

**EFFECT OF SOCIAL MEDIA ADVERTISEMENT ON CONSUMER
PURCHASE DECISION**

**A Dissertation Submitted to the Office of the Dean, Faculty of Management in partial
fulfillment of the requirements for the Master of Business Studies (MBS)**

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CERTIFICATION OF AUTHORSHIP

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled “**Effect of Social Media Advertisement on Consumer Purchase Decision**”. The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor it has been proposed and presented as part of requirements for any other academic purposes. The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declare that all information sources and literature used are cited in the reference section of this dissertation.

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REPORT OF RESEARCH COMMITTEE

Mr. Ankit Aryal has defended research proposal entitled “**Effect of Social Media Advertisement on Consumer Purchase Decision**” successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestion and guidelines of supervisor Mikha Shrestha submit the thesis for evaluation and viva-voce examination.

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APPROVAL SHEET

We, the undersigned, have examined the thesis entitled “**Effect of Social Media Advertisement on Consumer Purchase Decision**” presented by Ankit Aryal, a candidate for the degree of master of Business Studies (MBS Semester) and conducted the Viva voce examination of the candidate. We hereby certify that the thesis is worthy of acceptance.

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ABBREVIATIONS

ANOVA	:	Analysis of Variance
PD	:	Purchase Decision
e.g.	:	Example
FC	:	Forums & Communities
IBM	:	International Business Machines Corporation
PU	:	Perceived Usefulness
R	:	Recommendations & Referrals
SM	::	Social Media
SMM	:	Social Media Marketing
SNS	:	Social Networking Sites
SPSS	:	Statistical Product and Service Solutions. Previously it was known as Statistical Package for the Social Sciences
T	:	Trust
TAM	:	Technology Acceptance Model
VIF	:	Variance Inflation Factor

ABSTRACT

The company can advertise their product, do marketing and even sell their products via social media. People are also preferring online shopping in contrary to the traditional shopping as online shopping saves time, provides opportunity to compare the available options about the products, find the option within budget and many more.

However, there are certain parameters which influences the purchase decision of the consumers while performing the online shopping. People often hesitate to do online shopping because of the miscellaneous factors. This research project entitled “Effect of Social Media Advertisement on Consumer Purchase Decision” has tried to identify and find out some of the factors with regards to the social media which can influence the purchase decision of consumers in context of Nepal.

The objective of this research is to assess the influence of social media on purchase decision of Nepalese consumers. Here, five independent variables have been defined (i) Trust, (ii) Perceived Usefulness, (iii) Recommendations and Referrals, (iv) Forums and Communities. Hypotheses are setup to assess and examine the influence of these five independent factors with the dependent factor (Purchase Decisions). These independent variables have been decided following various journals and previous research made with regards to purchase decision of online consumers.

This research is survey-based descriptive research where nonprobability convenience sampling method is used to collect the information. The sample and the population of this research represents the Nepalese consumers. Primary data was used for this research. Data was collected from the questionnaires that were distributed to the potential online consumers of various demographic status. Questionnaire was distributed to 620 individuals out of which 400 responded. The data obtained from the questionnaires were analyzed using IBM SPSS and Microsoft Excel. Various statistical tools and theories were analyzed to interpret the result.

Keywords: Trust, Perceived Usefulness, Recommendations and Referrals, Forums and Communities and Purchase Decision

CHAPTER-I

INTRODUCTION

1.1 Background of the Study

People were communicating with other people without a language in olden days. There is a massive change in the method of communication in modern days. Social Media have become a convenient way to communicate among all age clusters. The Internet and particularly social media have modified the shoppers and marketers communicating medium. The Internet has characteristics such as - the power to inexpensively store huge amounts of data at different locations - the powerful search engines, organizing and disseminating of data - the power to function a physical distribution medium as software - relatively low prices. With the help of net and the presence of various social media sites it is now possible for business people to meet worldwide customers at single click of the button. Thanks to the internet technology, which helps the consumer to search the product on the web, view the review and ranking of existing customers for the product before he purchased the product. Consumers use the technology now a day's too much as computer is used by many consumers so use of online marketing. Consumer purchase decision is influenced by social media through group communication. The web platform is a new method for developing the business. Social media modifies the communication methods between sellers and buyers. E commerce influences the consumer in their purchase decision. Communication through social media is a new platform to exchange information about product and services. The analysis of consumer behavior is the core activity for selling product and service since most consumers are using the internet and on-line social media tools. Social media become an important media to introduce and market products and also to do surveys. Nowadays Social media is an important marketing tool for promotional activities. Hence it becomes necessary to perceive how Social media is affecting consumer behavior (*Mangold and Faulds 2009*).

Social media are gaining popularity and are increasingly used in regular operations of many companies, including start-ups, small, medium-sized, and large organizations. Social media is the new buzz area in marketing that has businesses, organizations and brands jumping to create news; make friends, connections and

followers; and build communities in the virtual space. Social media can be used for internal communications as well as a method of engaging with both existing and potential new customers. It states that the real business revolution occurs in the arrival of several social media sites, such as LinkedIn, Facebook, TikTok, and Twitter. It also discusses the use of social media websites in businesses. Social media is a genuine game changer for business. Companies that invested early to harness the power of social media claim higher returns, with even greater gains predicted to be on the way.

Social media advertisement is one of the most trending topics in online marketing these days. Most of the organizations are trying to get themselves engaged in various social media channels for various purposes. There are many reasons for why a company needs to turn to social media marketing and it depends upon various factors such as the company profile, its products, its customers etc. Day by day the importance of an effective social media marketing campaign is on the rise for almost all of the companies (*Mangold and Faulds 2009*).

Social media advertisement is the use of social media platforms and websites to promote a product or services. Social media marketing programs usually center on efforts to create content that attracts attention and encourages readers to share it with their social networks. Social media has become a platform that is easily accessible to anyone with internet access. Increased communication for organizations fosters brand awareness and often, improved customer service. Additionally, social media serves as a relatively inexpensive platform for organizations to implement marketing campaigns (*Mangold and Faulds 2009*). The study focuses on the effect of social media advertisement on consumer purchase decision, how it is perceived and how it has been used in the field of marketing. The study also focuses on assessing the influence of trust in the purchase decision of the consumers, influence of perceived usefulness in the purchase decision, influence of recommendations and referrals in purchase decision, influence of forums and communities in the purchase decision of the consumers.

1.2 Problem Statement

It is known that in today's world, where the information and internet are integral part

of people's lives, impact of social media advertisement on consumers' purchase decision seems to be an interesting research topic, as businesses these days adopt social media platform to promote the sales of their products and services. This will also define the importance of the social media marketing and its impact on the purchase decision of the consumers in Nepalese society.

Social media channels are commonly used in order to connect people throughout the world. Whether it is through social networks, forums, blogs or media sharing websites, people can now have interactive dialogue, enabling them to share their information and experiences in both personal and professional aspect.

From a business perspective, social media marketing has offered a bundle of opportunities for companies to promote their brand, products and services. People today are actively connected with each other and share their experiences, opinions, about the products or services they have used or even they have heard of. Social media marketing has provided immense opportunities to compete and flourish in today's business space. It reduces time, money, and effort than ever before. It is far more effective and has far reaching impact which is unhindered by the geographical situation. It is convenient for both the marketer and the consumer, in case of promoting and purchasing.

Businesses are currently utilizing social media to advertise their products, services, and events. However, it is uncertain if they are taking full advantage of the platform's potential. Additionally, it is unclear if social media has been able to create enough trust in consumers for their products. Consumer demands are also rapidly changing, and it is uncertain if social media marketing has been able to keep up with these changes. In today's competitive environment, it is essential to attract consumers' attention, and businesses are attempting to do so by promoting their products or services on social media platforms. However, it is unclear if this approach has had a positive impact on consumer purchase decision and, if so, to what extent. Furthermore, recommendations, reviews, and feedback from online products can also influence consumer purchasing decisions. Following were the questions asked for this study.

- What is the influence of Trust in the purchase decision of the consumers in context of Nepal?
- What is the influence of Perceived Usefulness in the purchase decision of the consumers in context of Nepal?
- Is there influence of Recommendations and Referrals in the purchase decision of the consumers in context of Nepal?
- Is there relationship between Forums and Communities in the purchase decision of the consumers in context of Nepal?

1.3 Objectives of the Study

The general objective of the study is to identify the influence of social media advertisement on purchase decision of Nepalese consumers. The specific objectives of the study are:

- To assess the influence of Trust in the purchase decision of the consumers in context of Nepal.
- To examine the influence of Perceived Usefulness in the purchase decision of the consumers in context of Nepal.
- To check the influence of Recommendations and Referrals in the purchase decision of the consumers in context of Nepal.
- To assess the influence of Forums and Communities in the purchase decision of the consumers in context of Nepal.

1.4 Rationale of the Study

The researcher attempts to bring some new insights about the relationship of social media advertisement and its influence on the purchase decision of the consumers especially in the Nepalese society.

Here, the researcher aims to understand the factors that affect the purchase decision of the consumers while performing purchase using social media. In other words, this research tries to find out the effectiveness of social media advertisement in the businesses from the consumer perspective and explain how it manipulates the purchase decision of the consumers.

The social media has been excellent platform to promote the products which is economical, hassle free, saves time and effective compared to the conventional method. This study helps to find out how the consumers make decisions and what factors lead them to purchase a product.

The study shall be helpful to the companies who are considering to use the social media platform to promote their products and get significant return, as this study will allow them to identify the factor which shall be emphasized and improved to persuade the consumer in buying their products.

1.5 Limitations of the Study

Every research study has its own set of limitations, which weakens the generalization of the findings and study objectives. Few limitations associated with this study are enlisted below:

- Sample size is smaller compared to the population. Thus, the study may not be sufficiently covering the major population.
- Only four indicators/factors associated with the social media have been analyzed. There may be other multiple factors affecting the purchase decision of the consumers, which are not considered in this research.
- Although, the research has targeted the Nepalese consumers, the sample size is basically concentrated in Kathmandu city. Hence, the research may not be correctly reflecting the overall Nepalese consumers' behavior.
- There might be chances of response errors because of miscellaneous reasons such as unawareness of respondents on the subject matter of the question, hesitation to respond the accurate information, misinterpretations and misreading, etc.

CHAPTER II

LITERATURE REVIEW

An overview of the previously published works on a topic is called literature review. Literature review is a thorough investigation of the body of knowledge already known in the topic, including theoretical, concept and empirical aspects. A theoretical literature review aids in the development of new hypotheses for testing as well as the identification of current theories, their relationships, and the extent to which they have been studied. The conceptual review carefully examines definitions, models, and important concepts related to the research issue. An empirical review examines earlier investigations and their conclusions, providing practical implications and empirical support. The literature evaluation highlights gaps in the present body of knowledge during this thorough investigation, laying the groundwork for the current study to advance the area by filling in these research gaps.

2.1 Theoretical Review

In today's technology driven world, social networking sites have become an avenue where retailers can extend their marketing campaigns to a wider range of consumers. Social media marketing as a "connection between brands and consumers. Offering a personal channel and currency for user centered networking and social interaction. "The tools and approaches for communicating with customers have changed greatly with the emergence of social media; therefore, businesses must learn how to use social media in a way that is consistent with their business plan (*Mangold and Faulds 2009*).

Although social media marketing is a well-researched topic, it has only been studied through experimental and theoretical research. Social media marketing is as well as examining what factors affect consumer behavior relative to social networking. Despite the initial progress made by researchers, development in this area of study has been limited. Research needs to expand by providing a deeper understanding of the long term promotional gains retailers obtain from social media marketing. More formalized studies are also needed to progress beyond theorized or predicted outcomes in order to gain knowledge of real life applications. It is elaborated in the following way.

