CHAPTER -2
LITERATURE REVIEW
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2.1 SOCIAL MEDIA- INTRODUCTION

The most sought after and talked about media, which has changed the way people communicate and share ideas, thoughts & personal information, is social media. Interestingly, social media is not governed or controlled by any corporate or external agency, but by its people/users. People, who use social media, decide upon what is to be communicated, how it is to be communicated and when it is to be communicated. That is why it is called social media.

Yasir Yusuf the NM Incite Managing Director, APMEA said that “Social media is the fastest growing media in history and today over three in five internet users globally use it.” It has become an integral part of life for more than 1 billion people around the world. Hence we may conclude it influences, to a large extent, large number of lives, across the globe.

Generally Web 2.0 and Social media are seems to be similar, Sometimes often used interchangeably. Some researchers correlate and connect web 2.0 with online applications and social media with social aspects of Web 2.0 applications. Although the term Web 2.0 was coined around 2005 but since beginning this subject was controversial. People think that Web 2.0 applications are normally based on contents which are generated by users often being anonymous and lacking qualitative credentials. This was the basic difference between new and previous internet applications. In new applications the user is an important contributer which shifts market powers from produces to customers and from traditional mass media to new personalized ones. (Constantinides et al, 2008)

The Term Web 2.0 was used first time in 2004. It depicts a new way in which users started to utilize the World Wide Web. They considered World Wide Web as a platform
where contents and applications were not created and published by individuals but instead regularly customized by all users in a participatory and collaborative fashion. Whereas applications related with Web 1.0 era such as Britannica online, personal web pages and the content publishing ideas were replaced by blogs, wikis, and collaborative projects in Web 2.0 (Kaplan & Haenlein, 2010).

The founder of O'Reilly media, Tim O'Reilly has said that "Web 2.0 is the business revolution in the computer industry caused by the move to the Internet as platform, and an attempt to understand the rules for success on that new platform." More over in context of Web 2.0 Author has also given a common business aspect as the “harnessing of collective intelligence, in which Web 2.0 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.” (O’Reilly, 2006)

![Figure 2.1: Difference between Social Media, Internet, and Web 2.0](image)

Social media take a variety of forms and work on various platforms, including weblogs, social blogs and networks, micro blogs, wikis, podcasts, photo and video sharing, online rating, and social bookmarking (Laroche, Habibi, and Richard, 2013). Traditional media is gradually replacing by social media and customers are using them to get information about various brands, goods, and services. (Bruhn et al., 2012)

Social media has worked as a game changer in digital world. With the emergence of social media platforms it is convenient for retailers to targeting their prospective
audiences. It is one of the biggest technological innovations that have changed our communication ability as well as our ability to market directly to our target customers. (Sachs, 2016)

The impact that social media has and is going to have on consumer purchase decision is exhibited by the statement of the renowned research form Nielsen, which says that “social sites will play a large role in influencing purchase decisions. The research firm believes that more than 50 percent of Asians that use social networks will be influenced based on Twitter, Face book, online product reviews etc.”

Social media platforms are used by every retailer in some way. Some of them are generating exceptional returns while others are just trying to identify that how to best use these online platforms. But in all over the world by seeing the complete landscape of social media, this concept has been clear by the organizations and retailers that this industry has-and is having larger influence on their businesses. (Rampton, 2016)

2.2 EVOLUTION OF SOCIAL MEDIA
According to Bennett (2014) “CompuServe (1969) was the first major commercial Internet service provider for the public in the United States. Using a technology known then as dial-up, it dominated the field through the 1980s and remained a major player until the mid-1990s. After that the first e mail was delivered in 1971.In 1978 bulletin board system (BBS) came in existence which used to inform friends of meetings, make announcements and share information through postings. It was a rudimentary beginning of a small virtual community.”

In 1979 “Usenet” was created by two students of Duke University through which internet users would send public messages. Twenty years back Bruce and Susan Abelson had started social media era with “Open diary”. It was the initial social networking site which bought writers together into one community. At the same time “weblog” came in existence later on which was known as “Blog”. The increasing availability of high speed internet has emerged and establishes the concept of social networking with MySpace (2003) and Facebook (2004). (Chaudhary, 2014)
In 1984 the “Prodigy online service” was introduced which became second largest online service provider in 1990 after CompuServe with 465,000 subscribers whereas CompuServe has 600,000 subscribers. In 1994, Prodigy pioneered sales of dial-up connections to the World Wide Web and hosting services for Web publishers. Subsequently, it was resold repeatedly and now is part of AT&T. The America Online (AOL) service opened in 1985. (Bjernigan, 2014)

In 1989 World Wide Web came in existence. For youngsters and college students Tripod opened as an online community in 1992. Geocities was started in 1994 by BHI (Beverly Hills Internet). It permitted users to develop their own websites and crossed one million members at the end of 1997. Later in 2009 it was shut down for users of United States. The largest internet search engine “Yahoo” was introduced in 1994. It owned the Geo Cities and offers it only as a web hosting service for users of Japan. As a online service provider EarthLink came in existence in 1994.

Classmates.com was also introduces in 1995 for former schoolmates. SixDegrees.com was the first recognizable social networking site which came in 1997, through which users can create their profiles and even list their friends. This social site helped users to connect and send messages in their networks. However it failed to became sustainable business and closed in 2000 while it attracted millions of internet users. The next wave of social networking sites was started in 2001 with Ryze.com. It helps people to leverage their business networks. (Boyd, 2007)

Wikipedia was started in 2001 whereas Friendster was started in 2002 and grew to 3 million users in just three months. As a clone of Friendster another social networking website MySpace.com, was launched in 2003. LinkedIn was started for Business – oriented professionals.

In 2004 Facebook, was started for students at Harvard College. It was referred as a college version of Friendster. Same time MySpace surpassed Friendster in page views & Podcasting began on the Internet. Flickr image hosting website & Digg were also opened
in 2004. YouTube began in 2005 with storing and retrieving videos. Micro blogging site Twitter was launched in 2006 and enabled members to send and receive 140-character messages Called tweets. Pintrest came in 2009. Google launched Buzz in 2010 to compete with Face book and Twitter. It was reported that in the first week, millions of Gmail users created 9 million posts. Through Google + (2011) Google had entered in field of Social Media against Face book.

Figure 2.2 - History of Social Media (Source- Baruah, 2012)

2.3 SOCIAL MEDIA –DEFINITION

Boyd (2007) defined Social media as an “umbrella term that refers to the set of tools, services, and applications that allow people to interact with others using network technologies. Social media encompasses groupware, online communities, peer-to- peer and media-sharing technologies, and networked gaming. Instant messaging, blogging, micro blogging, forums, email, virtual worlds, texting, and social network sites are all genres of social media.”
Evans (2008) said that “Social media is the democratization of information, transforming people from content readers into content publishers. It is the shift from a broadcast mechanism to a many-to-many model, rooted in conversations between authors, people, and peers. Social media uses the “wisdom of crowds” to connect information in a collaborative manner. Social media can take many different forms, including Internet forums, message boards, weblogs, wikis, podcasts, pictures and video.” Whereas Kim et al (2009) stated that “Social websites are those websites that make it possible for people to form online communities, and share user-created contents (UCC).”

According to Turban E (2009) “Social media refer to the online platforms and tools that people use to share opinions and experiences including photos, videos, music, insights and perceptions with each other”

Kaplan and Haenlein (2010) describe social media “As a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0 and allow the creation and exchange of User Generated Content. They further suggested that firms must be aware that social media tools such as user profiles, customer ratings and reviews are trending toward becoming the main source of information for many consumers when they are making an important purchase decision.”

Safko (2010) defines “the concept ‘social’ as the necessity of the human being to interact with others and ‘media’ as the tools used to make those connections. Even though, human beings have been interacting and using different marketing methods throughout history, social media is more effective than the traditional methods because it offers a two-way communication.”

