributed via email and by leaving it on the online survey website, and social media platforms. How the filled out forms got received by the researcher? These were received via email, online survey website, and 'Drive' application of docs-google.

During an academic research, it is always very essential to remain within the circle of ethics and within the formalities. The researcher has been careful in this regard and no particular brand has been under criticism. The questionnaires have been distributed to the consumers with the relaxation that identity of none will be disclosed and will be treated as confidential. Moreover, it is not the name of the person that has to be addressed but it is rather the mind-set of the consumers with respect to the buying decisions that they make so as to get a better perspective of marketing within Istanbul-Turkey.

.

4. Results and Discussion

Table1: Regression scores for the five steps need recognition theory

Buying behavior Step	Sig.	Correlation (r)
Need Recognition	0.000[b]	0.246[a]
Search for Information	0.596[b]	0.031[a]
Evaluate Alternatives	0.017[b]	0.737[a]
Take the Decision	0.036[b]	0.526[a]
Post-Purchase behavior	0.019[b]	0.331[a]

There From table one we can see that the probability of (F) statistics is in order (0.000, 0.017, 0.036, and 0.019), less that the significant level (0.05) which mean that we have enough evidence to reject the null hypothesis for the steps (Need recognition, Evaluate the alternatives, Take the decision, and Post-purchase behaviour). Thus, there are relation between the social media advertising and those four steps. However, from the R scores we can see that this relation differ regarding to the steps as it can be weak in the first step with (0.246) and strong with the third step with (0.737), and more moderate regarding to the fourth and fifth steps with (0.526) and (0.331) in order.

On the other hand, we can see that the probability of (F) statistics is (0.596) more than the level of significant (0.05) for the second step (search for information). Therefore, there is no enough evidence to reject the null hypothesis which mean that there is no relation between social media advertising and search for information. We can indicate from this results that consumers do not rely on social media advertising to find information about the products they want to buy in Istanbul city as they prefer to use social media advertising mostly evaluate the alternatives.

Moreover, from the table 2, we can see that there are no differences in the consumer buying behaviour regarding to the Gender, Age, and Education level as the probability of (F) statistics is in order (0.647, 0.540, 0.082) more than the significant level (0.05), as we do not have enough evidence to reject the null hypothesis, which mean is that the buying behaviour of consumers did not change regarding to their gender, age, and education level. On the other hand, the probability of (F) statistics is (0.029) less than the significant level (0.05) in the Income factor, which mean that we have enough evidence to reject the null hypothesis and accept the alternative one, and that mean there are differences regarding to the Income on the consumer buying behaviour. To be more specific the Post-Hoc LSD analysis have been done to determine the differences exist between which categories in specific.

Table 2: Demographics factor One-Way ANOVA test results:

Demographics Factor	Sig.
Gender	0.647
Age	0.540
Education level	0.082
Income	0.029

From Table 3 we can see that the P value for category number four in income which is 'above 5000 TL' always less than the level of significant (0.05), and the mean differences is always significant at the (0.05) level for this category, we can see that clearly in the last section of the same table. Indeed, the mean difference between 'above 5000 TL' and '500 TL- 900 TL' (-0.90) at (0.007) significant which reflect the biggest difference between income categories when consumer evaluate the alternatives. However, this differences existing with second category '1000 TL- 300 TL' with mean differences around (-0.68) at (0.02) significant, and third category '3100 TL- 5000 TL' with mean differences around (-85) at (0.005) significant.