2.1.1 Social Network Site

The social media importance is on the interaction between people and in the facilitation of asynchronous, immediate, interactive, and low-cost communications (Miller & Lin, 2009). Social network sites are considered the core of network resource for organizations that link strategic value and business performance. SNSs allow individuals to construct a public or semi-public profile within a bounded system; to articulate a list of other users with whom they share a connection, and to view and traverse their list of connections and those made by others within the system. On larger social network sites, individuals are normally not looking to meet new people but are more interested in managing relationships by maintaining contacts with old friends who are already part of their extended social network. To sum up, social network sites can be seen as alternative communication tools which support existing relationships and activities in a fun and colorful way that can deepen the users' experiences. Many social network web sites have emerged; attracting especial groups of users based on their demographics and some tend to communities with specific shared interests. There is now a lot of evidence that social network sites have become mainstream and it has been reported that globally, these sites account for one in every 11 minutes spent online. 54 percent of internet users between 16 and 24 have set up their own page or profile on a social networking site.

Social network sites have audience more than any other social media tools, today. Facebook reaches 710 million users. Meanwhile, if Facebook were a country, it would be the third largest nation in the world, lagging behind only China and India. Half of those "citizens" 102 in every day and using the site on a daily basis (Zarrella & Zarrella, 2011). The average user has 130 friends and is connected to 80 community pages, groups, and each one spend an average of 46 minutes per day on Facebook. Also, 100 million people take a social action on YouTube every week and 800 million unique users visit this site each month. Social network sites offer opportunities to connect with these hard-to-reach audiences drifting away from traditional media. It can be implied that usage of social networking is increasing at a tremendous speed, and it is influencing how people share knowledge across the globe. However, impact of social networks is increasingly pervasive, with activities ranging from the economic (e.g., shopping) and marketing (e.g., brand building) to the social (e.g., cultural and physiological impacts) and educational (e.g., distance

education). Among the wide impacts of social network sites, they are, anecdotally, becoming increasingly important in today businesses. It seems that some factors are driving this trend. First, regarding the rapid rise in the popularity of social media, the number of potential customers engaged on SNSs was previously underestimated by many organizations. Second, in the current economic depression, where there are fewer customers in general, finding and engaging them get higher priorities. Third, there is now a "main street" acceptance of SNSs as a powerful tool. Finally, there has been a breakdown in traditional lead generation programs (*Gordhamer, 2009*).

SNS is getting a lot of media coverage as well is a brand-new topic for researchers due to its relative novelty, but all the attention does not necessarily make it easier to understand which functions are actually useful in business. However, despite its importance in the digital economy, no comprehensive literature review has been conducted in the field. Nevertheless, there is a need for conducting this kind of research works, because it will serve as a roadmap for both academics and practitioners. It will also indicate the current state and direction of research topics, and should be of interest. So, the purpose of this study is to presents a literature review of and classification scheme for research works in business impacts of SNSs and with the aim of clarifying the ways SNSs might have an impact on businesses. Hence, this study provides managers and academics with guidance in that area by measuring which social media applications are being applied right now in businesses (*Gordhamer, 2009*).

2.1.2 Social Networking in the World of Business

Before the arrival of the internet, when there is no such thing called social media like Facebook, Twitter, Wikipedia. People used to use dairies for punch cards with appointment details and engagement times. But even then the business world moved through these unfavorable situations. With the arrival of the internet several radical changes took place in the business. This elevated the capabilities of the business people in managing their resources available for maximum benefit. The advent of social media like Twitter, Facebook, MySpace, LinkedIn, blogs enhanced business people to exploit the popularity of the Social media. As the applications are being developed on Facebook and YouTube, twitter the business people got to know how to address the business challenges through social media and they made business

issues to be worked out with great precision and fun. There are millions of users worldwide for the internet (*Metrics, 2013*).

The main intention of the social networking websites is to facilitate the communication between users who are well acquainted with each other and friends. Later with the greater reach of the social networking websites like Facebook, Twitter etc. the business community got an innovative idea to use the social media for business like propagating their business through fan pages providing information about their products uploading videos and knowing the feedback from the people and making new contacts etc (*Zarrella, 2011*).

The business people constantly reviewed their products with the feedback given from different stakeholders from various areas of interest of the people. So business people learned themselves the ways to explore people from different social, economic and cultural backgrounds and promoting their products through social media (*Zarrella, 2011*).

These new strategies and steps that are undertaken by the business community paved the way for interaction of the users with the Producers/Management personnel. According to Cheong, businesses are using social networking sites as tools to provide the information about their products and their offerings and about the support provided by them. They are creating profile pages with the product details and providing the contact information and by uploading the photos of the personnel who are the stakeholders of the company. So this type of move personalizes their businesses. Similarly, creating profile pages and fan pages on social networking sites draws people from a variety of users. They aid different groups of people to interact with each other. As the application the social media sites provide options for adding friends and create communities there is a lot of scope for gathering people and promoting the products of their businesses. As each person who starts to use the social networking website connects to different sets of people the network keeps on increasing and it's a continuous process. The networks keep becoming bigger and bigger with the advancement of days. So there is a greater scope for drawing attention from a greater number of people (*Bollen, 1989*).

2.1.3 Social Media

Social Media started in 1978 when the first Bulletin Board Systems exchanged data over phone lines with other users. According to Evans (2008) 'When the Internet really started to take off, consumers started to tune out those carefully crafted messages and take more control over how they voiced their experiences with products and services. From websites to blocs, to forums and message boards, conversations started to spring up around products, brands, and companies. These conversations have had more influence on what others buy, subscribe to, and believe is valuable than any marketing message could manage.

Nowadays, Social Media and more particularly Social Networks are becoming increasingly important in consumers' purchasing decisions. mainly because they amplify word-of-mouth. They may even become more important than advertising as a trusted source of information. However, it is important to stress the fact that, in Social Media Marketing, marketers have less control over messaging and positioning different meaning for the term depending on whether content or communication is highlight. However, Social Media can also be defined as the future of communication, a countless array of internet based tools and platforms that increase and enhance the sharing of information. New social media has influence businesses and regular internet users by providing a platform to transfer video, photos, texts and much information among the internet users (*Bollen, 1989*).

Social media combine what is needed for a company to succeed in the present day: openness, peering, sharing and acting globally. The founder of O'Reilly media said moving to the Internet as a new platform and an attempt to understand the rules for success on the platform as bring a new business gyration to the computer industry with web 1.0. He explained further that a general business aspect in relations of Web 1.0 as the harnessing of collective intelligence in which Web 1.0 provides platforms and fills the Web with user generated content where all individuals the former audience are able to take part in instead of important decisions made by few people.

Social media marketing is the new mantra for several brands since early last year. Marketers are taking note of many different social media opportunities and beginning to implement new social initiatives at a higher rate than ever before. Social media

marketing and the businesses that utilize it have become more sophisticated. One cannot afford to have no presence on the social channels if the competitor is making waves with its products and services. The explosion of social media phenomenon is as mind boggling as that and the pace at which it is growing is maddening. Global companies have recognized social media marketing as a potential marketing platform, utilized them with innovations to power their advertising campaign with social media marketing. This paper discusses about the concepts of social media and social media marketing and other aspects like the growth and benefits, role and relevance of social media in marketing, social media marketing strategies.

2.1.4 Social Media Outlets Categories

Social media outlets are categorized into various groups based on their functionalities. These outlets are very effective for the purposes of networking and maintaining relationships. It also provides a unique features and experience to entities and individuals. Which make it easier to use for organizing and marketing events. The categories are as follow:

- Social Networks
- Bookmarking Sites
- Social News
- Media Sharing
- Micro blogging
- Blog Comments and Forums

Social media cannot be understood without first defining Web 1.0 (Holly Paquette, 2013): a term that describes a new way in which end users use the World Wide Web, a place where content is continuously altered by all operators in a sharing and collaborative way. It is much more to do with what people are doing with the technology than the technology itself, for rather than merely retrieving information, users are now creating and consuming it, and hence adding value to the websites that permit them to do so” Web 1.0 has evolved from simple information retrieval to interactivity, interoperability, and collaboration (*Campbellet, 2011*).

Social media as “a group of Internet based applications that build on the ideological and technological foundations of Web 1.0, (*Kaplan & Haenlein, 2010*) Reilly’s (2005) depicted “social media is a broad term that describes software tools that create user generated content that can be shared.” However, there are some basic features necessary for a website to meet the requirements as a social network website: the site must contain user profiles. Content, a method that permits users to connect with each other and post comments on each other’s pages, and join virtual groups based on common interests such as fashion or politics. (*Lenhart & Madden, 2007*). The phrase social networking sites’ is often used interchangeably with social media. However, social media is different because it allows participants to unite by generating personal information profiles and inviting friends and colleagues to have access to those profiles (*Kaplan and Haenlein, 2010*). Thus, social media is the environment in which social networking takes place and has altered the way in which consumers gather information and make buying decisions.

Consumers Sentiment toward Marketing (CSM) is a factor considered by researchers to measure how well consumers will perceive social media marketing. CSM is defined as a concept which refers to the general feelings that consumers have for marketing and the marketplace. An individual’s perception of the overall marketplace plays a major role in whether or not they are motivated to partake in consumption activities (*Mady, 2011*). In order to create a successful marketing campaign via social media, a consumer must be open to the technology. Consumer technology readiness is defined as “people’s propensity to embrace and use new technologies for accomplishing goals in home and work” (*Parasuraman, 2000*). Consumer technology readiness is important for retailers to remember when marketing on social networks because if their intended target market does not use social media, is not familiar with it, or perceives it negatively, then their social media marketing will be unrewarding. Analysis of technology readiness can determine if marketing via interactive advertising would be a good fit for a retailer’s target market.

2.1.5 Use of Social Media

Twitter was the most widely used form of social media, used by all the businesses in this survey and for a variety of purposes including making customers aware of technical issues. Provision of knowledge to clients, marketing and networking.

Twitter is as valued for its highly interactive nature. Facebook was not widely used by business-to-business based sectors as it was seen as too social and consumer focused. However, it was widely used by those businesses which sell products and services directly to consumers such as those in the Food & Drink sector. All the businesses interviewed had adopted a strategy of carrying out at least daily updates on social media.

The interviews also found that participants appreciated the benefits of using social media for a range of business purposes and not purely for sales and marketing. Some activities discussed included the use of Twitter for networking with businesses, use of LinkedIn for recruitment of staff and the use of Twitter to make customers aware of service interruptions.

There was some interest by participants in social media sites, which focused on photos such as Pinterest and Tumblr as these were seen as a useful way of Promoting businesses. Several businesses had started to use Google+ and identified this as useful due to the associated reviews and search engine optimization. Other participants were interested in Google+ as an opportunity to use a new platform. In the majority of the organizations interviewed, all of the staff did not have access to social media for business purposes. Several reasons were identified for this and included other work requirements preventing staff from actively participating in social media use. Other suggestions were reluctance of staff to use social media for fear of saying something inappropriate about the business and lack of familiarity with social media in some staff members (*Carter, 2014*).

2.1.6 Social Media for Businesses

Companies across variety of industries such as hospitality, travel and tourism, banking and financial services, life sciences, retail and consumer products, airlines, automobiles, fashion, education and many more are exploring social media to tap opportunities in market research. They also look at brand building, product promotion, product development, customer service, collaboration with stakeholders, employee engagement, and recruitment etc. An increasing number of Indian corporations are turning to social media in an attempt to reach out to their customers in the wake of marketing budget cuts. Indian corporations are not new to the virtual

world. As of today, top IT firm Wipro is running "Innovation Centers" on social media, while Infosys is using Twitter to address customer concerns. Social media has become a powerful tool for enterprises across the globe (*Bhanot. 2011*).

