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Chapter

Social Media, Consumer Behavior, and Service Marketing

Abigail Chivandi, Michael Olorunjuwon Samuel and Mammo Muchie

Abstract

This study examined the impact of social media platforms and brand awareness in relation to the consumer decision-making and buying behavior patterns influenced by social media. It also depicts how companies can effectively make use of social media platforms as marketing strategy tools in business performances. Social media platforms seem to be increasingly and effectively bringing brand awareness and influence consumers’ purchase decision-making and later on realize repeat purchases that bring about customer loyalty. Social media also has some influence to both the consumer and the marketers and is becoming the most welcomed online selling point by the millennials. Marketers/producers have noticed the rise in social media consumers; however, most of the business entities have not yet utilized social media to its fullest in their marketing activities and business strategies and performances. The study highlights the benefits of using social media platforms and brand awareness strategies that can be utilized through the online social media systems and gives a contemporary research gap, in how frequent businesses are engaging with social media.

Keywords: social media, innovative, Facebook, Twitter, YouTube, Internet, millennials

1. Introduction

Social media marketing is now the modern and innovative way of doing business specifically in service marketing, as marketers as move from one strategy (fan accumulation) to another (6-s video) to another (social-local-mobile/SoLoMo), referring to a progressively versatile driven form of the expansion of neighborhood sections to web crawler results to another (messenger bots), looking for the right innovative strategy to improve their brand health [1]. Social media capabilities are the birth of platforms such as YouTube, Facebook, Twitter, WhatsApp, and Pinterest [2]. This has become the new and attractive way as the world has become a global entity and wide coverage of information disseminations shared through social media. The modern-day consumers especially millennials are increasingly using online tools, for example, blogs, “Facebook,” and YouTube to share their opinions about products and services they consume [3]. The rise in Internet accessibility and availability of smartphones has led to the new form of what is known as electronic word of mouth (EWOM) which in this research will be referred to as
social media. Peters [4] et al. states that “Of the various social media networks, Facebook alone has 750 million users, Twitter has 250 million users, and LinkedIn and Myspace have 115 million and 50 million users respectively.” Social media has become the new growth strategy for any company that wishes to realize growth and have a mark in this new and uptight market. The generation of millennials consumers is now the largest consumers of goods, and getting their attention has shifted from the traditional methods of advertising to now the new platform of social media. According to Whitler [5], the challenge is that for past years the marketer has been focused more on “collecting” instead of “connecting.” In other words Whitler [5] stated that marketers are focusing on having more fans and forgetting the crucial part which is to connect with the fans and create a loyal customer base of those social media fans one has. The marketer tends to forget that social media can be used as a marketing strategy which has an influence on consumer purchase decisions. In this chapter we review research that has been done related to the role of social media in consumer purchase patterns.

Peters et al. [4, 6] eluded to the fact that companies may use social media as a strategy to gain more customers or to chase customers away from a company’s offerings, stating that a company is able to make or break its image through the social media that is made available to its consumers. Furthermore Suresh et al. [7] pointed out that social media has led to a rise in the consumption of service marketing due to its coverage and influence on consumers of different age groups and different lifestyles, based on their affordability and their consumer behavioral patterns. “What the hell is internet based life and what job does it play in promoting? It is the most widely recognized inquiry that has been inquired.”

Online life speaks to minimal effort instruments that are utilized to consolidate innovation and social collaboration with the utilization of words [6]. These instruments are ordinarily web or versatile based. A small number of firms have incorporated social medial innovation such as Twitter, Facebook, and YouTube. Online life gives advertisers a voice and an approach to speak with companions, clients, and potential customers. It customizes the “brand” and encourages the advertisers to spread your message in a loose and conversational way [6, 7]. The Internet-based life, on the off chance that you could call it, will be that it must be a piece of your regular day-to-day existence to keep the energy and consideration you requirement for it to be fruitful. Online networking is not just for the entrepreneurs that are experimenting with an investigation; however it includes bigger organizations all inclusive. The following are a couple of instances of organizations that have turned out to be associated with web-based social networking:

- Absolut Vodka—Online video on YouTube and utilizing Facebook to house their Top Bartender fan page.
- BMW—They are utilizing Facebook to advance their 1-series road trip, and they have made a Rampenfest page for fans.
- Dunkin Donuts—That is correct; they have discovered an incentive in Internet-based life and have set up a microblogging Twitter account.
- Donald Trump—in precedents, we cannot forget President Trump. He has taken the utilization of Twitter to an unheard of level. He has managed strategy that impacted the share trading system and by and large utilized Twitter as an approach to convey specifically to the general population, circumventing the customary news media.
In the USA, there is high usage by adult beverage companies, exotic automobile manufacturers, pastry shops, and US President using social media tool; it is not too hard to figure out that there is something to it that is innovative in the marketing discipline.