Table 3: Multiple Comparisons to income categories regarding to consumer buying behavior

Dependent Variable: Consumer Buying Behavior

LSD

(I) Salary	(J) Salary	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
500 TL - 900 TL	1000 TL - 3000 TL	.21609	.22042	.328	-.2187	.6509
	3100 TL - 5000 TL	.04844	.23035	.834	-.4059	.5028
	Above 5000 TL	.90000*	.32922	.007	.2507	1.5493
1000 TL - 3000 TL	500 TL - 900 TL	-.21609	.22042	.328	-.6509	.2187
	3100 TL - 5000 TL	-.16765	.17144	.329	-.5058	.1705
	Above 5000 TL	.68391*	.29106	.020	.1098	1.2580
3100 TL - 5000 TL	500 TL - 900 TL	-.04844	.23035	.834	-.5028	.4059
	1000 TL - 3000 TL	.16765	.17144	.329	-.1705	.5058
	Above 5000 TL	.85156*	.29865	.005	.2625	1.4406
Above 5000 TL	500 TL - 900 TL	-.90000*	.32922	.007	-1.5493	-.2507
	1000 TL - 3000 TL	-.68391*	.29106	.020	-1.2580	-.1098
	3100 TL - 5000 TL	-.85156*	.29865	.005	-1.4406	-.2625

*. The mean difference is significant at the 0.05 level.

5. Conclusion:

The motivate of the research was triggered by personal interest in how paid social media advertising effect consumer buying behaviour regarding to the five steps need recognition model of buying decision, in new report for social media examiner website indicate that around 94% of marketers used paid social media advertising in Facebook for both B2B and B2C, less than this percentage but still important in other social media platforms. Therefore, the research was carried out to measure if a relationship is existing between this paid method and each step of the need recognition buying decision model and how much this relation is strong, applied in very important field in Istanbul-Turkey which is fashion retail industry.

The research finding has showed relation in range between moderate and strong regarding to the whole model. However, third step 'evaluate the alternatives' has the strongest relation with social media advertising comparing with other steps, contrariwise the second step 'information search' have no relation at all with social media advertising. Thus, researchers totally believe that social media advertising have an impacts on consumer buying behaviour, and recommend marketing managers whose working in fashion retail industry for both brand direct marketing or as retailers to design their social media advertising as a comparative advertising and avoid providing information about the product itself as consumers don't rely on social media advertising as a source for information searching, at the same time it is important to study the differences in the demographic factors if there are regarding to the results in this study when they design the advertising. In addition, it is very important to taking into account the limits of this

study, and be careful to generalize the results in two areas first one which is the place as this research conducted in Istanbul one of the biggest cities in Turkey but results could not be the same for other cities inside Turkey or in other countries, second one is the field which is fashion products as a part of shopping goods from apparels and shoes and again this results could change regarding to other product category like convenience goods or some types of specially goods.

Moreover, researcher recommend future studies for each step alone from the need recognition model specially for the second and third steps as they reflect that there is no relation and the strongest relation in order, and recommend future studies for differences in social media platforms regarding to using paid social media advertising and its impact on consumer buying behaviour, considering the limited time and scope of this research, it would be undoubtedly useful and interesting to have a case fashion company and apply social media advertising for this company in different platforms as scenarios offer a comparison between those platforms. Finally researcher recommends future studies apply on different product categories and what differences between them could be.

To sum up, in this thesis researcher tried to provide a guide could be important to be used in fashion retail industry to make sure design advertising supporting the company itself and consumers buying behaviour in a way that guaranty benefits for both sides, for sure results cannot represent all individuals across Istanbul as a whole, but researcher tried to be so close to what is the trends in general regarding to the sample he applied the research on.

References

Books:
Ander, W. & Stern, N., 2004. *Winning at Retail: Developing a Sustained Model for Retail Success.*   New Jersey: John Wiley & Sons.
Cox, R. & Brittan, Paul., 2004. *Retailing: an Introduction.* Issue no: 5. London: Pearson Education.
Evan, D., 2008. *Social Media Marketing an Hour a Day.* Indiana: Wiley Publishing, Inc.
Khan, M., 2006. *Consumer Behavior & Advertising Management.* New Delhi: New Age Publishers.
Levy, M. & Weitz, B., 2004. *Retail Management.* Issue no: 5. New York: McGraw Hill Irwin.
Schiffman, L. & Kanuk, L.L., 2009. *Consumer Behavior.* Issue no: 10. New Jersy: Pearson Education.
Semenik, R., 2002. *Promotion & Integrated Marketing Communications.* Canada: South-Western.
Stanley, J., 2005. *Just About Everything a Retail Manager Needs to Know.* Australia: Lizard Publishing.
Sullivon, M. & Adcock, D., 2002. *Retail Marketing.* London: Thomson.
Tuten, T., 2008. *Advertising 2.0: Social Media Marketing in a Web 2.0 World.* United State of America: Greenwood Publishing.