Strauss and Frost (2011, p328) defined social media as “A term used to describe the type of media that is based on conversation and interaction between people online. The main difference with traditional media is that, on social media the content is not generated as a corporate monologue, but it is see as a conversation where participants can upload content, discuss, edit but also rate each other’s content.”
Jaclyn (2011) stated that “Social media is basically a template for the user who can then personalize the source’s uses and productivity. It is a highly dense and vast resource that is being used on a consistent basis to maintain relationships.”

2.4 SOCIAL MEDIA- CLASSIFICATION

Since social media is a wide term that consists of hybrid media and online tools and platforms that allow individuals to collaborate on content, to share insights, opinions and experiences for both business and pleasure purpose (Hajli, 2014). Figure 2.4 shows a basic classification of the social media.

Figure 2.3: Classification of Social Media (Source: Solis, 2012)

As above Figure shows that social media does not consist solely of social networking sites such as Facebook, Twitter, LinkedIn, it also includes a wide range of methods and applications (Erragcha & Romdhane, 2014; Hajli, 2014), such as media sharing sites
(YouTube, Flickr), blogging sites (Mikalef et al., 2013), collaborative websites e.g. Wikipedia (Chung and Austria, 2010; Kane et al., 2014) and many other technologies.

2.5 SOCIAL MEDIA- CHARACTERISTICS
Social media is a broad concept, which refers to all online social platforms allowing people to interact with each other and to share information or experiences online. Some common characteristics of social media are concluded by Erragcha, Romdhane (2014) and Hajli. (2014)

2.5.1 Participation
All consumers or Internet users can participate in giving opinions, suggestions, comments, and reviews at anyplace and anytime on social media platforms. For example, free to leave messages or comments under a Facebook post or a twit in Twitter.

2.5.2 Openness
Social media sites are open to every individual user to exchange information and have collaboration-work together. For example, Wikipedia allows people generate the content collaborated with others; review site Trip Adviser allows every user write down their personal comments about the restaurant, the hotel and so on.

2.5.3 Community
People can build or join in different groups or communities where they can share the same interests in social media platforms. In this kind of community, people are easy to find social support, belongingness and friendship from an unknown person (Hajli, 2014). For example, people who love dogs join in a community aiming to share their dog pictures, feeding experience and funny stories.

2.5.4 Conversation
With the help of the Internet, social media tools let people interact freely. People can have dialogs and build conversations with both unknown users and familiar friends through some social media tools, such as Facebook Messenger, WeChat, and QQ (Hajli, 2014).
2.5.5 Interconnection
Social media is developed through interconnecting with people, resources, knowledge, and information (Chung & Austria, 2010; Hajli, 2014). Based on the advanced information technology, social media makes it much easier for people to build connections with people around the world, gain more resources from the Internet, and learn more knowledge from others. Personal interests, business partners, worldwide information and many other things are intertwined through social media platform.

2.6 SOCIAL MEDIA MARKETING
This is the era of global communication boom wherever social networking sites has been widely used by people for their professional and personal use. In recent times companies have discovered that social media sites are playing a pivotal role in influencing consumers for their brands especially by affecting the behavior of consumers.

Now customers are taking help of social media before buying any product. Social networking sites like facebook, twitter, Google+, You Tube, blogs, Pinterest and so forth are playing a very important role in consumer buying decision making process, directly or indirectly. Drury (2008) states “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 is turning into an influential marketing channel is news to many companies and organizations.”

According to Tamara (2009), “Social media marketing is as a process that empowers individuals and companies to promote their websites, products or services through online social channels and to communicate with and tap into a much larger community that may not have been available via traditional advertising channels. It connects service providers, companies and corporations with a broad audience of influencers and consumers.”
Keller (2009) states, “The evolution of social media marketing was determined in terms of an effective and efficient way of interactive communication. Interactive marketing communications allows consumers to learn from and teach others about a brand, as well as express their commitment to a brand and observe the brand loyalty of others. Social media plays a vital role and has already left an everlasting impact in terms of brand equity.”

According to Weber (2009), “marketing to the social web means to adopt a completely new way of communicating with an audience in a digital environment. Instead of continuing as broadcasters, marketers should become aggregators of customer communities. It is not about broadcasting marketing messages to an increasingly indifferent audience. Instead, when marketing to the social web marketers should participate in, organize and encourage social networks to which people want to belong. Rather than talking at customers, marketers should talk with them.”

Social media, which starts as a means of entertainment at the first, then became the most recent marketing strategy because of its notable advantages in business field. Social media is used because it has many advantages for time, audience, relations and cost issues. Firms critically need to consider about their businesses and aims then uses the appropriate social media instrument for each of purposes. (Karahan and Kirtis, 2011)

Chi (2011) defines social media marketing as a “connection between brands and consumers, while Offering a personal channel and currency for user centered networking and social interaction.”

According to Erdomus and Cicek (2012) “Social media marketing can be defined as a new, but rapidly growing platform for building relationships with customers and forming positive image of the brands in their eyes. As true for every nontraditional tool of marketing communications, social media is eagerly explored, diggedup, and utilized by the companies.”
Marketing through social media is associated with making connections and maintaining relationship with current or potential consumers. With activities such as blogging, and sharing instructional videos and product photos on social media platforms, the focus of social media marketing activities are content generation, communication, outreach, and referral in order to increase web traffic, awareness, and popularity of brands. (Kim and Ko, 2012) Hutter et al. (2013) found that Facebook pages have positive impact on consumers brand awareness, word of mouth engagement and buying behavior.

According to social media marketing industry report (2016) “The top two benefits of social media marketing are increasing exposure and increasing traffic. A significant 89% of all marketers indicated that their social media efforts have generated more exposure for their businesses. Increasing traffic was the second major benefit, with 75% reporting positive results.”

![Figure 2.4- Social Media Marketing Benefits (Source: Social media Marketing Industry Report 2016)](image-url)
2.7 COMMONLY SOCIAL MEDIA CHANNELS USED BY MARKETERS

Facebook, YouTube, Twitter, LinkedIn, Instagram, and Google+, are the top six social media platforms used by Marketers, with Facebook leading the pack by a long shot. All of the other platforms paled in comparison to these top six. (Social media Marketing Industry Report, 2016) Blogs and Pinterest are also one of the most well-liked social networking sites which are used by marketers.

![Figure 2.5- Commonly used Social Media Channels (Source- Social media Marketing Industry Report, 2016)](chart.png)

2.7.1 Facebook

In 2004 Mark Zuckerberg introduced Facebook. Up to December 2012 it has approx 618 million active users. Facebook is mostly used for connecting people and to share their interest with each other’s through networking. Donna and Teresa (2012) talked about the three main functions of facebook i.e. feeds, shares, and comments and explain the communication possibilities between people.
One main objective for which social media sites have been made is connection and relationship among people. Thumsamisorn and Rittippant (2011) clearly stated the relationship toward two dimension quality that influenced the user satisfaction and behavioral intention which indicated the more chances for consumers to engage by using and spreading their experience through the medium like Facebook.

Just in last few years Facebook has started associating itself with the promotional mix of the organizations. And just because of its popularity it is used to create awareness among consumers and influencing their minds. Although increasing Facebook based advertisements giving a sign that it will be the major source of business marketing in the coming future. (Rehman et al, 2014)

According to Lukka and James (2014) “Facebook is an effective source to market your products in a personal way. Facebook has enabled marketers to customize their advertisements for a specific group of people. Marketers target these individual on the basis of demographic information’s and mutual interest. Facebook has made it possible to reach these targeted people in cost effective and interesting way instead of traditional marketing channels.”