A study by Burson-Marsteller in 2010 showed that of the Fortune Global 100 companies, 65 percent have active Twitter accounts, 54 percent have Facebook fan pages, 50 percent have YouTube video channels and 33 percent have corporate blogs. Enterprises that aggressively embrace social media as part of their strategy are more financially successful. Enterprises are using social media in many functional areas of the business and are enjoying numerous tangible benefits such as increasing brand recognition, sales, search engine optimization (SEO), web traffic, customer satisfaction, and revenue.

In addition, rapid feedback and insight from consumers provide a mechanism for executives to assess consumer opinion and use this information to improve products, customer service and perception. Enterprises have also discovered that they are able to monitor the market, their competition and their customers via social media outlets. This allows engaged enterprises to be on top of any changes that may be needed and to proactively make appropriate adjustments to strategies, products or services. The ability to search for and communicate with potential employees is another area that has seen great enhancement via sites such as LinkedIn and Plaxo. Given its ease of use and measurement and its ability to reach large populations almost instantly, social media is becoming a powerful force in the way businesses reach, attract and engage their customers, employees and other stakeholders.

2.1.7 Social Media Marketing

When the Internet really started to take off, consumers started to tune out those carefully crafted messages and take more control over how they voiced their experiences with products and services. From websites to blogs, to forums and message boards, Conversations started to spring up around products, brands and companies. These conversations have had more influence on what others buy, subscribe to, and believe is valuable than any marketing message could manage.

Nowadays, Social Media Marketing and more particularly Social Networks are becoming increasingly important in consumers purchasing decisions, mainly because they amplify word-of-mouth. They may even become more important than advertising as a trusted source of information. However, it is important to stress the fact that, in Social Media Marketing, marketers have less control over messaging and positioning. In this next section focusing on the notion of Social Media Marketing, we will define the notion of Social Media, the different concepts of Social Media Marketing, and its power on customers and global benefits for businesses (*Evans, 2008*).

Social media marketing refers to the process of gaining website traffic or attention through social media sites. Social media marketing programs usually center on efforts to create content that attracts attention and encourages readers to share it with their social networks. A corporate message spreads from user to user and presumably resonates because it appears to come from a trusted, third-party source, as opposed to the brand or company itself. Hence, this form of marketing is driven by word-of-mouth, meaning it results in earned media rather than paid media. Social media has become a platform that is easily accessible to anyone with internet access. Increased communication for organizations fosters brand awareness and often, improved customer service. Additionally, social media serves as a relatively inexpensive platform for organizations to implement marketing campaigns.

2.1.8 Integration of Social Media with Marketing

Social networks put the customer in touch. It is the customers who decide the fate of products brand and images even if use spend huge amount resources for advertising the product. Any wrong move by a company can be a reason for initiating negative conversation among users, which leads to diminishing public relations or even stops the further promotion of the product. Smart companies can step in, joining these conversations before it's too late and taking steps to rectify the problem and improve their image. Marketing can take this to a new extent of forming relations, starting new relations and contacts through a social media platform like Facebook, Twitter, Marketers can gain information of the customers through feedback and product reviews. We should consider some important steps for promoting marketing through Social media. If we want to merge marketing's with the Social there are some steps

that are to be considered these points may be helpful for developing marketing through social media (*Techradar, 2008*).

Building Cordial Relationships

While promoting products through social media we have to be careful on how to attract the customers. If our only intention is to promote our products then the customers are not interested because for buying and selling products they would prefer e-commerce website rather than Social networking websites. Even though getting to the point in straightforward ways pays you. But involving the customer in the Process for enabling him to choose the right product comes all under social networking. A good social networking builds relationship with the customers which in turns payoff for the businesses.

Don't Over Expect

Social media is a great tool for aiding in promoting the products of a business. But social media cannot be relied upon as a marketing channel. Social media should also be accompanied by traditional ways of marketing that are employed. Replacing the other marketing strategies with social media is not a good idea (Kaplan & Haenlein, 2010). Because business through social media is still an evolving concept not a completely evolved concept. In near future we can expect full implementation of strategies for business through social media.

Finding People Who Can Impact Larger Groups of People

There are few people in any community or society or in any company whose words are considered to be valuable and people are ready to believe what they say. So find such kind of people for promoting business is useful task. If we can convince them that our product is up to the mark of the customer's needs then we can reach to larger groups of people if you can make these people to promote for us (*Kaplan & Haenlein, 2010*).

Building a Brand

For promoting a product through social media it's always a good idea not to stick to any single channel for promoting business through social media rather promoting the product through various means of social media under a brand name. So people will be

recognizing your brand. Looking into a product advertised for several times creates an impact on the sub-conscious mind of the customer. This can help in building a brand that gets into people faster than any other brand.

Connecting with Today's Customers Through Social Networking

Social media creates a common platform for meeting of people from different backgrounds and cultures and countries. If any Business needs to globalize their market and products then it requires a globalized platform for promoting their products. Social media is an appropriate platform for globalized marketing (*Schnofeld, 2009*). Because a social media is not regulated by any state rules it is easy to gain people's attention across the globe. As social media are having a variety of platforms like Facebook, Twitter, LinkedIn etc. Each can be used in a variety of ways for gaining promotion for the business products. As Twitter allows the comments up to 140 characters, the positive comments can be used as testimonials for the product and can promote the products. The negative comments can be used as feedback for better improvement of the product (*Kim, 2008*).

In a various business process recruitment of employees at various stages is crucial. By using the social media these recruitments can be undertaken like LinkedIn. By followings the Personal traits and qualifications and Experience, the recruiters can easily find their employees through Social media. Another Important Business Process is Customer support. Through Blogs and creating fan pages and discussion forums the people can be readily in contact customers for supporting them in their problems or needs regarding their products (*Blog, et al. 2013*). As social media is readily accessible by various groups simultaneously all around the world the customers can get instant support through social media. Usage of social media for business is a new and worthwhile concept. As these platforms for promoting their products are absolutely free business people can easily adapt to this new trend through which they can gain promotion all over the world.

2.1.9 Social Media Marketing Strategies

Social Media Marketing (SMM) is still in its infancy. Most of the online retailers though appreciate its positive fallouts on the brand awareness and promotion; they are still in the early stages of adoption. For an organization willing to invest in social

media marketing, it is important to understand why SMM is an important marketing strategy and how it can help: This is the age of consumer satisfaction. It is not about selling it is more about interacting. There is a lot to learn from the customers. Using social media one can identify customers, listen to their feedback and use them to improve and innovate on products or services.

SMM is not a mass advertising strategy. It can be used to identify peer groups and advertise to that particular group. Social Media can help in identifying influencers and through them one can guide a prospective customer into making a purchase. SMM calls for novel advertising methods as the attention span of online junta is very low. This is largely due to the multitasking phenomena. A person watching a video clip on YouTube might be simultaneously updating a blog, while reading another one and watching friend's photographs on Facebook. In order to garner their attention away from distractions the advertisement must be innovative and interesting to hold the imagination and attention of the prospect. At the same time the message must also provoke the recipient into action: like seeking a detailed description of the product/service, or suggesting to a friend or initiating purchase. So, if the advertisement is trying to sell something then it should be conveniently placed with links so that the prospect can make a purchase with least effort. Similarly Social Media can be used to increase customer loyalty through customer support services and hence improve customer retention. Social Media Marketing can also be used by brands to ward off any negative publicity.

But the brands will have to be cautious here as over doing it may further aggravate their customers / stakeholders. Companies using traditional marketing methods (e.g. surveys, focus groups, test marketing) often spend millions to locate their target markets. Establishing a social media strategy will help them see where potential customers are hanging out. The companies can search for related groups and Fan Pages through Facebook, start accounts on social bookmarking sites such as Ding or Stumble Upon, and check on who is linking to your site to find out who's interested. Social media gives businesses on small budgets the ability to find out what people are saying about them (and others) in their industry, without paying large sums on market

research. With its ear to the ground on social media, the company will be the first to know' if its product is working or if changes need to be made (*Davis, 2014*).

2.1.10 Impact of Social Media Marketing

According to Davis, social media creates huge impact in the business organization according to the categories presented (*Davis, 2014*).

Connect with Customers

One of the greatest advantages of social media is its ability to connect us with our customers. A strong social media presence gives personality behind your brand and helps you engage with your customers in a way that is not only relevant, but will inspire your customers to impact change. In order for this to be effective, you need to truly be engaged. Share content that your audience can use (for me the focus is on being eco-friendly) and participate in online conversations. Be sure to respond to customer service issues in a timely manner social media mention of a problem involving your brand can usually be diffused with a quick and courteous reply.

Create Collaboration

While many companies are focused on competition, Social entrepreneurs tend to focus on collaboration. Social media networks allow us to find and connect with like-minded businesses, creating deep relationships with those who are as committed to a cause as we are. Create a Twitter List of people who want to closely follow so you can re-tweet or reply to their post, .share links to stories where other businesses are mentioned and consider collaborating on a social media initiative such as hosting a Twitter Party, Facebook contest or group Pinterest board.

Become an Expert

It may be tempting to use your networks to do nothing but promote your business, but your focus should be on building knowledge about the social problem you are trying to solve (for me that is protecting the environment). The more knowledgeable your audience becomes, the more inspired they will be to take action. In turn, you will become an expert in your space, serving as a primary source for information and insight from reporters, bloggers and other media outlets. Ultimately, this will drive people to your website, your phone lines or your storefront.

Stay Relevant

In today's world, things change quickly and it is hard to keep up with the trends that affect our mission while we are also trying to grow our business. Set up Google Alerts for news and information that is impacting the social change you are trying to make and keep your finger on the pulse of what is generating conversations by searching Twitter or Facebook hash tans (i.e. green living) or joining LinkedIn groups. It isn't enough to just know about a topic. you need to also know how people feel this will help you with your own messaging and allow you to effectively engage in online discussions.

Benefits of Social Media Marketing

The benefit of social media as marketing tool that significantly different from conventional marketing strategies. Social Media Marketing (SMM) offers three distinct advantages. One, it provides a window to marketers to not only present products services to customers but also to listen to customers' grievances and suggestions. Two it makes it easy for marketers to identify various peer groups or influencers among various groups who in turn can become brand ambassador and help in organic growth of a brand. And, three, all this is done at nearly zero cost (as compared to conventional customer outreach programmes) as most of the social networking sites are free (*Neti, 2011*).

Social media marketing helps in:

- Generating exposure to businesses.
- Increasing traffic/subscribers.
- Building new business partnerships.
- Rise in search engine rankings.
- Generating qualified leads due to better lead generation efforts.
- Selling more products and services.
- Reduction in overall marketing expenses.

Companies in the west are investing increasingly in SMM to get in touch with their customers. They are indulging in constant interaction with their prospects in order to understand their needs and hence make products better. It's the best way to learn from your customers about their needs and your own shortcomings. However, SMM is a

very personalized way of advertising and promotions can be targeted only to particular groups which are interested in a particular domain, quite unlike conventional advertising.

The role of social media in marketing is to use it as a communication tool that makes the companies accessible to those interested in their product and makes them visible to those that don't know their product. It should be used as a tool that creates a personality behind their brand and creates relationships that they otherwise may never gain. This creates not only repeat-buyers, but customer loyalty. Fact is social media is so diversified that it can be used in whatever way best suits the interest and the needs of the business.