The section highlighted and availed the importance of social media innovations in relation to consumer behavior and service marketing. A background to the social media network usage is also given. Importantly, the review chapter also highlights how retail companies may use social media as a strategy to gain more customer base. The following subsection gives a discussion on the role and the significance of social media in service marketing and the consumer buying pattern.

1.1 Role of social media in marketing

Marketing is viewed as a tool that is used to inform consumers about our products and services, revealing the companies’ identity and brands being offered. Social media does that tool [3]. Online life gives a character to our identity, and the items or administrations that we offer make connections utilizing Internet-based life with customers who may not generally think about the organizations’ items or benefit or what the organizations speak to; social media makes us “genuine” to shoppers [1, 6, 8]. “On the off chance that you need buyers to tail you, don’t simply discuss the most recent item news; however, share your identity with them, and social media can also be used as a platform to peers association that may be serving the same target market and also gives facilitation through communication and interaction that consumers look for.” Social media carries with it a lot of value, but how do you do it right?

Marketers cannot just depend on social media but must be integrated with other vehicles of marketing. While social media creates awareness, marketers need to be convinced that in the beginning, it will sell a million dollars’ worth of product and services [1, 6, 8]. That is not to say that one day once the players have built up their social media “stardom” that it would not, but it probably would not happen tomorrow. And there are no written “right” or “wrong” rules when it comes to social media; only the marketers can determine what will work for them [1, 6, 8].

Examples of overcoming adversity are plenteous when it comes to utilizing web-based social networking from talent scouts that secure a position for candidates to new organizations that need to present another item just as officially settled Fortune 500 organizations that need to fortify their image. The job of online life in showcasing is to use it as a specialized device that makes availability to those inspired by item and benefits and realizes mark mindfulness and perceivability to those purchasers that do not know about the advertiser’s brands [1, 6, 8]. Web-based life can utilize it as an instrument that makes an identity behind the advertiser’s image making connections that generally may never have been picked up. It makes rehash purchasers as well as client reliability [1, 6, 8]. The truth of the matter is online life is diversified to the point that it tends to be utilized in the way that best suits the intrigue and the requirements of the business.

Social media is proving to be an effective tool as a marketing strategy; however, most companies are currently dedicating 11% of their marketing budget to social media, and 44% of those company executives were of the opinion that social media has an insignificant impact on the growth of a company and its brand [8, 9]. Many researchers have conducted studies: Social Media and Negative Word of Mouth: Strategies for Handling Unexpected Comment [10], a study on Factors Determining Social Media on Cosmetic Product [11]. Examining the Beauty Industry’s Use of Social Influencers [12], Young adults and ethical consumption: An exploratory
study in the cosmetics market [9, 12], Global beauty industry trends in the twenty-first century [12], A study of the impact of social media on consumers [13], Social Media as a Marketing Tool: A Literature Review by [14], and Effectiveness of Advertising on Social Network Sites A Case Study on Facebook [15, 9]. However there has not been much research done on an analysis of the effects of social media on purchasing or consumer buying decision-making.

According to Chivandi et al. and Donovan [9, 16], many small business are not actively utilizing social media to reach consumers in which she stated that 47% of the small business do not actively use social medial and 25% of the small businesses have no plan to use social media at all.

Despite the fact that buying online is spreading and growing fast in short-term period, some regions and countries have very limited volume of online purchasing transactions, such as the Arab world situation. In the past year, Arab has seem a significant evolution of technology which led to many changes in the norms of doing businesses, practicing governance, and carrying out greater growth. With approximately more than 125 million individuals that are using the Internet, the number of social medial active users is very low and in turn makes most marketers not take up social media as an effective marketing channel [17]. Many businesses have noticed the rise in the use of social media consumers; however, many of the bulk of businesses have not yet taken up social media [18] elucidates that of those businesses that are not yet on social media, a significant number plan on establishing a presence within the next year. The study goes on to highlighting that many businesses sense the risk of being left behind; there is still a gap, though, in how frequently consumers are using and engaging with social media as compared to businesses. The social media platform according to [2] is here to stay and is the revolution that has changed our world and time; Ostrow [2] further alluded to the fact that there is one main social media innovation that in all likelihood will not only endure, but thrive, in the decade ahead. This innovation has embodied most of what we have come to define as social media since 2000, and it is not showing any signs of slowing down, and that innovation is YouTube. Deducing from the aforementioned social media is a necessary tool with some form of influence in the growth of a business’s brand cutting across internationally.