Now a day’s retailers are searching for a channel or their new “holy grail of marketing”, through which they can promote their brands with lowest cost and highest possible efficiency. Facebook seems to be the perfect match with this requirement of retailers. Yet Facebook lacked a sustainable model for businesses as it owned a large user’s base. At present there are three different promotional ways used by brands through Facebook: i) brand pages, ii) branded applications, and iii) ads. (Podobnik, 2013)

According to Harris and Dennis (2011) “Facebook now provides a variety of ways for online retailers to offer a more ‘social’ purchase experience, either by integrating Facebook features into their own sites or (increasingly) by operating within Facebook itself.” Kang et al (2015) said that “A Facebook storefront gives marketers an additional
outlet to facilitate promotion and sales opportunities as well as providing a synergetic linkage between consumers and retailers.”

Facebook is relatively an inexpensive platform for organizations to implement marketing campaigns with the objectives ranging from creating awareness to customer purchase. Through Facebook sites, company can have interactions with consumers which can have impact on every stage of buying cycle. (Desai et al, 2012)

Curran et al (2011) said that not only small retailers but international retailers and businesses are also using Facebook for their marketing. They recognize Facebook as an exceptional method of reaching their target customers.

The prominence of Facebook has pulled in consideration from the little scale business in India and motivated an extensive variety of advertising exercises went for using this new stage i.e. mark fan page of Facebook. While utilizing Facebook people like number of brands showing up on their news nourish. The inspiration for enjoying brands might be assorted for particular people. However, whether loving a brand on fan page really speaks to some passionate association with the brand. (Kudeshia et al, 2015)

### 2.7.2 Twitter

Jack Dorsey has launched Twitter in July 2006 in USA. It has now 310 million active users worldwide. Through this social site users can share their views through conversations with a limited number of 140 characters called tweets. This site also enables retailers to strengthen their relationship with customers by giving quick responses and sharing information. Jansen et al. (2009) stated that Twitter is also a potential promotional tool for retailers companies to explore as part of their overall branding strategy.

Zhang et al (2011) concluded that “the business engagement in the WOM communication on Twitter enhance the consumers’ engagement in the WOM communication. A business can get started on Twitter easily because the registration process is simple and the
concept of the system is intuitive. Moreover, it is a very popular service with considerable media spotlight, which in turn makes it even more popular.”

Twitter permits organizations to endorse their brands on an individual level. The utilization of an item can be clarified in short messages that adherents will probably read. These messages show up on followers home pages. Messages can have link of the site. This link provides followers the opportunity to spend more time interacting with the products online. This interaction develops a loyal connection and communication between users and brands. (Bajpai et al, 2012)

Alturki and Fayyoumi (2014) said that Twitter can be considered an effective platform for marketing and public relations. Marketing strategies on Twitter can be, interactive or reactive.

Lake (2016) stated that “Twitter is a fantastic tool in giving your brand a voice and a personality. For being successful in Twittering, you will have to put forth your personality and a unique style. That's what makes the difference and can increase your Twitter following and make it a successful marketing tool for you.”

The entrepreneurs who are adding a social layer (such as twitter accounts) to their marketing activities are growing rapidly. Although Twitter users are mainly online consumers; big, medium and small enterprises benefit from twitter capabilities. (Husain Dalal Al- and Mirza Abdurrahman, 2015) Twitter enables marketers to personify brands and help build and maintain consumer relationships by engaging in conversations. The findings of Kwon and Sung (2011) revealed that “Twitter enables brand anthropomorphism, which may influence the formation of company-customer interactions and thus encourage long term, personal relationships while also providing an optimal vehicle for disseminating corporate information.”

2.7.3 You Tube

In 2005 Jawed Karim introduced YouTube. It has a partner features that provides video creators an opportunity to earn money. Small retailers also have vast opportunity to
promote their brands through YouTube. Various successful retailers are included YouTube in their primary promotional strategy and introduces their products and services for their audiences. There are many ways like webinars, videos etc to showcase their products through this channel. (Nation, 2015)

Turban et al. (2010) stated that “YouTube is one of the best known social software platforms and it is known as a very popular platform for amateur videos. However, it is also a rather big outlet for commercially produced videos, including product reviews and adverts. Video ads are at the moment growing rapidly, mainly due to this popularity of YouTube and similar sites.” Extravagance brands are successfully using YouTube as a way to draw attention of customers and repeat their brand identity. By thinking outside the box of posting customary item commercials, and by rather making cuts that are established in brand diversion, an organization can influence its substance to assimilate the viewer in a more profound and all the more convincing way. (Hanke, 2015)

2.7.4 Pinterest
Ben Silbermann and Paul Sciarra launched Pinterest in March 2010. Z. Wilkinson (2016) said that it’s not only a bookmarking site but also the videos and photo sharing site. It has 11.7 million users worldwide. The descriptive statistics of Pinterest attracts marketers to feature their brands on this social site. Since its launch it has the third most popular social site after Facebook and Twitter. (Spitznagel, 2013) Since launching in 2009, Pinterest has been one of the fastest-growing digital platforms. Users love its visual layout, curated boards and intuitive mobile app. The potential for marketing is great, as people frequently use it to discover new projects and products. (Gilbreath, 2014)

According to Sevitt and Samuel (2013) “Pinterest is helping reverse the “show rooming” trend most retailers have found onerous, in other words, the increasing use of retail outlets as showrooms for making purchases online. After browsing on Pinterest, these scholars note, 21% of Pinterest users bought products in store. These descriptions have prompted many marketers, retailers, and e-tailers to establish a presence on Pinterest.”
Pinterest has virtually unlimited engagement potential for business. Pinterest can help organizations to connect with their customers, make more sales, get people excited about their business, and spread the word about their services around the web. (McCoy, 2016)

2.7.5 Blogs
The blog marketing is an essential marketing instrument because of its specific characteristics. Blog eases communication and acts as an active factor that creates and promotes an identity specific to the virtual space of the World Wide Web, with direct and immediate implications over the material financial aspects of the economic and social realities. (Filimon et al., 2010)

Bodnar, (2011) stated “Blogs are usually maintained by an individual or business with regular entries of commentary, description of events, or other material such as graphics or video. ‘Blog’ can also be used as a verb, meaning to maintain or add content to a blog.”

Consumers said that blogs “rank higher than Twitter for shaping their opinions and higher than Facebook for motivating purchasing decisions” (Redsicker, 2013).

Professionally Blogs helps retailers to connect with their customers and build personalize relationships with them. (Turban et al., 2010) companies can involve blogs in their promotional mix and placed their advertisements on individual blogs via online advertisement services or directly include blogs on their web pages.

Company blogs are seen as effective marketing tools if the content is good and it is developed to match for the customers’ needs. Marketers have also noticed the power of blogging, as the recent research show that marketers are planning to increase blogging in their marketing activities in the near future. (Stelzner, 2014.)

2.7.6 Google+
To compete with other social networks Google introduced Google +. It has emerged as a key player in online marketing system with more than 90 million users word wide. Individual can add their brands on Google+ circle, share with their networks and
communicate with the content posted by retailers. It allows marketers to create pages and communicate with their prospective audiences directly on multiple levels. (Georgieva, 2016)

With 90 million users and counting in just over two years, Google+ can’t be ignored by businesses who want to use social media for inbound marketing efforts to increase their lead potential and brand awareness. (Faeth, 2014)

According to Google+ marketing Playbook (2015), Google+ has been cleverly developed to become an integral part of the Google infrastructure, seamlessly integrated into other services such as Search, Maps, Ads and YouTube. This means that participation on Google+ is becoming increasingly crucial to succeed on any of Google’s services – and more so for businesses than anyone else because it increases your chances of being found online.

Social media sites like Facebook, Instagram and Twitter are still at the top of the marketing pyramid, and Google Plus has additional benefits with its integration with YouTube, niche communities, and top results in Google search. Their latest feature, Collections, allows your brand to find topics and influencers, which is great for target marketing.