In today's technology driven world, social networking sites have become an avenue, here retailers can extend their marketing campaigns to a wider range of consumers. Defines social media marketing as a connection between brands and consumers, Offering a personal channel and currency for user centered networking and social interaction Chi (2011).” The tools and approaches for communicating with customers have changed greatly with the emergence of social media; Therefore, businesses must learn how to use social media in a way that is consistent with their business plan (*Mangold and Faulds, 2009*).

2.2 Empirical Review

Sharma and Soundarabai (2023) researched on “Evolution of Social Media Marketing. Social Media is a Platform Where People Socialize Virtually” and stated that several social media platforms such as Facebook, Whatsapp, Twitter, Quora, LinkedIn, YouTube and many more which are all used to acquaint with people across the globe by sharing their lifestyle status, Opinions, interests and also to create Awareness amongst each other. Social Media has impacted modern World on a very high scale. It can also be called as a first ever virtual creation that has revolutionized the world by Toppling governments; by keeping people on toes regarding day to day news, fashion, trends; by Sharing information's, bold facts which never reached common man in the recorded history. It is also providing a voice to common man which he/she never realized that he/she ever had. Human race has never been this aware; never pushed its potential to this extent. Never were our lives this easier, aware

and revolutionary. Although there are several factors that made this world as it is today, it's evident that Social Media is to be thanked the most. As people are sharing pretty much; everything about themselves with each other over the servers using social media platforms, their data's are stored in the databases which are hawked by corporate companies to promote their products by Mining, analyzing, predicting the data in the database. Sports Brand like Nike, Addidas, Under Armour and Puma use this data from different social media such as Facebook. Instagram to promote their product using the users search site records. This paper proposes a framework to develop a Social Media which is exclusively staunched to a distinct domain such as sports, fashion, music which makes mining of data and promoting of products efficient without much hassle. Proposed Framework is further narrowed down to Sports domain for better understanding of the framework that's been explained.

Hallgrimsdotir (2022) researched on “Advertising on Social Media Consumer's Attitude and Behavior Towards Social Media Advertising” and stated that advertising today is different from what it used to be before the usage of social media got to the stage that it is today. Marketers are facing a new reality which involves the consumer as a part of the marketing matrix, involving them more and with the help of influencers, the advertisement is more direct, and it's easier to reach the market segment for that product or service. Advertising is everywhere today, and with increased usage of technology, majority of people have their smartphone in their hands, work on computers, watch television or listen to the radio so the stimuli are constant during the day to day basis of people's lives. Therefore, it is interesting to research whether this constant exposure of advertising is influencing people's attitudes towards products or services. The purpose of this study was to find out whether an advertisement in general on social media affects the attitudes of people regarding products or services and their purchasing behavior. Advertising, in general, can include direct advertisements, cooperation and unclear advertising on social mediums. Further, to see if a person's demographic profile affects the attitude towards these advertisements and the effect on the purchasing behavior. A framework was based on the literature and from that, a market research was conducted. Total of 375 individuals participated by answering an online questionnaire regarding advertising. The findings reveal that advertising on social media does affect the attitude and

behavior of the consumer, in relation to reliability towards a product or service and the purchasing decisions.

Hainla (2021) researched on “Social Media is Continuing to be Trending and Growing. Facebook” and stated that In facts, there are 50 million small businesses worldwide are actively using social media channel such as Facebook to connect with their customers. A staggering of over 4.4 million videos were uploaded to Facebook directly back in February 2016, and successfully generated over 199 billion views from social media users worldwide. On different platform, Twitter has 328 million active users, and it is very active among its members in tweeting. The power of Twitter has proven that over 78% of people took the complaints to a brand via Twitter are expected to be answered within an hour. Instagram, the picture, and video posting social media platform are popular among the businesses to engage with their followers which expected to rise to 70.7% by 2017. Thus, it is not just a social media platform for sharing videos or pictures, but a marketing channel for businesses to engage with their followers. In an online setting, customers build more trust towards a brand due to certain risks attached with browsing online. Therefore customers have a tendency to be more attached and loyal to a brand in an online environment. A way of awaking customers’ attention to a brand is by using social media to communicate with the costumers. When companies are uploading pictures to Instagram, they are influencing customers and creating noise about their services or products. Through images on Instagram, companies can create more reasons for a customer to keep choosing them in the future. According to Cancialdi, companies should try to avoid using social media to sell and promote products or services. Instead social media should be used to add actual value for the followers. Companies need to interact with their followers and customers on social media in order to create more brand loyalty, the approach should be engaging and genuine.

Rimal (2020) conducted a research on “Digital Marketing in the Tourism Industry of Nepal Current Impacts and Future Perspectives”. Aim of the thesis was to identify the importance and key impacts of digital marketing in Nepalese tourism industry. The research was conducted in a quantitative method. An online questionnaire was distributed to collect data of approximately 30 respondents from different tourism business of Nepal. He illustrates that most of the companies (87%) are planning

digital marketing for long term and 73% of total respondents are looking forward to invest more in it as 90% believed digital marketing as an effective marketing source for tourism business. His findings reveal that all of the respondents agreed digital marketing a drive engine to expose the tourism industry of Nepal globally. The researcher concludes that in Nepal internet marketing is growing rapidly and companies are considering and focusing on this trending tool boost the sales. However, lacking in professional methods, safety and technical issues were things he pointed out and suggested the necessity of hiring technicians to update content regularly and to protect official sites from cyber issues are other.

From the research conducted by Rimal, it can be observed that tourism organizations have understood the need of digitalization and despite some difficulties they are trying to implement internet marketing to promote their business. For the sustainable and fertile growth of Nepalese tourism industry digital advancement and online presence are to be considered most.

Bekoglu and Onau (2019) researched on “Strategic Approach in Social Media Marketing and a Study on Successful Facebook Cases” and stated that social media has led to significant changes in marketing. Companies are now making serious efforts to integrate social media into their marketing strategies. In order to be successful in these efforts, marketing experts need to think strategically, integrate social media campaigns into their marketing plans and use the right tools in the right way. They should also evaluate the campaign performance and its effect on business performance. The aim of this study is to define the strategic approach adopted by the companies and to explore how companies structure and measure their campaigns. First of all, literature review was made and then twenty successful Facebook campaigns were selected and analyzed through content analysis within the scope of this study. The result of the analysis shows that companies used megaphone strategy (by informing consumers through pages, advertisements and videos) and magnet strategy (by creating an environment for interaction through applications, surveys and competitions), however they did not use monitor strategy (following customers interaction with one another). Regarding how the campaigns are structured, it is found that half of them aimed to give new information and 20% aware supported in offline platforms. The most preferred tool was the Facebook page. Facebook advertisements were more popular when

compared to Facebook videos and the usage rate for surveys, competitions and applications were low. It is also found that like rate and participation rate were the two basic criteria companies used to measure the campaign performance however, as the data provided by the companies were limited, it was not possible to comment on the general strategic approach they adopted.

Mrozkova (2018) conducted study on “Social Media Marketing in the Hotel Industry Explored the Impact of Social Media Marketing on the Hotel Industry”. As per the research social media has changed the way people interact and make purchasing decisions and has also contributed to customer empowerment, and at the same time it provided hospitality businesses with attractive marketing opportunities. Consequently, hotels are increasing their social media budgets whereas spending less money on traditional marketing involves which involves more than just setting up an account or using paid ads. The thesis was divided in three main sections. The first part seeks to evaluate the current situation in the hospitality industry along with the effect of Airbnb on the accommodation market. The second part covers the fundamentals of social media platforms, and distinguishes them from traditional media. And finally, the third part is concerned with social media marketing in the context of hotel industry. It compares and contrasts leading social media platforms hotels need to be present on and also attempts to advise hotels on the best social media practices along with key steps to strategy building. The researcher aims to both hotel marketers and academics to make a better sense of what is the essence of social media marketing and how to approach it.

However, only the study on social media marketing is not enough in this competitive market. The main source of receiving the booking in hotel is through the website of hotel. Social media may provide the attractive information to the probable visitors but the website has power to receive and confirm booking. So the better presence in hotels’ website is also necessary.

Sthapit and Khadka (2017) researched on “Social Media Marketing in Nepal: A Study of Travel Intermediaries of the Kathmandu Valley” and stated that social media marketing activities in Nepal in the context of that of travel intermediaries in the

Kathmandu Valley, and specifically probes into three key areas: use of social media in travel intermediary business, influence of social media on customers and customers' response to social media sites (SMSs). Adopting a mixed study approach, the paper made use of both primary surveys (on travel intermediaries and customers between March-May, 2016) and secondary data search from the former's SMSs for which a convenience sampling technique was used to choose the intermediaries from the Thamel area, the main travel-tourism business hub of Nepal. The study found constant rise in the use of social media by travel intermediaries in communicating about product and price, which customers also most look for and respond to Facebook alone and Facebook in combination with other social media were most popular among both intermediaries and customers; and SMSs are influential in making most customers buy the mixed category of travel products. What of the SMSs influences the customers most is the recall factor of the sought product information and comments and reviews. The findings can be useful to the travel managers in strengthening their social media marketing.

Sotnikova (2016) conducted study on "The Application of Digital Marketing Strategies to Increase Profits of the Organization Monitors How the Organization has Applied Internet Marketing Strategies for Increasing Profitability". The main objective of the thesis was to study the existing digital marketing tools, to analyze Mad Professor Amplification effectiveness in this field, determine the most suitable methods for the company to represent itself online and to provide objective recommendations and suggestions on digital marketing strategy based on the actual situation, theoretical and practical research results. Interviews and questionnaires were conducted with the employees of the company and with partner companies including distributors, dealers, and agents to collect the data.

Strengths and weaknesses of the digital marketing strategy of the company were indicated through analysis of the actual situation, which proved insufficiency its approaches. Action plan for improvement of the situation was proposed by the author and also recommendations on optimization of social media channels and utilization of content marketing.

Chi (2014) researched on “Social Media Provides a New Stage for Brand Marketing and Consumers are Actively Contributing to the Communication by Marketing Brands” and stated that businesses have become creative when trying to gain control of their marketing. This study further depicted that social media marketing helps to increase the brand awareness to the customers so that organization can understand the customer's choice and preference accordingly. Similarly, social media channels offer the opportunity to test the marketing campaigns and gather feedbacks before spending the money on trying to reach the target market as a whole. This will help the company getting a better understanding of what will reach the target audience more effectively. In summary, social media marketing does clearly offer many opportunities to business in regards to their market research, whether it is aiming at competition monitoring, marketing strategies testing or target market understanding.

Mashable (2013) researched on “The Customer Business Strategy Through Collaboration” and stated that keeping or staying in touch with customers and business affiliates can lead absolutely necessary to success where Skype promotes peer-to-peer communication. And fixing the times or setting out the times to meet and hold conferences with the customers can be adopted by the business world. Through cloud computing, customer relationship management (CRM) is made better or more attractive using Skype because it allows businesses to make easier and more collaboration with customers in order to share ideas and solve issues. Setting times and places to have conversations is made easy and possible with the implementation of services which are provided by the cloud computing. Similarly, CRM strategies by for providing different channel of communications. Businesses can offer different meeting for connecting different company customers. The mere means of the communication the more we present a company's businesses heighten the levels of the customer services so we have to be present for customers.