This section discussed the social media roles, importance, and its application to consumer buying decision patterns. Section 2 gives a highlight, reviews discussion on the social media platforms, and depicts information on study done by other authors in relation to social media consumption and how innovation aspect has been implemented through the platforms. It also gives a brief discussion on consumer decision-making process in relation to social media platforms.

2. Social media platform innovation

The start of the century introduced new technology innovations, and social media platforms, which are but to name a few Twitter, Facebook, YouTube, and Pinterest, provide users with a variety of communication tools at their disposal [19]; social media platforms according to [2] are here to stay and are the revolution that has changed our world and time. Ostrow [2] further alluded to the fact that there is one main social media innovation that in all likelihood will not only endure, but thrive, in the decade ahead. This innovation has embodied most of what we have come to define as social media since 2000, and it is not showing any signs of slowing down, and that innovation is YouTube.

The use of social media platform can be described as the new wave of information and communication technology. Social media innovations are tools that are
used by the consumers to give out information as well as to receive the information [20]. Manzini [21] stated that “Social innovation is a value-adding outcome that emanates from a variety of ways that involve interactions between people”, deducing from the aforementioned social media innovations is a media platform in which people creatively come together and share information. These innovations has made it possible for companies to be able to have a more intimate relationship with their consumers; there are currently over more than 300 hours of video uploaded on YouTube every hour and over 350 million Facebook loads daily [22]. Through the innovation of social media, many bloggers and vloggers are able to share their brand tips and secrets to their worldwide audiences. Zolkepli and Kamarulzaman [19] alluded to the fact that consumers need to interact on social media so as to gain value, self-discovery, entertainment stratification, and social enhancement and maintain interpersonal connectivity with different people across the world, satisfying the need that is within humans which is a need of interaction. Zolkepli and Kamarulzaman [19] in Chivandi et al. [9] further pointed out that according to former studies, consumers use media to fulfill interpersonal needs, which include the needs derived from offline media gratification, for example, relaxation, surveillance, pastime, and escape, and new online media needs are sociability, popularity, convenience, and companionship.

2.1 YouTube

This social platform creates the opportunity for the provider of content to target a niche market which is focused on their similar interest and need. “Since launching in 2005, YouTube has played a central role in democratizing video distribution; to present anyone can have their own YouTube channel and become a worldwide sensation” (fastcompany.com, 2018). Fortunelords [23] alludes to the fact that more people between the ages of 18 and 49 now rarely watch TV and all their information and news are obtained through social media channels especially YouTube, as these social media innovations are now applications on our mobile devices.

2.2 Facebook

Czinkota and Ronkainen [24] were of the view that Facebook was the most popular site around 2012 and had nearly one billion members worldwide, followed by LinkedIn, Twitter, Myspace, and YouTube. Czinkota and Ronkainen [24] further pointed out that more firms are adopting Facebook and other social media to conduct their marketing functions.

2.3 Pinterest

This social media platform enables users to share ideas and thought through pinning pictures on a board they create in the account. The board will be a collection of their favorite things and other users’ comment, like, and re-pin of the pictures or visual images on their own boards [25]. Many users find the boards helpful as they are able to discover new products and different brands from the people they follow on Pinterest.

2.4 Twitter

Twitter is an online platform that uses short messages to communicate with other users; the short messages are called tweets. The messages will only be
available to those who follow you on Twitter [26]. Consumers usually use Twitter to discover interesting people and companies, and they are usually influenced by what those people say.

2.5 Word of mouth

Wang and Fesenmaier [27] was of the view that word of mouth is the oldest way to convey information. This method has been used by marketers as a way to advertise their products, in that consumers share communication about a product. Electronic word of mouth has taken over the traditional word of mouth as an informal Internet-based communication where all consumers are exposed to the social media innovations which make it possible. Consumers around the world can now share information regarding a product, and this information is accessible to both active and passive consumers everywhere [27]. The consumers’ use of technology can have both positive and negative effects to a company, and if it is bad publicity regarding a certain product or service, it can spread to uncontrollable levels in which a company may not be able to contain [3]. Social media according to Ioanăs and Stoica [28] influences the consumers from purchase decisions to post-purchase decision behavior through posts such as dissatisfaction statement on product reviews.