The updated design and functionality of Google Plus enables brands to reach more users with a focused approach through topics, Collections, and targeted content. It’s time to get back on board with this growing social network and start increasing your visibility. (Business to community.com, 2016)

2.7.7 LinkedIn
LinkedIn can be considered a very useful tool for marketers in order “hire market and sell”. It facilitates marketers to reach group of professionals who can be the partners, employees or clients in near future. It helps users to communicate and engage with each others to share valuable information which can results in offline actions and communication. Melanie (2013) explains that “the LinkedIn groups, the communities
created are specialized consumer communities and that the users get into LinkedIn groups focusing on business matters as well as on shared interests.”

Qualman (2012) has talked about LinkedIn and stated that it provides “more direct and insightful connections between the employer and potential employee” and “it should monopolize this sector for many years to come” (p. 178).

2.8 E-WOM AND SOCIAL MEDIA
Electronic word of mouth is the part of new era marketing. Through this companies can be in direct touch with the customers. Various social networking sites, blogs, e-commerce sites are playing an important role for making it stronger. It is not controlled by anyone. It’s free from all the biases. whatever consumers are feeling they can share their experience directly with others and get all the knowledge and actual performance of the brands, products, and services.

Wilcox and Stephen (2013) stated that with the emergence of online social media, electronic word-of-mouth (EWOM) has become a pervasive and influential source of product information. Since the opinions from the strong ties in the social network are particularly important to the network members in such a way that it influences the type of information presented on the networking site.

EWOM provides various opportunities for retailers through this the promotional messages can be communicated to a vast group of consumers in a short period of time. (Filieri and McLeay, 2014) Companies can increase and improve their brand consciousness among consumers with the lowest cost and without necessitating the high budgets of traditional advertising methods. (Yang, 2013) this type of communication has major impact on consumers buying decisions, and their brand consciousness. (Zadeh and Sharda, 2014)

The study of Alboqami et al (2015) showed that “being entertaining, interaction with customers, direct answers to customers and celebrations of national dates have a significant effect on eWOM adoption. Particularly, customers tend to engage more in
eWOM when a company gives direct answers to them on Twitter. This seems to be a key driver for a customer’s engagement in eWOM as it was supported by both the retweet and favorite models.”

Wang et al. (2012) said that eWOM through social media has positive impact on their buying intentions in a two different ways: they had a direct effect on conformity as well as an indirect effect on consolidating product involvement.

With the emergence of social media users have started communicating through their own identities. Erkan (2014) concluded that “eWOM still continues among anonymous people through online reviews, social media has brought with it a new, pioneering perspective in that it allows eWOM to take place amongst people who already know each other.” Figure 2.8 demonstrates the diversification of WOM.

![Figure 2.6: Diversification of WOM](image)

Customers have found a huge opportunity to communicate and share their experiences and opinions about products and services with their social networks. (Moran and Muzellec, 2014) That is the reason that social media sites are considered to be the most appropriate medium for eWOM (Kim et al., 2014). According to Barreda et al. (2015) “users are continually using these social media platforms for acquiring information about various brands and products. Besides users are now generally use social networking sites with their nick names that also removes anonymity matter. This critical feature of social media transposes the feeling of providing offline WOM to the Internet. Communicating
eWOM on social media sites, thus, may be more influential on consumers’ purchase intentions than the eWOM communicated on other online platforms.”

By the improvements in online shopping facilities eWOM has gained more and more importance. When consumers get suggestions from their friends or acquaintances on social media, they can visit the websites which provide the products or services. In other words, if consumers take recommendations into consideration, it can be turn into purchase action instantly. This is one of the prominent features which make eWOM superior over offline WOM.

2.9 CONSUMER BUYING BEHAVIOUR-DEFINITION

According to Bhattacharya and Sen (2003) “Consumer behaviour refers to the mental and emotional process and the observable behaviour of consumers during searching, purchasing and post consumption of a product or service. Consumer behaviour involves study of how people buy, what they buy, when they buy and why they buy. It blends the elements from Psychology, Sociology, Socio psychology, Anthropology and Economics.”

“The field of consumer behaviour is the study of individuals, groups or organizations and the processes they use to select, secure, use, & dispose of products, services, experiences or ideas to satisfy needs & the impacts that these processes have on the consumer & society.” (Hawkins, Delbert, Baugh and Roger, 2007)

“Consumer behaviour is about how people make their Decisions on personal or household products with the use of their available resources such as time, money and effort.” (Schiffman, and Kanuk, 2009)

Consumer behavior can be defined as “The study of the processes involved when individuals or groups select, purchase, use or dispose of products, services, ideas or experiences to satisfy needs and desires.” (Solomon et al, 2010, p6).
According to Rani (2014) “Consumer Buying Behaviour refers to the buying behaviour of the ultimate consumer. Many factors, specificities and characteristics influence the individual in what he is and the consumer in his decision making process, shopping habits, purchasing behavior, the brands he buys or the retailers he goes. A purchase decision is the result of each and every one of these factors.”

Understanding behavior of consumers is a key to the success of business organizations. Marketing personnel are constantly analyzing the patterns of buying behavior and purchase decisions to predict the future trends. Consumer behavior can be explained as the analysis of how, when, what and why people buy. (Kumar et al, 2014)

According to Khaniwale (2015) “Consumer behavior involves the study of individuals and the method they employ to choose, utilize, and set out products and services to fulfill their wants and the effect that these method have on the consumer and the society as a whole. Consumer behavior refers to all the thought, feelings and actions that an individual has or takes before or while buying any product, service or idea. Buyer behavior is the concept which answers what, why, how, when, and where an individual makes purchase. As a result, the outcome of buyer behavior is the buyer’s decision.”

According to Begum (2015) Consumer behavior studies the attitudes and perceptions of individuals towards the selection and utilization of products that satisfies their needs. Cultural, social, or psychological factors influence the consumer behavior during the purchase decision making.

2.10 TYPES OF CONSUMER BUYING BEHAVIOUR
Buying behaviour depends on the category and need of goods. As consumers involve more in the buying process it becomes more difficult and complicated. However it can be divided into following types-

2.10.1 Complex Buying Behaviour
This type of behaviour is reflected when the involvement of the consumers in making a purchase is high and when a significant difference in brands is perceived by them.
Consumers’ purchase involvement is high when the product is costly, risky, purchased infrequently, and highly self-expressive. In such a situation, the consumer has much to know about the product category.

### 2.10.2 Dissonance- Reducing Buying Behaviour

Dissonance-reducing buying behaviour happens when consumers are highly involved with a purchase that is too risky and expensive. In these kinds of situations, since the perceived brand differences are not wide, buyers may look around to learn what is available, but they buy relatively quickly. They may respond primarily to an attractive price or to purchase convenience.

### 2.10.3 Habitual Buying Behaviour

‘Habitual buying behaviour happens in those situations where the consumer involvement is low and perceived brand difference is low. In cases of habitual buying, consumer behaviour does not follow the typical belief-attitude-behaviour pattern. Consumers do not look for extensive information about the brands. They do not evaluate brand features, and make strong decisions about which brands to buy.

### 2.10.4 Variety-Seeking Buying Behaviour

This type of buying behaviour is seen for products that are having low consumer involvement but have brand differences and so are often switched on quickly. Brand switching occurs for the sake of variety rather than because of dissatisfaction.

### 2.11 ONLINE CONSUMER BUYING BEHAVIOUR

Growing uses of internet provides an opportunity to the users to gain information; huge number of consumers is now using online resources for their purchasing needs. It provides access of national and international brands in just a single click. The people those are very busy in their routine and do not get time for shopping are now motivated by the quote ‘anytime any where shopping’. Keeping this in mind many retailers are now making their presence in the cyberspace and offering products right from household’s goods, to electronic items, apparels, food and groceries etc. Customers can also get a variety of services for consultancy and communication.
Turban (2010) stated that there are three variables which consists online environment. First one is called the independent variables or the personal and environmental characteristics; second one is called moderating variables (the variables under control with vendors), and the last one is decision making process (it is effected by independent and moderating variables).