Table 1

Summary of Empirical Review

Date	Article	Authors	Objectives	Methodology	Findings
(2023)	Evolution of Social Media Marketing. Social Media is a Platform Where People Socialize Virtually	Sharma and Soundarabai	that several social media platforms such as Facebook, Whatsapp, Twitter, Quora, LinkedIn, YouTube	Adopting a mixed study approach, the paper made use of both primary surveys	Instagram to promote their product using the users search site records. This paper proposes a framework to develop a Social Media which is exclusively stanchued to a distinct domain such as sports, fashion, music which makes mining of data and promoting.
(2022)	Advertising on Social Media Consumer's Attitude and Behavior Towards Social Media Advertising	Hallgrimsdotir	advertising today is different from what it used to be before the usage of social media got to the stage that it is today	Adopting a mixed study approach, the paper made use of both primary surveys	Therefore, it is interesting to research whether this constant exposure of advertising is influencing people's attitudes towards products or services.
(2021)	Social Media is Continuing to be Trending and Growing. Facebook	Hainla	In facts, there are 50 million small businesses worldwide are actively using social media	Adopting a mixed study approach, the paper made use of both primary surveys	
(2020)	Digital Marketing in the Tourism Industry of Nepal Current Impacts and Future Perspectives	Rimal	to identify the importance and key impacts of digital marketing in Nepalese tourism industry.	An online questionnaire was distributed to collect data of approximately 30 respondents from different tourism business of Nepal.	The researcher concludes that in Nepal internet marketing is growing rapidly and companies are considering and focusing on this trending tool boost the sales.
(2019)	Strategic Approach in Social Media Marketing and a Study	Bekoglu and Onau	social media has led to significant changes in	Adopting a mixed study approach, the paper made use of both	The result of the analysis shows that companies used megaphone strategy (by

	on Successful Facebook Cases		marketing. Companies are now making serious efforts to integrate social media into their marketing strategies	primary surveys	informing consumers through pages, advertisements and videos) and magnet strategy (by creating an environment for interaction through applications, surveys and competitions),
(2018)	Social Media Marketing in the Hotel Industry Explored the Impact of Social Media Marketing on the Hotel Industry	Mrozkova	the research social media has changed the way people interact and make purchasing decisions and has also contributed to customer empowerment	Adopting a mixed study approach, the paper made use of both primary surveys	It compares and contrasts leading social media platforms hotels need to be present on and also attempts to advise hotels on the best social media practices along with key steps to strategy building
(2017)	Social Media Marketing in Nepal: A Study of Travel Intermediaries of the Kathmandu Valley	Sthapit and Khadka	social media marketing activities in Nepal in the context of that of travel intermediaries in the Kathmandu Valley	Adopting a mixed study approach, the paper made use of both primary surveys	The findings can be useful to the travel managers in strengthening their social media marketing.
(2016)	The Application of Digital Marketing Strategies to Increase Profits of the Organization Monitors How the Organization has Applied Internet Marketing Strategies for Increasing Profitability	Sotnikova	the thesis was to study the existing digital marketing tools	questionnaires were conducted with the employees of the company and with partner companies including distributors, dealers, and agents to collect the data.	Strengths and weaknesses of the digital marketing strategy of the company were indicated through analysis of the actual situation, which proved insufficiency its approaches

(2014)	Social Media Provides a New Stage for Brand Marketing and Consumers are Actively Contributing to the Communication by Marketing Brands	Chi	businesses have become creative when trying to gain control of their marketing	Adopting a mixed study approach, the paper made use of both primary surveys	In summary, social media marketing does clearly offer many opportunities to business in regards to their market research, whether it is aiming at competition monitoring, marketing strategies testing or target market understanding.
(2013)	The Customer Business Strategy Through Collaboration	Mashable	keeping or staying in touch with customers and business affiliates can lead absolutely necessary	Adopting a mixed study approach, the paper made use of both primary surveys	the communication the more we present a company's businesses heighten the levels of the customer services so we have to be present for customers.

2.5 Research Gap

This research has only considered demographic parameters such as gender, age, education, income, types of social media used by the consumers, etc. This research has not taken account of the psychographic parameters. According to William (1975) demographic profiles are not enough. Importance of psychographic was also highlighted by modern scholars such as Gladwell (2011), Plog (2010). Thereby, the main aim of research is to identify factors that influence consumer's behavior while doing online shopping. However, this research has not considered any of the psychographic characteristics, psychographic characteristics can also play a vital role in defining the purchase decision of the consumers which is missing in this research.

CHAPTER-III

RESEARCH METHODOLOGY

This chapter explains about the research methods that shall be applied to carry out the research in order to meet the objectives set in the first chapter of this research. The methodologies adopted in relation to the research paradigm are sampling process, data collection and analysis techniques to study effect of social media advertisement on consumer purchase decision. The current chapter outlines the research methods that will be used to achieve the objectives set out in the first chapter, which is to study the effect of social media advertisements on consumer purchase decisions. The research methodology adopted is based on the research paradigm, and includes a sampling process, data collection, and analysis techniques. The chapter provides a detailed explanation of the data collection process, including the preparation of a questionnaire that was distributed to the sample population. The methods and procedures for collecting and analyzing the data are also described, along with an evaluation of the reliability and validity of the research.

3.1 Research Design

A descriptive research has been conducted for the purpose of carrying out this research. The findings of this research were based on the primary survey done in the form of questionnaire. The data have been collected by formulating a set of questionnaires, which were distributed to the respondents using “Google Form” via emails, messengers and other social medias. The findings were based on the responses made by sampled respondent.

Various statistical analysis like correlation, regression, quantitative analysis, etc. were performed to analyze and interpret the data using IBM SPSS and Microsoft Excel.

3.2 Population and Sample, and Sampling Design

Selection of sample is an important and integral part of the research. Population for this study are the consumers who resided in various parts of Nepal. For accuracy of the result, the sample were taken from the group of people who are aware about online shopping and who uses online shopping more often.

In this research, survey has been performed among the selected sample. The overall survey and study are guided following the objectives of the research. The study was designed to understand the perception of individuals towards social media and its relationship with the purchase decision of the consumers. The survey was performed amongst 620 respondents' out of which only 400 responses were valid.

Convenience sampling method is used to collect the information. A convenience sample is taken from a group of people who are easy to contact or to reach. This method was used because this method is extremely speedy, easy, readily available and cost effective. This sampling technique is more helpful to collect the precise information about impact of social media advertisement on purchase decision.

3.3 Nature and Sources of Data

The conceptual framework for this research were developed from the various sources e.g. internet, books, journals, newspapers, articles and various relevant research. Data was collected using primary source for the purpose of analyzing and interpreting the result. Primary data has been collected by questionnaire survey using google docs forms.

3.4 Instrument of Data Collection

The major tool used in data collection was questionnaire comprising of several structured questions relevant to the research work. The first part deals with the demographic information which includes gender, age, education level, occupation, income level, types of frequently used social media, the average time spent on the social media, the purpose of using social media and the usual practice being adopted while performing online shopping. The second part consists of the factors or relationship of social media with the purchase decision of the consumers.

The questionnaire consists of multiple-choice question and ranking/five-point likert scale questions. The questionnaire used in the research is appended in Appendix-2 of the research.

3.5 Data Collection Procedure

As explained in the foregoing section of this research, primary data has been collected by questionnaire survey. Various statistical analyses were performed on the obtained primary data to test the working hypotheses. These analyses were also used as an evidence to support the researcher's claim. Electronic media, in the form of Google Form, was used for creating the questionnaire. The link of the questionnaire was distributed to the respondents using emails, messengers, and other social media.

Secondary data were also used to support primary data wherever needed.

A structured questionnaire was prepared considering the objective of the research. The questionnaire contained close-ended questions, in the form of multiple-choice questions and ranking/Likert scale questions, in order to receive the responses from the respondents addressing the research topic and also to avoid the confusion in respondents while giving their response. Most of the close-ended questions were related to demographic variables and also had 5-point Likert scale point. Scores on the Likert scales varies from a low of 1 (strongly disagree) to a high of 5 (strongly agree), with neutral as interval point. The respondents filled out the questionnaire following the instructions given therein and submitted their responses to the researcher.

3.6 Methods of Data Analysis

After collection and processing of the data, the data were analyzed using IBM SPSS and Microsoft Excel. The data collected from the questionnaire were tabulated in IBM SPSS and Microsoft Excel. Miscellaneous tools from these software were used to carry out various statistical analysis and present the result.

For presentation of the data and the results, several graphical tools such as tables and charts have been used. Percentage and frequency measures were evaluated to perform the quantitative analysis, while the descriptive study of the variables were determined by calculating mean and standard deviations. Inferential analysis using Pearson correlation and linear regression had been performed to interpret the relationship of independent variables with the dependent variable and to test the hypotheses.

Regression Analysis

The correlation analysis can measure the relationship between two variables only.

However, it is not able to determine the exact extent or measure the exact degree upon which the variables are interrelated. In other words, the correlation analysis is not able to show how exactly the variables are interrelated with each other.

In order to determine the exact relationship amongst the variables, further analysis is necessary. Multiple Linear Regression Analysis has been adopted in the research to determine the dependency of the independent variables with the dependent variable of the research.

A basic formula of following kind has been developed for this purpose (Multiple Linear Regression):

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + e_i$$

Where,

Y indicates Dependent Variable (Purchase decision);

X_1, X_2, X_3, X_4 indicate Independent Variables with

X_1 = Trust;

X_2 = Perceived Usefulness;

X_3 = Recommendations and Referrals;

X_4 = Forums and Communities;

a = Constant;

b_1, b_2, b_3, b_4 are the coefficients/multipliers indicating the dependency amongst the variables;

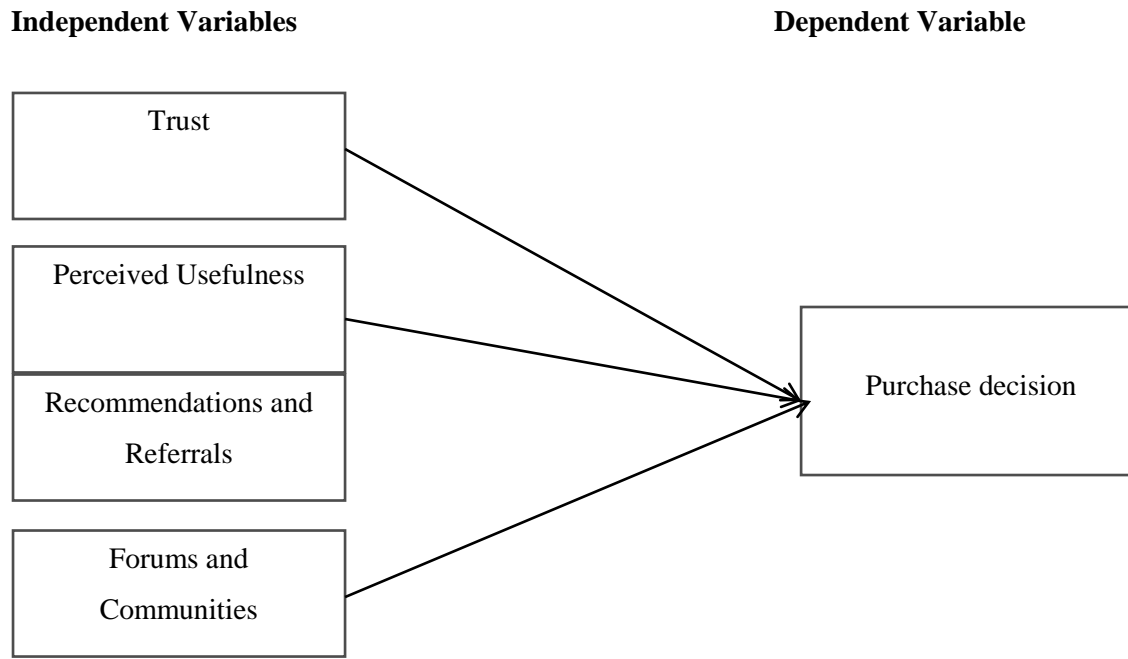
e_i = Error terms.