Periodicals:
Chi, T.R., 2001. A Framework for Analyzing the Potential Benefits of Internet Marketing. *Journal of Electronic Commerce Research.* **2**(4), PP. 157-163.
Dehghani, M., Nourani, S. & Abradeh, E.M., 2012. The Role of Social Media Advertising in Motivating consumer in Banking Services. *Interdisciplinary Journal of Contemporary Research Business.* **4**(8), PP. 774-787.
Demirtas, M., 2012. An Analyzing in Purpose to the Facebook & Twitter Users in Turkey. *British Journal of Arts & Social Sciences.* **9**(2), PP. 116-125.
Evans, M., 2006. Consumer Behavior towards Fashion. *European Journal of Marketing.* **23**(7), PP. 7-16.
Gezgin, U.B., 2013. Social Media in Turkey: How Tweets Appeared on Printed Media in 2012. *Nisantasi University.* **62**(2), PP. 7-11.
Hayes, S.G. & Jones, Fast Fashion: a Financial Snapshot. *Journal of Fashion Marketing & Management.* **10**(3), PP. 282-300.
Kaplan, A. & Haenlein, M., 2010. Users of the World, Unit! The challenges & Opportunities of Social Media. *Business Horizons.* **53**, PP. 59-68.
Manzano, N., 2012. Explanatory Models of Change of Consumer Behavior. *Journal of I-Business.* **4**, PP. 246-255.
Moher, I., 2013. The Impact of Social Media on The Fashion Industry. *Journal of Applied Business & Economics.* **15**(2), PP. 17-22.

Vinerean, S., Cetina, I., Dumitrescu, L. & Tichindelen, M., 2013. The Effects of Social Media Marketing on Online Consumer Buying Behavior. *International Journal of Business & Management*. **8** (14), PP. 66-79.

Other Sources:

Bond, C., Ferraro, C., Luxton, S. & Sands, S., 2010. Social Media Advertising: An Investigation of Consumer Perceptions, Attitudes, & Preferences for Engagement. Melbourne: Monash University ANZMAC.

Dorado, L.E., 2011. The Effect of Social Media on the Fashion Retail Industry. South Carolina: Elon University.

Frey, B. & Rudolff, S., (2010). Social Media & The Impact on Marketing Communication. *Unpublished Bachelor's Thesis*. Lulea: Lulea University of Technology LTU.

IAB. (2009, May). *Social Advertising Best Practices*. From IAB.net. http://www.iab.net/socialads [Visit Date 21.07.2015]

Lee, E., (2013). Impact of Social Media on Consumer Behavior- Decision Making Process. *Unpublished Bachelor's Thesis*. Finland: Turku University of Applied Sciences.

LLP, K., 2009. The Evolution of Retailing. *Reinventing the Consumer Experience*. Issue no: 5. United State of America: KPMG.

Michael, A.S., 2014. How Marketers are Using Social Media to grow their Business. *Social Media Marketing Industry Report*. Published by Social Media Examiner.

Nopanen, S.L., 2010. Advertising Efforts in Social Media Effective or Not. Amsterdam: Hogeschool INHolland.

Olakunle, K.A., 2012. The Impact of Social Media Marketing Communications on Consumer's Perception of Brands. *APCON Advertising Practitioners Council of Nigeria*, PP. 1-50.

Preece, H., (2012). Examining Social Media Use in Fashion: the Need for Industry Standards. *Unpublished Senior Project*. California: Polytechnic University.

Tuunainen, V.K. & Rossi, M., 2012. E-Business in Apparel Retailing Industry- Critical Issues. Finland: Helsinki School of Economics.

Vizu, 2013. Paid Social Media Advertising. *Industry Update & Best Practices*. New York: Nielson Company.