Kotler and Armstrong (2012; pp532) clearly defined that “now Due to technological innovations, the traditional way of shopping has become insufficient for individuals. Individuals now prefer easy ways to reach brands and stores and it can be said that The Internet has fundamentally changed customer's notions of convenience, speed, price, product information and service. As a result, it has given marketers a whole new way to create value for customers and build relationships with them.”

In online shopping customers can buy anything from anywhere, there is no requirement of physically presence in the shop or outlet for shopping purposes. Even if consumers are living in the rural or remote areas they can easily make their shopping through online resources. Online shopping provides variety of options in a nutshell. If customers will visit to any shop the options are normally very limited whereas in online shopping customers can visit huge number of sites before finalizing their purchase decisions. Online shopping also helps in saving their time and energy. (Dahiya, 2012)

Chandra (2013) stated that online shopping is the new form of retail shopping which is now adopted by all over the world. However in some countries this is not well known and well accepted method but in India it’s in the growing stage and people are well aware about it.

Sharma et al (2014) had given the reasons of shifting the customers buying patterns towards online retail shops. They further revealed that the biggest benefit of online shopping is the facility to compare your products with competitive products on the basis of price, color, size and quality. Besides that the product remains at the same place even if you buy it, which is another significant reason by online shoppers.
Online buying behavior is also affected by different factors like, social factors, demographic factors, economic factors, cultural factors, technical factors, psychological factors, marketing factors and legislative factors. Customers prefer an online-shop mostly based on references, clarity terms of delivery, graphic design and additional services. Problematical customers read discussions on the Internet before they spend their money on-line. (Kumar, 2015)

Jadhav and Khanna (2016) explored the factors influence the online buying behavior. The main factors were identified as comparison of products, availability, low price, products promotions, convenience, and customer service, perceived ease of use, attitude, time consciousness, trust and variety seeking.

2.12 ROLE OF TRUST IN ONLINE SHOPPING THROUGH SOCIAL MEDIA
Various Researches indicated that consumers are still cautious towards online transactions through social media. So it is very essential for retailers to understand the role of consumers trust on social commerce because the reliability and credibility of information posted will directly affect the buying intentions. (Wattanasupachoke, 2011) marketers should develop their presence on social media sites as consumers are part of social sites and it will affect buying intentions and develop the trust towards products and marketers. (Iuliana et al, 2012)

Mir and Zaheer (2012) indicated that “consumers will often check online, reviewing other consumer’s comments before buying a product to reduce the risk involved. More importantly, consumers will consider those contents generated in social network sites as opinion leaders even if they do not personally know them. Internet users view information disseminated through the web as more credible than those on traditional media channels, this includes user-generated contents such as posts on social media, blogs, wikis and forums; such credibility then translates to consumer’s favorability towards a product/service. In addition, user generated contents become more credible when there are multiple users that work on and articulate the same content, such as re-posting, sharing, liking, reviewing and commenting.” Han and Windsor (2011) also
revealed that improving credibility could increase consumers’ trust in sellers, hence increasing their purchase intention in social commerce sites.

Shu and Yoojung (2015) stated that social media sites facilitate users to coherent and maintain real world relationships and smoothly exchange information with one another. This will establish and enhance trust in the other contents in networks. Such trust in social media sites will also impact their willingness to engage in eWOM via these sites.

According to the survey conducted by social times (2015) Facebook and Pinterest are the most trusted social networking sites for shopping and recommendations of products and services. Survey also revealed that 70 percent users trust on product reviews from people with whom they connect on Facebook and Instagram, even Trust in Pinterest is also increased from 56 percent in 2013 to 64 percent in 2014.

![Figure 2.7: Trusted social media Sites (Source: Social Times, 2015)](image)

Bilghian Anil (2016) revealed this fact in his study that “there is the vital impact of trust in customer loyalty in online shopping. Trust is the most important antecedent of e-loyalty for young customers. They stay loyal to the brands that they trust.”
2.13 ROLE OF PERCEIVED RISK IN ONLINE SHOPPING THROUGH SOCIAL MEDIA

Before finalizing shopping decisions customers consider all the risk associated with it. The nature and amount of risk which is perceived by consumers during their online shopping decisions are called perceived risk. (Muhammad et al, 2012) Every retailer should consider social media seriously and adopt it because social media marketing, domain specific innovativeness and perceived risk helps retailers to understand consumer buying behavior and also help the retailers to achieve what they want. (Fong and Yazdanifard, 2014)

Mishra and Tyagi (2015) stated that “Perceived risk has negative and significant effect on attitude towards marketing through Social networking sites. To overcome such reservations in attitude towards purchasing, marketers require inventing new ways to lower their potential patrons’ level of perceived risk. Marketers need to implement strategies to reduce the risk in order to enhance the adoption of social network sites as a communication and marketing tool.”

Le et al (2011) concluded that “not all the considered risk constructs have the same influences on online apparel buying intention. Specifically, time and performance risks have the most significant influence followed by privacy and social risks.”

2.14 ROLE OF INFORMATION SEEKING BEHAVIOUR IN ONLINE SHOPPING THROUGH SOCIAL MEDIA

According to Park (2012) in the online social community network commitment was completely related with information seeking behavior. A committed user is more likely to use community to get fashion related information, obtain feedback after completing a purchase and to seek advice on selecting the best alternative during their purchase. Kanga and Johnson (2015) stated that those users, who were likely to use social browsers, were more likely to use it for information seeking purpose and meant to employ in online shopping.

The research findings of Jansen et al (2011) showed that there is a difference between information seeking and sharing behavior of people who are connected with multiple
social sites or a particular social networking site. Marketers who are interested in youth demographic they must consider the diversity in information seeking behavior inherent in this segment and plan their social media strategy accordingly.

Khoo (2014) recommended that social networking sites might be the preferred sources of information, because they offer some amount of social presence, and some applications convey the immediacy of face to-face conversation. The types of information associated with social media sites are advice, recommendations, opinions as well as experiential and practice knowledge related to everyday life issues, that may be customized for particular users and contexts including geographic location and time.

According to Funde and Mehta (2014) “Very high percentage of the internet users have searched for the information regarding their purchase on the internet. The convenience for searching and perception of users as effective platform for searching are the major contributors for information search. The social media is also perceived to be credible source of information. Thus, marketer can very positively use social media to pursue awareness goal.”

Social media plays an important role in supporting the information-seeking behaviour of those who use the social networking sites to fulfill their information needs. Social media is an information source that is being used on a daily basis, and it plays an significant role in providing different types of information. Social media generally provides information in a passive way on daily basis.(Hamid et al, 2016)

2.15 CONSUMER BEHAVIOUR IN INDIA
In last few years the impact of geo demographics, socio-cultural factors, psychographics, preferences, norms and behavior have transformed the consumers lifestyle and behavior in India. Now Indian consumer want luxury lifestyle with full of comfort. Due to fast growth of the services sector per capita income of people, Indian middle class has provided a biggest boost to the consumer culture. Increase in disposable income generated the more consumer demand for a wide range of new goods and services. The liberalization of economic policies, financial independence at a young age, buying habits
of the younger generation, increase in media exposure of the people, and increase in number of nuclear families affected the consumption pattern of the country. The present generation is not bother about paying extra for better facilities and ambience. The growth of credit culture in India is another major factor that has led to increased consumerism. Now the Indian consumer does not feel hesitant to purchase on credit and pay tomorrow what they have purchased today. It has transformed the Indian consumer market.