The error terms, mentioned here, indicate the other independent variables that have not been considered in this research.

3.6 Research Framework and Definition of Variables

A theoretical framework is a collection of interrelated concepts, like a theory but not necessarily so well worked out. It guides the research, determining what things we will measure, and what statistical relationships we will look for. It is a group of related ideas that provides guidance to a research project or business endeavor. It is a tool researcher use to guide their inquiry; it is a set of ideas used to structure the research, a sort of roadmap that may include the research question, the literature review, methods and data analysis. Researchers use a conceptual framework to guide their data collection and analysis. The framework helps the reader to make sense of

the question that the research is founded on. People's purchase decisions are affected by their various factors. There are always motivating factors that motivate people to purchase and use certain products or services. So, there is a vital linkage between the independent and dependent variables which is shown in the theoretical framework of this research study below.



Source: (Gefen, 2002).

Figure 1 Conceptual Framework

Independent Variables

The independent variable is the variable which determines the value of the dependent variable, i.e., there are various factors which shape consumers' purchase decision. As shown in the figure above, there are several variables with respect to social media on which variable consumer purchase decision depends. Those variables are trust of social media which gives positive effect on user's trust, trust of social networking sites which have a positive effect on purchase decision, trust which positively affects perceived usefulness, and finally sited perceived usefulness which has positive effect on the user's purchase decision on social networking sites.

Trust

Trust is a cornerstone in developing e-commerce. In a business-to-consumer relationship, trust in the e-vendor is important in assessing risk in the transaction. Trust plays important role in e-commerce. Social Media has a positive effect on trust.

There are different definitions of trust, which are based on different dimensions of benevolence, integrity, ability, competence and empathy (*Gefen 2002; McKnight et al. 2002*).

Perceived Usefulness

Research shows that perceived usefulness affects users' intentions to use e-commerce (*Gefen & Straub 2000*). The original definition of perceived usefulness by Davis (*Davis 1989*) is the degree to which a person believes that using a particular system would enhance his or her job performance. It is also argued that, in SNSs, the user's perceived value of online connection has a significant positive effect on their willingness to pay other members of SNSs (*Han & Windsor 2011*). Perceived usefulness plays an important role in e-commerce and it is likely to have a positive impact on the social commerce environment, too. The results of research on shopping in SNSs show that the more consumers shop in SNSs that they perceive to be useful, the more intention they must buy in SNSs (*Jiyoung 2009*).

Recommendations and Referrals

It is also noted that online recommendations strongly influence the online choice of product (*Senecal&Nantel, 2004*). Recommendations and referrals, the other construct of social commerce constructs, are likely to play an important role on social commerce intention. Research shows, in an online context, as customers cannot experience the products or services, consumers should rely more on other consumers' experiences such as their product recommendations. In fact, one of the main reasons that customer reviews have such influence on sales is related to the value of information and the experience a customer has for a product or service (*Chris et al., 2008*). This can be shared with consumers who have not had the experience. Research shows that a recommendation as a source of information strongly influences customer behavior (*Senecal&Nantel, 2004*).

Forums and Communities

Participation of people in online communities, with information exchange, is the main reason for joining virtual communities. This has a direct influence on customer behavior. However, information related to the identity of reviewers influences community members' perceptions. Online communities and Internet forums are social

environment that facilitate social interaction of individuals. Members of online communities participate in different group activities and support other members through their social interactions and communications in the provided platform. They use social technologies, such as social media, online communities and other Web 2.0 applications, to support other members by their experience and information sharing. These communities allow people to obtain information for products and services and to support each other (*Y. Lu, Zhao, & Wang, 2010*).

Dependent Variable

Purchase Decision

In consumption, consumers pass through different stages that put together from the consumer's purchasing decision-making process (*Belch and Belch, 2003*). Specific stages are involved in this process. Hoyer and MacInnis (2010) recognized five stages that are 'Need Recognition', 'Information Search', 'Evaluation of Alternatives', 'Decision Making' and 'Post-purchase Evaluation'. In their purchasing decision-making process, consumers are often influenced by both internal and external influences (*Belch and Belch, 2003*).

CHAPTER IV

RESULTS AND DISCUSSION

This chapter shows the analysis of the primary data (collected through the questionnaire from the respondents), interpretation of the result obtained from the analysis and its discussion. The data analysis has been done using SPSS and Microsoft Excel. The analyzed data are presented in the form of tables and diagram for easy interpretation. Various statistical analysis has been analyzed to establish the relationships between different variables and interpret the results.

4.1 Results

The results section unfolds with a comprehensive exploration of the demographic profile of respondents, shedding light on key attributes. A meticulous descriptive study follows, unraveling patterns and trends within the data. The intricate interrelationships between variables are then scrutinized through correlation analysis, providing insights into the dynamics among the studied factors. Furthermore, the impact and predictive elements are uncovered through regression analysis, contributing a nuanced understanding of the research landscape. This amalgamation of demographic insights, descriptive nuances, and analytical depth enhances the richness of the results, fostering a comprehensive grasp of the study's findings.

4.1.1 Demographic Profile of Respondents

Respondents' profile were categorized as per their gender, age, educational level, occupation, income level, the types of social media, the average time spent, the purpose of using social media and practice adopted while doing online shopping by the consumer.

Table 2

Demographic Profile of Respondents

Demographic Variables		Frequency	Percent
Gender	Male	184	46
	Female	216	54
	Total	400	100
Age Group (in Years)	Below 20	18	4.5%
	20-30	280	70%
	31-40	72	18%
	Above 40	30	7.5%
	Total	400	100
Education Level	S.E.E/S.L.C. or Below	6	1.5%
	Intermediate Level	27.2	6.8%
	Graduate	231.6	57.9%
	Postgraduate or Above	135.2	33.8%
Occupation	Total	400	100
	Student	111.2	27.8%
	Full time employee	207.6	51.9%
	Entrepreneur	69.2	17.3%
	Unemployed	12	3%
Income Level	Total	400	100
	Below Nrs. 20,000	84	21%
	Nrs. 20,000 - Nrs. 39,999	114	28.5%
	Nrs. 40,000 - Nrs. 59,999	97	24.25%
	Nrs. 60,000 and Above	105	26.25%
Type of Social Media used	Total	400	100
	Facebook	162	40.5%
	Twitter	25	6.25%
	Instagram	114	28.5%
	WhatsApp	43	10.75%
	Imo	22	5.5%
	Viber	34	8.5%
Time Spent on Social Media	Total	400	100
	Less than 1 hour	24	6%
	1 - 2 hours	106	26.5%
	2 - 3 hours	123	30.75%
	3 - 4 hours	93	23.25%
	More than 4 hours	54	13.5%
Purpose of using Social Media	Total	400	100
	Entertainment	82	20.5%
	News	60	15%
	Online Purchase	70	17.5%
	Product Information	86	21.5 %
	Connecting with friends and family	102	25.5%
Practice During Online Shopping	Total	400	100
	Look for a product and its alternatives	36.8	9.2%
	Find out details about the product	157.8	39.45%
	Discuss about the product with other consumers	31.6	7.9%
	Read the reviews about the product	118.8	29.7%
	Give feedback and ratings on the used products	55	13.75%
Total	400	100	

The table show that the participation of female was higher compared to male. The participation of male and female respondents was 46% and 54% respectively, represented by 184 male and 216 females in the sample size of 400.

Age is one of the most important factors which can affect the purchase decision of the consumers while doing in online shopping, as the people requirements' change according to their age. The respondents' age were categorized in four age groups:(a) below 20 years, (b) between 20-30 years, (c) between 31-40 years and (d) above 40 years.

Out of 400 survey population (respondents), majority were in age group of 20-30 (70% of the total respondents), while age group below 20 were the least population participating the survey (4.5% of the total respondents). The age groups between 31-40 and above 40 took 18% and 7.5% respectively.

The education level of the respondents was categorized into four academic levels: (a)S.E.E./S.L.C. or below, (b) Intermediate Level, (c) Graduate and (d) Post Graduate or above. The analysis on education level were carried out to identify the academic level of respondents.

Out of 400 respondents, Graduate took the major position (57.9%) while S.E.E/S.L.C or Below were the least (1.5%).The population representing Intermediate Level and Post Graduate or Above were 6.8% and 33.8% respectively.

The occupation of the respondents was classified in four categories: (a)Student, (b) Full time employee, (c) Entrepreneur and (d) Unemployed. This analysis was performed to find out the occupation of the respondents.

The major respondents were Full time employee taking 51.9% of the total respondents, followed by Student (27.8%) and Entrepreneur (17.3%), while 3% of the respondents were unemployed.

The income level of the respondents were divided into four level: (a) below Nrs. 20,000, (b) between Nrs. 20,000 – Nrs. 39,999, (c) between Nrs. 40,000 – Nrs. 59,999 and (d) above Nrs. 60,000.

The income level of the respondents had almost equal distribution, with the population earning between Nrs. 20,000- Nrs. 39,999 representing the highest percentage (28.5%), followed by income level of Nrs. 60,000 and Above (26.25%) and then the income level of Nrs. 40,000- Nrs. 59,999 (24.25%) and finally the income level Below Nrs. 20,000 (21%).

This analysis was done to get in-depth knowledge on the types of social media were frequently used by the respondents. For this purpose, the most popular Social Networking Sites were considered which include Facebook, Twitter, Instagram, WhatsApp, Imo and Viber.

The representation of the social media mostly used by the respondents. The majority of respondents' used Facebook (which account for 40.5% of the total respondents), while the least Social Media platform used by the respondent was Imo (5.5%). The user of other social media (from highest to lowest) was Instagram (28.5%), followed by WhatsApp (10.75%), Viber (8.5%) and Twitter (6.25%).

The aim here is to find out the approximate time spent on social media on daily basis by the respondents. For this, the duration had been split into five division (a) less than 1 hour, (b) 1-2 hour, (c) 2-3 hour, (d) 3-4 hour and (e) More than 4 hours.

The major respondents spend 2-3 hours on social media (30.75%) followed by 1-2 hours (26.5%), 3-4 hours (23.25%), More than 4 hours (13.5%) and less than 1 hour (6%).

This analysis is done to find out the purpose of using social media by the respondents. The general purpose considered for this study were Entertainment, News, Online Purchase, Product Information and Connecting with friends and family.

The result shows that population mainly use social media for Connecting with friends and family (25.5%), followed by Entertainment (20.5%), News (15%), Product Information (21.5%) and Online Purchase (17.5%).

The objective here is to find out the general practice followed by the respondents while performing online shopping. The aspects on which this study was carried out are: (a) Look for a product and its alternatives (b) Find out details about the product (c) Discuss about the product with other consumers (d) Read the reviews about the product (e) Give feedback and ratings on the used products. That while doing Online Shopping, the major respondents find out the details about the product (39.45%) while least of them discuss about the product with other consumers (7.9%). Percentage of respondents who look for a product and its alternatives, read the reviews about the products and give feedback and ratings on the used products were 9.2%, 29.7% and 13.75% respectively.

4.1 Descriptive Analysis

This section performs quantitative analysis of the data collected from the questionnaires. This analysis simplifies the interpretation of the large numbers of data, associated with both dependent and independent variables, by means of statistical formulae (mean and standard deviation).