Table 1 depicts information on study done by Chivandi et al. [9] on social medial platforms using haircare products on millennials in South Africa. The table also gives the highly used social media platform.

Table 1 reveals that most of the people who frequented the social media platforms are between the age ranges of 18 and 25. This is 93.2 % searching for hair products and has the postgraduate degrees at a % of 97.6.

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Age</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>247</td>
<td>98.8</td>
<td>18-25</td>
<td>233</td>
<td>93.2</td>
</tr>
<tr>
<td>Prefer not say</td>
<td>3</td>
<td>1.2</td>
<td>26-35</td>
<td>16</td>
<td>6.4</td>
</tr>
<tr>
<td>Total</td>
<td>250</td>
<td>100</td>
<td>36-45</td>
<td>1</td>
<td>0.4</td>
</tr>
</tbody>
</table>

| Highest education level | Use of hair products | Percentage | | | |
|-------------------------|----------------------|------------|---|--|
| Postgraduate degree     | Yes                  | 244        | 97.6|
| Degree                  | No                   | 6          | 2.4|
| Diploma                 | Total                | 250        | 100|
| Matric                  |                      | 125        | 50 |
| Total                   |                      | 250        | 100|

| Social media platforms | Login frequency | Percentage | | |
|------------------------|-----------------|------------|---|
| Facebook               | 38              | 15.2       | 0  |
| YouTube                | 105             | 42         | 1-3|
| Whatsapp               | 19              | 7.6        | 4-7|
| Pinterest              | 27              | 10.8       | More than 7 times|
| Twitter                | 12              | 4.8        | 36 |
| Other sites            | 49              | 19.6       | Total|
| Total                  | 250             | 100        | |

Source: Ref. [9]
The pie chart sub figure (a) illustrates the percentage decomposition of usage on different social media platforms, while the sub figure (b) shows that the mostly used social media platform is YouTube (42.0%) followed by Facebook which is 15.2% and Pinterest which is 10.8% (Table 2).

### 2.6 The consumer decision-making process

The decision-making process is affected by external environmental factors that affect the process, and these are environmental influence (social class, family, culture, situation, and personal influence); the environment affects the consumer decision-making process as this forms the consumer's personal influence from the early stage of information search as they also serve as a source of information which will affect the overall decision-making process; despite the environment helping the consumer to come to a purchase decision, their individual differences and influences affect the type of choices that they will make in the end, as they will be able to conduct an internal information search in regard to their personal values, knowledge, and motivations which will help the filter from the environmental influences to scale down their purchase choices to a more personal level. Individual differences and influences include knowledge, value consumer resources, motivation, knowledge, personality, and values) [29]. Psychological processes enable the consumer to conduct both information search and an evaluation of alternatives as they engage in information processing which may have an outcome of a purchase decision which leads to a learning stage and determines whether the individual will engage in repurchase as they enter the post-purchase stage. This external factor includes learning, behavior change, attitude, and information processing. Online environmental aspects include website quality, website experience, and website satisfaction; the online environment now has a huge impact on the consumer decision-making process as it may trigger the problem recognition stage, through a consumer's online interactions, and affects the whole process up till the post-purchase stage as it provides both information search, evaluation of alternatives, and purchase options. The online environment even provides the consumer with social interactions which may influence a consumer's final purchase decision [29]. This process is illustrated in Figure 1.

![Table 2. Social media platforms and their usage %](image)
According to McGinn [30], the five-stage decision-making process consumer goes through five stages of decision-making which are problem recognition, information search, evaluation of alternatives, purchase decision, and post-purchase behavior.

### 2.7 Problem recognition

This is the first stage where the need is recognized; the need can be triggered by internal needs or stimuli which may be thirst and hunger or externally triggered through external factors or stimuli like the environment, friends, and family. The magnitude of information search will be reliant on the type of problem solving to be addressed; when the problem related to consumption is new and complex, it will lead to the buyer being involved in in-depth external information search; simpler problems usual depend on simple internal information search.