One of the key factor for influencing shopping behavior is the Changing prospectus with an “on the go” lifestyle. It exhibits more relevance for marketers to formulating their marketing strategies. Due to hectic schedules of individuals now Consumers give more preference to shop from shopping malls. The leisure facilities of the shopping malls are the essential factor to attract them. The best way to assist consumers in making their dynamic shopping decisions is to reveal price and product information to them before they shop. (Joseph and Singh, 2013)

Knorringa and Guarín (2014) said that “Consumer behaviour is the result of the interplay of social, economic and cultural factors. Products that make claims about social and environmental attributes tend to be more expensive, income appears to be an important factor in determining responsible behaviour in consumers. At least in the case of India, the effect of income appears to be modulated by a number of different factors.”

According to Sushma (2014), Indian consumer today is more educated. The fact that a large chunk of these customers are youth is changing the way people are shopping and this has a direct implication on various aspects of shopping such as the choice of brands. Retailers have to be carefully choosing their catalogue and prices as Indian consumers give more preference to quality and value. Before making their purchase now consumers ensure that they derive the best value from their shopping. (Venu, 2013)

Chaudhary and Mukherjee (2014) stated that the study of Indian consumer’s behavior will help marketers to formulate and implement their strategies to approach Indian consumers effectively. Indian consumer market is divided into various segments .most of
their population is lives in rural area and contributing around one-third of the national income. Hence, the recent emergence and development of the rural market is an opportunity for marketers in India.

2.16 SOCIAL MEDIA AND BUYING BEHAVIOUR

Consumer buying behavior has been revolutionized by social media. It directly affect the way they buy goods and services. Now retailers have to shift themselves on social media and change their perception from ‘fun to have’ to ‘must focus on’. Over the last few years the use of Facebook, Twitter, YouTube has considerably increased. The growth of social networking sites have opened new opportunities for retailers to connect and communicate directly with consumers. (blogposition.com, 2011)

Due to development of web 2.0 technologies, social media has been gaining increasing popularity around the world in recent years (Mikalef et al., 2013). It is a broad term, commonly known as a new class of information technologies, providing interpersonal communication and collaboration on Internet-based platforms (Kane et al., 2014). Due to the wide access of population, social media offer positive values for business:

(1) It facilitates word-of-mouth production (Mikalef et al., 2013) and communication (Hajli, 2014)
(2) It helps business to build their brand, promote new products and build intensive relationship with customers (Chung & Austria, 2010)
(3) It strengthens the relationship between customers and businesses and then increase sales (Hajli, 2014);
(4) it helps businesses build trust with customers, which is a key marketing strategy for business because trust, encouraged by social media, significantly affects consumer's intention to buy products online (Hajli, 2014).

Retailers should follow and analyze the profiles of consumers as consumers prefer their own profiles to state their contents in social sites. Retailers should emphasis on these sites because Consumers are more affected by sharing on social networking sites. It is the right
place for communication with consumers. Therefore marketers should share their product, and services related information on social media. (Hayta, 2013)

In their study Gros (2012), indicated that” the influence of Social Media Was different according to the stages of the consumer’s purchasing decision-making process. The influence of Social Media appeared to be stronger at the first stages and become weaker at the last stages of the process.” Whereas young consumers are positively affected by facebook advertisements in comparison with female consumers (Rehman et al, 2014)

Consumers frequently use social media and see advertisements. They analyze the past performance of product/services via social media by checking likes and dislikes for it and give their feedback about the products/services they use .even various subscriptions are made by consumers to keep themselves updated with the new launches and the changes in the existing products/services. (Nufazil Altaf, 2014) Jha and Balaji, (2015) suggested that marketers should engage their consumers with multiple blogs, forums and wikis covering issues relating to their products or brands. There has to be frequent comments and should try to create a dialogue with the social media users. (Jha and Balaji, 2015)

Albert and Hersinta (2012) found that besides psychological characteristic on online consumer behavior social characteristic also has significant role. Consumer’s perceptions on doing online shopping on facebook are mainly based on friend’s references and recommendations. In personality aspects consumers shop in certain online shop sites/pages to suit their needs.

Parson (2013) stated “Interacting with consumers on Social Media can effect in growing probable consumers and the probability of turning potential consumers into real shoppers. In addition to varying existing potential consumers into buyers, Social Media convince those buyers to share and promote their purchase experiences among their friends and relatives by giving their positive or negative opinions towards a purchased product. Cetinaet (2012) have also stated that “companies should develop its social media component to influence the perception and behavior of the consumers as consumers are
more connected with social media and their perceptions and trust on products are highly influenced by social media.”

By improving the product details or to develop the concept of complete information of output, the company may promote the relationship between potential buyers who follow continually social networks. The pricing strategies are closely linked to the product and influence directly shopping behavior for the buyer. (Madni, 2014)

2.17 SOCIAL MEDIA INFLUENCE ON VARIOUS STAGES OF DECISION MAKING PROCESS

Consumers have three main gratifications or motives for using the Internet as a medium, namely, information, entertainment, and social aspects. The relationship between social media and consumer decision-making present that social media affects advertising attitudes, brand attitudes, and purchasing intentions of consumers. Khatib (2016) stated that “Social Media influence the way consumers behave during the different stages of their purchase decision-making processes. It has changed the way consumers behave in their consumption. Before consumers were waiting for companies to push messages toward them, they are now directly seeking for information on Social Media.”

Figure 2.8: Social Media Influence on various stages of decision making Process
(Source: Khatib, 2016)
2.17.1 Recognition of Need
Consumers buying decision making process starts with the recognition or awareness of their unsatisfied needs or problems by buyers. This is a very important stage as without identifying the needs or wants, an individual would not seek to buy goods or services. Through the advertisements displayed on social networking sites and discussion with their friends Consumers can recognize that they have an unfulfilled need or desire. The ‘Like’ button of facebook is a strong tool to made consumers recognized a need. When consumers ‘like’ a brand page or a product/service on Facebook, all their contacts will see this ‘like’ appear on their feeds. The ‘follow’ button on Twitter acts in the same way and can thus trigger new needs for peers.

2.17.2 Information Search
The consumers generally visit social networking sites more often to search and finalize their purchase decisions. Through these platforms the product related information which is communicated by one consumer can easily influence the other consumers at every stage of buying behavior. Social sites may provide consumers to get trustful information from their peers. (Mangold and Faulds, 2009)

According to Li (2011), “user’s behaviors are affected not only by their own motivations but also by other users of the consumer’s online network.” As stated by Wang and Lin (2011) “people tend to follow others choices instead of making their own decisions to reduce the cognitive effort when faced with too much online information. In addition, consumers search for product and company information on social media sites because they find these sources more reliable than information provided by marketers.” Due to the interactions between the consumers the information generated on these social media sites influences the buying process of consumers. (Wang & Chang, 2013)

The information provided through these social media sites attracts attention, generates traffic and makes the users to share their product experiences and opinions with social networks. Further, the comments made on the products and communication among peer groups has a cumulative effect that serves the information requirements related to purchase decisions and impacts purchase behavior. (Abdullah et al, 2014)
2.17.3 Evaluation of Alternatives
The evaluation criteria which helps the consumers to satisfy their needs included various dimensions; features, characteristics and benefits that they desire. Consumer’s choice for a particular product is depends on the unique feature of the product and the benefit he / she can get out of that feature. Social media permits users to evaluate product, recommend to their friends and link current purchases to future purchases through status updates and twitter feeds. (Rassega et al, 2015)

Consumers usually look for some assurance and comfort to verify the validity of a product or service as these sites provide forums to consumers wherein they can discuss and review product traits. It was reported by Chaudhary (2014) that user generated information influenced and changed their opinion about products or services. Akar and Bulut (2015) said that this evaluation phase is the most important and affected phase of the buying process by social media influence. Therefore retailers should do more focus on this phase.