Five-point Likert scale questions were asked to the respondents giving scale values as follows:

Trust

Trust is one of the independent variables of this research. Following table (Table 4.10) shows the questions related to the Trust, that were asked to the respondents along with their frequency, mean and standard deviation:

Table 3

Descriptive Statistics of Trust

ID	Statement	N	Mean	Standard Deviation
T1	Promises made on Social Media are reliable.	400	3.05	0.979
T2	Information provided by social media are trustworthy.	400	3.14	0.818
T3	Social Media protects the privacy of the users.	400	2.95	1.141
T4	Shopping using Social Media provides quality product.	400	3.00	0.985
T5	Products purchased from Social Media are delivered timely.	400	3.57	1.089
Trust			3.14	1.030

Trust has been measured by five statements as indicated in the above table. The above table illustrates that the mean value ranges from 2.95 (minimum; T3) to 3.57 (maximum; T5), with average mean value of 3.14. This indicates that the overall responses for “Trust” were neutral.

Perceived Usefulness

Perceived Usefulness is also one of the independent variables of this research. The Table 4 below consists of the questions that had been asked to the respondents to collect information on Perceived Usefulness along with some important statistical measures.

Table 4

Descriptive Statistics of Perceived Usefulness

ID	Statement	N	Mean	Standard Deviation
PU1	Products' information is readily and easily available on Social Media.	400	3.72	0.956
PU2	Social Media enables to buy the desired product.	400	3.50	0.849
PU3	Payment for online purchase via Social Media is easy and secured.	400	3.69	1.074
PU4	Online shopping using Social Media saves our time.	400	4.23	0.878
Perceived Usefulness			3.79	0.979

The table illustrates that the mean value ranges from 3.5 (minimum; PU2) to 4.23 (maximum; PU4), with average mean value of 3.79. This indicates that the overall responses for “Perceived Usefulness” were positive (Agree).

The Standard Deviations of each of the statements are also in similar ranges (Minimum 0.849; Maximum 1.074; Overall 0.979). It can also be seen that the response was deviated by around 1 point away from the mean.

Recommendations and Referrals

Recommendations and Referrals is also one of the independent variables of this research. Following table (Table 5) shows the questions related to the Recommendations and Referrals, which were asked to the respondents along with their frequency, mean and standard deviation:

Table 5

Descriptive Statistics of Recommendations and Referrals

ID	Statement	N	Mean	Standard Deviation
R1	I usually seek friend's recommendation before making online purchase.	400	3.14	1.038
R2	Recommendation made on online products are usually reliable and trustworthy.	400	3.46	0.989
R3	Recommendation and referral influence my purchase decision.	400	3.74	0.816
R4	Recommendation and referral allow quick and easy online purchase.	400	3.62	0.765
Total	Recommendations and Referrals		3.49	0.934

The above table illustrates that the mean value ranges from 3.14(minimum; R1) to 3.74 (maximum; R3), with average mean value of 3.49. This indicates that the overall responses for “Recommendations and Referrals” were.

The Standard Deviation of the statements vary from 0.765 to 1.038. This shows that the responses of the respondents for R4 are more reliable while it was least for R1. However, the overall standard deviation is only 0.934 for Recommendations and Referrals. It can also be seen that the response is deviated slightly by less than 1 point away from the mean.

Table 6

Descriptive Statistics of Purchase Decision

ID	Statement	N	Mean	Standard Deviation
BB1	Social Media helps to make better decisions while purchasing products.	400	3.75	0.711
BB2	Social Media persuades in buying online products.	400	3.70	0.807
BB3	I am usually attracted and lured by the advertisement of the online products.	400	3.77	1.070
BB4	I usually prefer to shop online as I can find multiple options.	400	3.56	0.941
Total	Purchase decision		3.70	0.894

The table depicts that the mean value ranges from 3.56 (minimum; BB4) to 3.77 (maximum; BB3), with average mean value of 3.70. This indicates that the overall responses for “Purchase decision” were positive (agree). Further, the Standard Deviation of the statements vary from 0.711 to 1.070. This shows that the responses of the respondents for BB1 are more reliable while it is least for BB3. However, the overall standard deviation is only 0.894 for Purchase decision. Thus, it can be concluded that, in average, the response is deviated by around 0.894 point away from the mean.

4.2.1 Correlation Analysis

Correlation analysis was used to determine the effect of social media on purchase decision. The tables below show the relationship between the dependent and independent variables, namely purchase decision and factors. Correlation analysis was used in this study to determine the link between variables. Using the SPSS software, the researcher discovered the value of the correlation co-efficient in this investigation. The correlation research concentrated on the overall link between social media and purchase decision.

Table 7

Person correlation coefficients of study variables

Variables	1	2	3	4
1. Trust	1			
2. Perceived Usefulness	0.609**	1		
3. Recommendations and Referrals	0.632**	0.646**	1	
4. Forums and Communities	0.855**	0.877**	0.870**	1
Mean	3.572	3.328	3.658	3.2244
Standard deviation	1.0768	1.1376	1.0756	1.2244

** . Correlation is significant at the 0.01 level (2-tailed).
* . Correlation is significant at the 0.05 level (2-tailed).

Source: *SPSS analysis*

Table 7 shows that significant positive correlations were found among all study variables. However, the association of variables measured by correlation. Coefficients do not indicate the effect of a particular variable on the other (*Mishra & Suar, 2010*). Therefore, to examine the effects of social media on purchase decision, the perceived usefulness on purchase decision, mass media on purchase decision, and overall aspects of social media on purchase decision, standard multiple regression analyses were used.

Regression Analysis

The correlation analysis can measure the relationship between two variables only. However, it is not able to determine the exact extent or measure the exact degree upon which the variables are interrelated. In other words, the correlation analysis is not able to show how exactly the variables are interrelated with each other.

In order to determine the exact relationship amongst the variables, further analysis is necessary. Multiple Linear Regression Analysis has been adopted in the research to determine the dependency of the independent variables with the dependent variable of the research.

A basic formula of following kind has been developed for this purpose (Multiple Linear Regression):

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + e_i$$

Where,

Y indicates Dependent Variable (Purchase decision);

X_1, X_2, X_3, X_4 indicate Independent Variables with

X_1 = Trust;

X_2 = Perceived Usefulness;

X_3 = Recommendations and Referrals;

X_4 = Forums and Communities;

a = Constant;

b_1, b_2, b_3, b_4 , are the coefficients/multipliers indicating the dependency amongst the variables;

e_i = Error terms.

The error terms, mentioned here, indicate the other independent variables that have not been considered in this research.

The following tables and sections show the findings from the Multiple Linear Regression Analysis between the independent variables (Trust, Perceived Usefulness, Recommendations and Referrals, Forums and Communities) and dependent variable (Purchase decision).

Model Summary

Table 8

Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.785 ^a	0.617	0.602	0.41032

a. Predictors: (Constant), Recommendations and Referrals, Trust, Forums and Communities, Perceived Usefulness

The adjusted R^2 (also known as coefficient of determination) of above regression is 0.602. This means that independent variables accounted for up to 60.2% of purchase decision of consumers.

Further, model summary also indicates the standard error of estimate is 0.41032 which indicates that the observed value of purchase decision is dispersed from regression line by 0.41032 units.

Table 9
ANOVA

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	34.410	5	6.882	40.877	.000 ^b
	Residual	21.382	127	0.168		
	Total	55.792	132			

a. Dependent Variable: Purchase decision
b. Predictors: (Constant), Recommendations and Referrals, Trust, Forums and Communities, Perceived Usefulness

From the table above, it can be seen that the F ratio is 40.877 (large value). Further, the significance value for this F ratio is .000 (less than 0.05). These imply:

- the null hypothesis is rejected.
- that the probability of occurrence of results randomly by chance are rejected.

This proves that our regression model is appropriate, and the results obtained by using this regression model are reliable.

Table 10
Coefficients

Coefficients ^a							
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	0.351	0.267		1.314	0.191		
Trust	-0.008	0.063	-0.010	-0.134	0.894	0.505	1.981
Perceived Usefulness	0.154	0.084	0.166	1.844	0.068	0.373	2.679
Recommendations and Referrals	0.155	0.074	0.140	2.098	0.038	0.674	1.484
Forums and Communities	-0.024	0.068	-0.024	-0.348	0.729	0.631	1.586

a. Dependent Variable: Purchase decision

Based on the information provided in Table 10, it appears that the research conducted a multiple regression analysis to examine the relationship between several independent variables (Trust, Perceived Usefulness, Recommendations and Referrals, Forums and Communities, and Ratings and Reviews) and the dependent variable (Purchase decision). The table provides unstandardized and standardized coefficients

for each independent variable, as well as the constant term.

The results suggest that Ratings and Reviews have the strongest relationship with Purchase decision, as evidenced by the highest standardized coefficient. Additionally, the p-values for Recommendations and Referrals and Ratings and Reviews are less than the alpha level of 0.05, indicating a statistically significant relationship between these variables and the dependent variable.

Moreover, the low standard errors of the coefficients suggest that they are reliable, and the tolerances and VIF values suggest that multicollinearity is not a problem. Overall, the results suggest that the regression equation accurately reflects the relationship between the independent and dependent variables in the population. Further analysis on the multiple linear regression were made to examine the accuracy of the equation as below:

4.2 Major Findings

- The demographic analysis shows that the majority of the respondents were female, of age group 20-30 years, were graduated and full-time employee having income level of various ranges. On the types of social media, major respondents use Facebook and Instagram. The respondents often spend more than 1-4 hours in social media daily.
- Most of the respondents use social media to connect with friends and family, for entertainment purpose and as a source of news. Approximately half of the respondents use social media for online purchase and to gather information on the product. While performing online shopping, the respondents usually search the products and its alternatives, look for the details about product and read the reviews about the product.
- Further, the overall responses on Trust were neutral, while it was positive for other variables. This shows that the sample and the considered variables are aligned with the objectives of the research. Furthermore, the standard deviations of each of the variables and their parts are in the range of 1. Hence, the samples and the variables can be considered as reliable.
- The Pearson's correlation analysis and its significance level proves that the null

hypothesis of all the independent variables are rejected and there exists significant relationship between the dependent and the independent variables. Further, the Pearson's correlation analysis proves that there is a direct relationship between all of the independent variables with the dependent variable.

- Regression analysis (multiple linear regression) has been performed to identify the actual relationship/dependency of independent variables with the dependent variable. The derived regression has an Adjusted R Square value of 0.602. This proves that the considered independent variables account up to 60.2% in the dependent variable. Alternatively, it can also be said that the driven regression analysis can interpret result with 60.2% accuracy.
- The standard errors of all the calculated coefficients are of low range/value, which implies that the coefficients of the independent variables are reliable.
- Furthermore, since the tolerances of all the independent variables are above 0.1 and none of the variables has VIF greater than 10, it can be inferred that the independent variables are not correlated with each other and multicollinearity problems does not exist. It can thus be interpreted that the derived equation reflects the actual relationship between the dependent and independent variables (in population).
- The performed ANOVA Test shows large F value with significance level less than 0.05. Hence, it can be concluded that the null hypotheses are rejected and the possibility of occurrence of results by chance is also rejected.
- Based on foregoing explanation, it can be proved that the derived regression model is appropriate, and the result obtained using this regression model are reliable with an accuracy of 60.2%.

4.3 Discussion

A previous research thesis, being referred and utilized in this study (Raithel, 2018), has drawn a conclusion that SM does not only influence consumers' in the way they purchase, but also shows that SM has a major impact on the consumers themselves. Further, the research had also proved (or partially proved) that the strong correlation exists between consumers actual SM behavior, their self-assessment of SM activity, self-presentation assessment and their consumption behavior. The research also

suggested to conduct research on quantitative and qualitative data clustering data into different segments for determining the correlation between the factors (purchase behavior and SM Behavior). Accordingly, the current research has targeted to determine the relationship of some of the protentional quantitative factors which can directly influence the purchase decision of the consumers. It has been proven that the purchase decision of the consumers are directly related with many quantitative factors. This research has reinforced the conclusion drawn by Raithel, 2018.