### 2.8 Information search

The consumer first conducts an internal memory search for information; however, when they fail to get the information they need or do not have enough information internally regarding the problem, they look for information externally. When searching for information about which product to buy, consumers now turn to social media as a reference point on which product best satisfies their needs. Consumers go through various social media channels to gain information in regard to a particular purchase decision. McGinn [30] stated that social media influencers should be considered by marketers in regard to a company’s products as their opinion in regard to a product can influence most consumers’ purchase decisions. The brand is the symbol of a company; when a consumer is satisfied with a product, they spread information regarding the brand through word of mouth to other consumers, which will lead to others being interested in the brand and choosing the brand [31].
2.9 Alternatives

After information gathering the consumer now begins to weigh his or her options in accordance to the information they would have gathered. MacKenzie et al. [32] stated that that “the improvement of criteria part of the model includes a fundamental thought prompting arrangement of an evoked set, and in accordance with this, advancement of the choice criteria that will later be utilized to assess conceivable arrangements offered by the evoked set.” This aforementioned then leads to the consumer to be able to evaluate the evoked set in which alternative would best suit them. Consumers use different rules at this stage in choosing the product or service they will take up; some of the choices may be affected by brand preference, product quality, and price.

2.10 Purchase

The following stage is purchase decision; the consumer will have made an intention to buy a certain brand; however, their final buying decisions will be affected by other people’s attitudes and unforeseen factors that may affect the consumer’s decision, postpone, or even lead to the withdrawal of the decision [33].

2.11 Post-purchase behavior

The last stage is the satisfaction or dissatisfaction after the purchase decision. This will determine whether the consumer will consider the similar purchase, especially at the stage of need recognition and information search. The consumer will in turn share their experiences on social media as a feedback to peers or the product manufacturer.

The online environment affects the consumer’s decision-making process from the need of recognition to the final stage which is the post purchase. Social media is now an effective tool which marketers have to consider when positioning product in the consumers’ minds as it now part of the influencers in the decision-making process consumers go through [29]. The theory of the consumer decision-making process is the grounding theory for the social media platform as it relates to consumers and their buying behavior patterns. Deducing from the theory, it is seen that aspects of the environment affect the decision process the consumer goes through; in this case the environment includes social media, and social media influences the decision-making process from problem recognition up to post-purchase decision. Delis [33] pointed out that Greek consumers have adopted social media as a reference point in their decision-making process, and it has influenced their choice of products. However due to the lack of physical contact at times, consumers are not fully confident with the product as compared to one they can touch physically. Bruno et al. [34] was of the view that social media Instagram in particular lead to creation of brand awareness by product users which was authentic and a true reflection of the brand and that users of the social media platform would in turn become loyal to a brand that was being used and spoken about by their peers on social media. Section 3 of the review chapter gives a conclusion based on previous studies and other scholarly contributions on social media innovations.

3. Conclusions

From previous studies, according to Alharbie [35], social media innovation led to consumer preference for certain products as consumers have a tendency to learn
from the influence of other individuals in their social networks which would incline them to prefer a particular brand to another. Bruno et al. [34] also pointed out that peers such as the millennials tend to influence consumption patterns and decisions among each other through social media and therefore cause brand preference and brand love for a particular product. These findings meant that as a company increases, their social media presence in various ways through sites like YouTube and Facebook would in turn have an increase in the level of brand awareness for their products and services as most of the respondents indicated that they discovered new and existing brands through social media [34]. Social media, as a marketing tool, created brand awareness for a company’s product as well as got feedback on how companies were able to improve their products from the consumer’s perspective [29]. The first point of call is that they are able to make both their new and existing brands made known to more consumers through using marketing strategies which utilize YouTube, Facebook, and other social media sites, as it was seen that these platforms lead to an increase in brand preference and purchase buying behavior patterns [35]. Brand preference was also seen to be derived from users using brands that their social media contacts or influences used; therefore, a company may choose to identify influencers on these social media sites, to use their products and services, that are mentioning the products they are using to their social media followers. Another marketing implication is that, it is derived from the fact that social media was also a useful tool in creating repeat purchase and building relationships and customer loyalty, as the study highlighted that social media platforms had an impact in how consumer perceived a product and it was social media innovation that led to them being influenced to prefer one brand over another. The study also adds to the limited body of literature which surrounds social media and the consumption of product and services through social medial platforms and forms bases for further study in regard to the variables looked at in this particular study. The discussion of the study was also in line with the consumer decision-making model which stated that a person’s buying behavior was influenced by their social exposure which is made up of their friends, family, and acquaintances and goes through all the stages [29].

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