2.17.4 Actual Purchase
After the evaluation of alternatives phase the consumers finally make their purchase. The purchase decision is finalized on the basis of information collected and evaluated in the earlier phases though social media has huge impact on the initial phases while it is less involved in this phase. (Chaudhary, 2014) So if the process of using social networking sites in terms of ordering and delivering products or services is simple and easy to understand the consumers will more tend to buy online through these social media. (See et al., 2012)

2.17.5 Post-purchase Evaluation
The post purchase evaluation is the last stage in consumer buying decision making process wherein consumers compare between what they expected and what they actually received. In this stage consumers can exert the most power through these social networking sites. Based on their experiences consumers share their opinion an experience on these social sites which acts as information and recommendations for other users in their social network circle. (Chaudhary, 2014) Nowadays with Social Media it has
become easier for consumers to spread the word really quickly to hundreds of people and influence their purchase decision-making processes.

2.18 CONSUMER BUYING BEHAVIOUR IN RAJASTHAN

Buying behaviour patterns represent the design of behaviour of a large number of customers. Customer buying habits or behaviour patterns are not permanently fixed, and certainly not sacred, even though some habits tenaciously resist change. Consumers decide whether, what, when, from whom, where and how much to buy. They can avail various mediums to buy the products. (Prasad et al, 2014) In Rajasthan there is a relationship between the consumer’s income and the satisfaction derived from a purchased product. People are price sensitive and the final selection or rejection of the good depends on price/budget of the buyer. (Mittal and Agarwal, 2012)

It is observed in Rajasthan that users of unbranded products are slowly shifting to branded products in the recent years. Thus branding and quality is gaining importance in rural and urban markets of Rajasthan. Rising literacy level, product awareness, media of communication, growing income levels etc., are aiding the growth of purchase of branded and quality products. The after sales support and availability of trained service personal influences the purchase motives of consumers. Consumers have a fair knowledge of cost of the product and utility value of the product. Higher price does not necessarily mean higher utility value. To build brand equity, the manufacturers should aim at improving service quality. (Divisha, 2016)

Chaturvedi et al (2016) stated that “online shopping is seen as an attractive business opportunity by a number of apparel retailers in Rajasthan. Retailers have to study the consumer behavior and make changes in order to remain profitable and flourishing in Rajasthan.” However very few empirical research is available in context of Rajasthan which can explains the role and importance of social media marketing to apparel retailers.
2.19 RETAIL-INTRODUCTION

The word Retail originated from “Retaillier” which is a French word. In tailoring term it means "cutting off, clip and divide". As a noun it was first used in 1433(French) with the meaning of a "sale in small quantities" in both Dutch and German (detailhandel and Einzelhandel respectively ) languages the word “Retail” refer to sale of small quantities or items.(Agarwal and Agarwal, 2012)

Philip Kotler says (2007) “Retailing includes all the activities involved in selling goods or services to the final consumers for personal, non-business use. Selling to the final consumers whether it is by a manufacturer, a wholesaler or a retailer-is retailing irrespective of the fact that the goods or services are sold (by person, mail, telephone, vending machine or internet or where they are sold – in a store, on the street or in the consumer’s home).”

Today in the complex world of trade it is necessary to know that retail does not only means goods but also services those may be provided to end users. Thus, one can say that purchase of a railway ticket, services of a plumber, parlor services, dry cleaning, consultation of a doctor etc. are all under the category of retail transaction. In India the Retail Sector is going through the phase of great revolution. Retail industry in India can be divided into two different sectors-

2.19.1 Organized Sector:
Organized retail market comprises big retailers those are registered with sales tax/VAT etc and have legal permission to undertake the activities. Hypermastert, Supermarket, Personally owned retail businesses and retail chains come under this sector.

2.19.2 Unorganized Sector:
All shops those are registered under the shop and establishment Act(s) and administered by local authorities come under with Unorganized Sector. Like All local kirana and general shops, family managed-own account trade enterprises (Mom and pop shops) etc.
2.20 RETAIL SECTOR IN INDIA

Due to the entrance of several new players and huge competition the retail industry in India has emerged as one of the fast paced industry. This sector contributes 10 percent of the country’s GDP and approx 8 percent of the employment. In the retail space India comes under world’s fifth largest global destination. According to the report of IBEF 2016 the Indian retail industry is one of the fastest rising industries in the world. Indian retail industry is expected to grow to US$ 1.3 trillion by 2020, registering a Compound Annual Growth Rate (CAGR) of 16.7 per cent over 2015-20. India comes among the highest in terms of Per capita retail store availability. Indian retail industry is experiencing exponential development as retail development is taking place not just in major cities of India but also in Tier-II and Tier-III cities. Growing disposable incomes, varying demographic profile, vigorous economic growth, urbanization, varying consumer tastes and preferences driving growth in the organized retail industry in India.

Online retail market is largely influence by the huge population of India in a different way. Between 2015-2020, this market is expected to cultivate from US$ 6 billion to US$ 70 billion. Indian retail market is boosted by the rising contribution from foreign and private players. The price competition of Indian markets attracts large retail players as a sourcing base. Some global retailers like Tesco, JC Penney, Wal-Mart, and GAP, are
planning to increase their sourcing from India and they are trying to establish their own wholly managed stores in India.

Indian government has also made some amendment in FDI policy to attract Foreign Direct Investment (FDI) in Indian retail industry. The government of India has approved 51 per cent FDI in multi-brand retail and increased FDI limit to 100 per cent (from 51 per cent) in single brand retail.

2.21 ORGANIZED RETAIL MARKET IN INDIA
Organized retailing is replacing traditional retail by doing more transition in India. The Mall culture and multiplicity of choice under one roof is making shopping so convenient for the young generation of India. (Singh, 2014) The trend of multi brands stores and retail chains clearly shows the favorable buying behavior of the Indian consumers towards organized segment of the industry. Ambience convenience and Floor space have started drawing attention of the Indian customers that reflect the importance of organized sector. (Singh and Agarwal, 2012)

The Apparel and textile segment dominated the organized retail market followed by Food, grocery and beverages segments. The food, grocery and beverages segment dominates the entire retail market, but its penetration in the organized retail side is relatively low. (Manikyam, 2012) According to Retail Industry report (2013) “the share of organized retail is 8% of the total retail market and is expected to gain a higher share in the growing pie of the Indian retail market in India.”

According to the study of The Hindu (2014), “organized retail, which comprised seven per cent of overall retail market in 2011-12 is estimated to grow at a CAGR of 24 per cent and attain 10.2 per cent share of total retail by 2016-17.” organized retail is projected to grow at 20%, While the overall retail market is likely to increase at an annual rate of about 12%. (BCG Study 2016)
2.22 APPAREL RETAIL

The organized apparel retail sector included all menswear, women’s wear and children’s wear. Men’s active wear, casual wear, essentials, formalwear, formalwear-occasion and outerwear included in menswear sector, While women's active wear, casual wear, essentials, formalwear, formal wear occasion and outerwear come under women’s wear Category. The children’s wear market includes baby clothing, boys active wear, boys casual wear, boys essentials, boys formalwear, boys formal wear occasion, boys outerwear, girls active wear, girls casual wear, girls essentials, girls formalwear-occasion, girls outerwear and toddler clothing.

Figure 2.11: Classification of Apparel (Source: Ansari, 2013)
2.23 APPAREL RETAIL INDUSTRY IN INDIA

In terms of investment, revenue, job creation and trade apparel retail sector is one of the important sectors. Apparel sector has incredible large and stiff distribution, product diversity, and small product life cycles, volatile and variable demand. In India, apparel retail sector consists of 70% total sales in hypermarket such as Big Bazaar, Spencer’s Retail etc, and 95% in department stores. The apparel retail brands have been rapidly inspiring the Indian business and economy. Highest scope of growth is in Menswear sector. At present Women’s wear sector is getting majority of growth and growing at 12% per annum. Kids wear is also growing very fast. (Pani and Sharma, 2011)

With respect to dressing pattern, style, usage of branded items, and awareness of latest trends Indian retail market is getting substantial changes. The apparel retail market has been emerged the third most attractive market destination in India. Apparel retail is the second largest retail category and representing 10 percent of the US$ 37 billion global retail market. In shaping the apparel consumerism, apparels fashion plays a dominant role. (Chakrapani, 2014)

According to IBEF Report (2016) “The domestic textile and apparel industry in India is estimated to reach US$ 141 billion by 2021. Increased penetration of organized retail, favorable demographics, and rising income levels are likely to drive demand for textiles. India is the world's second largest exporter of textiles and clothing. Apparel Retail Industry contributes about 14 percent to industrial production, 4 percent to the GDP, and 17 percent to the country’s export earnings. It provides direct employment to over 3.5 million people.”