Another research thesis (Charles-Henri Gros, 2012) has demonstrated that Social Media influences the consumers differently at different stages of purchase process. During the Need Recognition stage, the consumers are influenced by their friends' activities on Social Media. At Information Search stage, consumers tend to find information about products, searches and brands. At the Evaluation of Alternative stage, the consumers tend not to ask their peers' opinion and are more likely to read information rather than ask. At the Purchase Decision stage, the social media does not tend to play much importance, rather the consumers tend to take decision on their own and there are other stimuli and factors to be taken into consideration that can impact the decision making. At the Post-purchase Behavior stage, only few consumers shared their opinions to their peers on Social Media. It was also revealed that most of consumers liked reading the peers' reviews about products, services and brands but they didn't bother to share about their experiences.

The study (Charles-Henri Gros, 2012) has also suggested that the influence of Social Media has been found different depending on type of the Social Media used, categories of products and services, cultural background and gender. However, the research has not determined the quantitative factors which can influence the purchase decision of the consumers. The current study proves that there are certain factors which can influence the purchase decision especially during the Purchase Decision Stage.

CHAPTER V

SUMMARY AND CONCLUSION

This chapter summarizes the findings and draws the conclusion of the research and also provide implications for the users and future researchers. The study was concentrated in identifying the impacts of the various factors which influences the purchase decision of Nepalese consumers while doing online shopping. For simplicity, this chapter has been categorized into following three sections:

5.1 Summary

The use of social media for businesses has become increasingly important in today's world as it offers a wide range of benefits to both buyers and sellers. However, there are certain limitations to the benefits of social media, particularly in the context of online shopping. This research aims to identify the factors that influence consumers' purchase decisions while shopping online in Nepal.

The study recognizes the significant impact that consumers' purchase decisions can have on businesses. Through this research, it is hoped that businesses can gain insight into the factors that influence their customers' purchase decisions, which can help them improve their marketing strategies and increase their sales.

For this purpose, four independent variables (Trust, Perceived Usefulness, Recommendation & Referrals and Forums & Communities) were identified and used. The independent variables were identified based on the literature review and objective of the research.

This research has aimed to assess the influences of the independent variables on the dependent variable (which is purchase decision) and measure the relationship between the dependent variable with the independent variables. Hypotheses were set-up as per the research objective. These hypotheses were examined using different statistical formulae. Nonprobability convenience sampling method was used to collect the information (sample) for the research. Both primary and secondary data were used in this research. Questionnaire consisting of multiple-choice and likert scale questions

were asked to collect the primary data. The sample size was 400. Secondary data was used for developing conceptual framework and was collected from the internet, books, journals, articles and relevant research. The collected data were filtered, processed, analyzed and interpreted to derive conclusion. The descriptive analysis shows that almost all of the variables considered in this research have high impact in the research. The Pearson's correlation analysis and its significance level proves that null hypothesis of all the independent variable are rejected and there exists significant relationship between the dependent and the independent variables and all of the independent variables have direct relationship with the dependent variable.

5.2 Conclusion

Based the foregoing section of this chapter, it can be concluded that the purchase decision of the consumers while performing online shopping are highly influenced by the different factors. The research shows that all of the independent variables considered in this research (Trust, Perceived Usefulness, Recommendation & Referrals, Forums & Communities) directly influence the purchase decision of the consumers. All of these independent variables have a significant relationship with the dependent variable and support the considered hypotheses of this research. Hence, it can be concluded that the null hypotheses are rejected, thus considered hypotheses are supported by the study. The linear regression also shows that the p-value (sig.) of Recommendations and Referrals (0.038) is less than 0.05 (alpha). Hence, it can also be inferred that this variables have the most significant relationship with the dependent variables. Furthermore, from the Pearson coefficient, it can also be concluded that there exist direct and positive relationship between all the independent variables with the dependent variable.

The obtained linear regression also shows adjusted R^2 of 0.602 and none of the independent variables have tolerance greater than 0.1 and VIF greater than 10. The performed ANOVA test also demonstrated that the null hypotheses are rejected. This concludes that the considered independent variables account for 60.2% of the purchase decision of consumers and neither of the independent variables are correlated with each other nor does the multicollinearity problem exist amongst the independent variables.

In the nutshell, it can be said that all the independent variables considered in this research have significant relationship with the dependent variables and can be related by the linear regression (with adjusted $R^2 = 60.2\%$).

5.3 Implications

- Social media site has ample benefit in the businesses. Both the purchaser and the seller can gain significant benefit using social media site. However, there are certain factors which can influence the purchase decision of the consumers and this can affect the businesses directly.
- This research shows that the purchase decision of the consumers in context of Nepal is highly dependent into factor (a) recommendations and referrals. Hence, the business organization shall consider on these two factors to flourish its online businesses. Apart from this, the business organization shall also gain trust, address on the perceived usefulness of the product and target on forums and communities to persuade the consumers in buying the products.
- However, it shall be noted that this research has considered only five major factors that can influence purchase decision of the consumer. The research has not considered any of the psychographic variables including but not limited to social class, lifestyle, interests, hobbies, habits attitudes, etc. and these variables too can have a significant relationship with the purchase decision of the consumers. Furthermore, the since the sample size is smaller compared to the population, this study may not be sufficiently covering the major population and although the research has been targeted on the Nepalese consumers, the sample size is more concentrated in Kathmandu city alone, hence the research result may not be reflecting the actual Nepalese consumers' behavior. Hence, the users are advised to use this research with consideration of above limitations.
- For the future research, this research works can be used for creating a conceptual framework for defining the various variables. Furthermore, the future researchers can add more variables and compare the result obtained from this research. This will allow the researcher to identify the impact of additional variables only.

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6. Social Media which you use

Facebook Twitter Instagram Whatsapp Imo Viber

7. Approx. time spent daily on Social Media

Less than 1 hour 1-2 hours 2-3 hours 3-4 hours

More than 4 hours

8. Purpose of using Social Media

Entertainment News Online Purchase Product Information Connecting with friends and family

9. While doing online shopping, what do you usually do?

Look for a product and its alternatives

Find out details about the product

Discuss about the product with other consumers

Read the reviews about the product

Give feedback and ratings on the used product

Please indicate the level of agreement with the following statements.

1=Strongly Disagree 2=Disagree 3=Neutral 4=Agree 5= Strongly Agree

S.N.	Topics/Questions	1	2	3	4	5
	TRUST					
1.	Promises made on Social Media are reliable.					
2.	Information provided by Social Media are trustworthy.					
3.	Social media protects the privacy of users.					
4.	Shopping using Social Media provides quality products.					
5.	Products purchased from Social Media are delivered timely.					
	PERCEIVED USEFULNESS					
1.	Product's information is readily and easily available on Social Media.					
2.	Social Media enables to buy the desired product.					
3.	Payment for online purchase via Social Media is easy and secured.					
4.	Online shopping using Social Media saves our time.					
	RECOMMENDATIONS AND REFERRALS					
1.	I usually seek friend's recommendation before making online purchase.					
2.	Recommendation made on online products are usually reliable and					

	trustworthy.					
3.	Recommendation and referral influence my purchase decision.					
4.	Recommendation and referral allow quick and easy online purchase.					
	FORUMS AND COMMUNITIES					
1.	Group discussion (in forums and communities) generates idea for the proper purchase of the product.					
2.	Group discussion helps to provide comprehensive comparison among different products to enable effective purchase.					
3.	Group discussion helps to provide information on alternative products more easily.					
4.	Group discussion helps to provide idea on genuine products that are sold online.					
	PURCHASE DECISION					
1.	Social Media helps to make better decisions while purchasing products.					
2.	Social Media persuades in buying online products.					
3.	I am usually attracted and lured by the advertisement of the online products					
4.	I usually prefer to shop online as I can find multiple options.					

Thank you very much for your kind information and cooperation.

APPENDIX II

Summary of Demographic Analysis

S.N.	Description	Percentage of Respondents
1	Gender	Male
2		Female
1	Age	Below 20
2		20-30
3		31-40
4		Above 40
1	Education Level	S.E.E/S.L.C. or Below
2		Intermediate Level
3		Graduate
4		Postgraduate or Above
1	Occupation	Student
2		Full time employee
3		Entrepreneur
4		Unemployed
1	Income Level	Below Nrs. 20,000
2		Nrs. 20,000 - Nrs. 39,999
3		Nrs. 40,000 - Nrs. 59,999
4		Nrs. 60,000 and Above
1	Types of Social Media	Facebook
2		Twitter
3		Instagram
4		Whatsapp
6		Viber
1	Approx. time spent on Social Media	Less than 1 hour
2		1 - 2 hrs
3		2 - 3 hrs
4		3 - 4 hrs
5		More than 4 hrs
1	Purpose of using Social Media	Entertainment
2		News
3		Online Purchase
4		Product Information
5		Connecting with friends and family
1	Practice during Online Shopping	Look for a product and its alternatives
2		Find out details about the product

S.N.	Description	Percentage of Respondents
3	Discuss about the product with other consumers	7.9%
4	Read the reviews about the product	29.7%
5	Give feedback and ratings on the used products	13.75%

Summary of Descriptive Analysis

Variables	Mean	Standard Deviation	Frequency Distribution*				
			SD	D	N	A	SA
Trust	3.14	1.030	56	109	217	249	34
Perceived Usefulness	3.79	0.979	12	49	104	242	125
Recommendations and Referrals	3.49	0.934	20	57	145	262	48
Forums and Communities	3.94	0.773	8	13	89	316	106
Purchase decision	3.70	0.894	18	28	126	286	74

*SD: Strongly Disagree, D: Disagree, N: Neutral, A: Agree, SA: Strongly Agree

Summary of Correlation Analysis (Pearson's correlation)

Social Media	Purchase Decision	
	Pearson Correlation**	Sig. (2-tailed)
Trust	.438	0.000
Perceived Usefulness	.595	0.000
Recommendations and Referrals	.496	0.000
Forums and Communities	.436	0.000

** . Correlation is significant at the 0.01 level (2-tailed).

Regression Coefficients

Model	Unstandardized coefficients^a	Standardized Coefficient^a	Sig.	VIF
(Constant)	0.351		0.191	
Trust	-0.008	-0.010	0.894	1.981
Perceived Usefulness	0.154	0.166	0.068	2.679
Recommendations and Referrals	0.155	0.140	0.038	1.484
Forums and Communities	-0.024	-0.024	0.729	1.586

a. Dependent Variable: Purchase decision

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1 CHAPTER-I INTRODUCTION 1.1 Background of the Study In the

past, humans could communicate with one another without using a language. The way people communicate in the current day has drastically changed. Social media has developed into a practical tool for communication across age groups. The way that consumers and marketers communicate has changed as a result of the Internet, especially social media. Some of the features of the Internet include: large volumes of data may be cheaply stored at several places; strong search engines; data can be organized and distributed; software can operate as a physical distribution medium; and costs are comparatively low. Businesspeople may now connect with clients anywhere in the globe with only a few clicks thanks to the internet and the existence of several social media platforms. We are grateful for internet technology, which enables shoppers to look up products online and compare reviews and ratings from previous buyers before making a purchase. Nowadays, customers utilize technology excessively. Since many consumers use computers, internet marketing is employed by them. Social media influences consumer purchasing decisions by facilitating group conversation. The online platform represents a novel approach to business development. Social media alters the ways in which consumers and sellers communicate. Consumers are influenced by e-commerce when making purchases. Social media communication offers a new means of exchanging information about goods and services. Since the majority of customers use the internet and online social media platforms, the primary activity for marketing goods and services is the study of consumer behavior. Social media has grown in importance as a platform for