With the changes in lifestyle, urbanization of the consumers, and earnings Indian apparel industry is continually changing and increasing. The Indian apparel brands those are produces in India are accepted worldwide. With the increasing competition, the Indian consumers are rapidly and conveniently adopting fashion items and brands. (Anand and Khetarpal, 2014)
For global retailers India is among the most attractive countries as largest buying population resides here. More foreign retailers are expected to enter in India, as Indian economy is the rapidly growing economy in terms of Purchase Power Parity (PPP). Foreign brands are doing more efforts for changing foreign direct investment policy in multi brand retail segment in India. At present 100% foreign equity is allowed in wholesale (indirect retail) cash and carry and 51 % required in single brand retail of apparels in India. With the growing income of middle class people mostly customers are attracting towards premium brands that will likely to push and facilitate the development of foreign brands in India. Various international apparel and fashion brands are now established in India and among Indian customers as well. (Tyagi and Rani, 2015)

2.24 APPAREL E-TAILING IN INDIA

e Tailing is contently to remain the leading category among non travel online spend. According to the reports of The Economics Times (2016) “57% growth in e-tailing was driven by mobile phone and mobile accessories. Computers, consumer electronics, apparel and accessories, accounted for bulk of retail e-commerce spend in India, making up 49% of overall spend in e-tail segment. Apparel sale almost doubled as compared to the previous year, to Rs 7,142 crore in December 2015. This segment is expected to gain further momentum and reach Rs 72,639 crore by end of 2016.” Google India research report (2015) says that “every third shopping search (from the country) on the world’s largest search engine is fashion related and the queries in the category are growing at 66% year-on-year.”

According to Donga (2014) “the apparel industry is one of the most profit-making sectors in terms of generating revenue, investment and trade. Due to its product variance & short life-cycle, it makes it to the top of ideal business models, where expected profit margins are very high. Currently, apparel is the largest segment of Indian online service marketplace retail and has earned investment over $ 70 Million within the last two years. With growing consumer base year on year, apparel e-tailing is surely poised for a boom.”
Due to changing lifestyles, flexibility and convenience in shopping from home; growing time poverty and option of free home delivery apparel e-tailing has experienced momentous growth in India. Technopak report (2015) said that “Factors such as dramatic increase in penetration of IT devices and communication solutions (especially tablets, broadband and smart-telephony), and emergence of exciting new “virtual reality” technologies are contributing to the expansion of apparel e-tailing.”

Apparel e-tailing has adopted following three different routes-

(i) **Multi Brand Route:**
In this route some players have initiated and acquired a significant market share in online market. Such as futurebazar.com launched in 2007 in fashion and apparel category, Myntra.com launched in 2007 (for men and women), Yebhi.com launched in 2008 (as big shoe bazaar).

(ii) **Brands Available Online:**
Most of the apparel brands available online for sale. Such as Madame, Fabindia, Mustard and La Senza, Zodiac.

(iii) **Niche Route:**
Various e-tailors are entering in this niche segment to get benefited these untapped categories Like Strapsandstrings.com was promoted as India’s first online lingerie shopping boutique it offers Indian women the opportunity to shop for international lingerie brands like Lise Charmel, Chantelle, Mimi Holliday and Cosabella, which are not available local domestic market. After the success of Diapers.com numerous baby product brands along with apparels have emerged in India like HushBabies.com, BabyOye.com, and LittleHood.com etc.

### 2.25 GROWTH FACTORS FOR E-TAILING IN INDIA

#### 2.25.1 No rent or land costs
E-retailers don’t need any location, shop or showroom to handle their business. This saves the store cost or land cost which is pretty high for physical store retailers.
2.25.2 Proper Communication with Customers
E-tailing enables tailored communication and interactions with their clients.

2.25.3 Worldwide Reach
A supermarket provides services to a limited number of customers in a particular area as it has limited geographical area of operations. Whereas a website can be accessed and managed from anywhere in the world. These websites are best ways to reduce advertisement cost and reach maximum number of customers in the world.

2.25.4 Easy and Pleasurable Shopping
Online shopping saves time. Customers can shop from their home with their comfort through internet connections. This is a major attraction for customers.

2.25.5 Full Time Accessibility
The online retail stores can be accessed at anytime and save time and efforts of the customers.

2.25.6 Prices can be evaluated
Online buyers can compare the prices of competitive products before executing their final purchase.

2.25.7 Reduce duplication of products
Good quality and branded products are sold on websites, which reduces duplication of the products.

2.26 APPAREL BUYING BEHAVIOR
The Apparel and clothing sector comes on first position in organized retail industry. Customers are now spending more on apparels. Reference groups and store attributes promotions are playing the important role in deciding buying behavior. (Gurunathan and KrishnaKumar, 2013) According to PWC Report (2013) “almost half of the retail apparel consumers in India are now shopping online to get better deals and variety. The newly affluent Indian consumer spends more and in a distinct pattern as compared to his Asian counterparts. 40% consumers in India look towards Bollywood and celebrities for purchase decisions while 25% continue to buy unbranded traditional clothes.”
Prasad (2012) said that Customers are now more involved in apparel shopping. The views and perception of the customers vary while shopping for apparels from different retail stores. Consumer’s apparel shopping behavior is frequently affected by demand, credibility, reference groups, style, and value. In order to acquire and retain consumers, organized retailers should work out in serving the utmost needs, wants and priorities of existing and potential customers.

Shafi and Madhavaiah (2014) said that “there is significant relationship between reference group and purchase intention also promotion, Store attributes, product attributes, Income of the respondent and occupation have positive significant relation between consumer buying behaviour.” As compare to males, Female customers give higher value to Physical facilities, Variety, Style, Family and friends, store image, Brand Loyalty and preference to try and wear before buying. (Rajput and Khanna, 2014)

It has been observed from the study of Akarte et al (2012) that there are two independent factors which affect the shopping decisions of socio-culturally and peer appreciate fashion apparels; these are Brand differences and product satisfaction. Erdil (2015) said that “Risk perception of consumers have been found to be negatively related with store image and purchase intention implying the willingness of consumers to avoid risks involved in shopping in the store. Brand image plays an important role in buying decisions of consumers.”

Gurunathan and Krishnakumar (2013) evaluated the Indian consumer’s apparel buying behavior through five dimensions viz. “consumer characteristics, reference groups, store attributes, promotion and product attributes.” Although store attributes, the promotions, and reference groups found to be the top three main dimensions for analyzing apparel shopping behavior.

During apparels shopping pricing is the main factor which has great impact in deriving consumer’s perception. The level to which customers perception is influenced, decides the nature of consumer’s shopping behaviour. (Agarwal and Agarwal, 2012)
Jain et al (2011) indicated that apparel shopping behavior is also influenced by the educational background of the consumers which is reflected during apparel behavior related to economic value and social value.

According to Saluja (2016) the consumers enjoy shopping mostly with their friends and family members. They are influenced by their friends, family members, celebrities, magazines etc. Quality, comfort, brand are the main criteria’s which effect their buying behavior towards fashion apparels. Even all the demographic factors like gender, age, occupation and monthly income don’t have any impact on buying behaviour of consumers towards fashion apparels.

Today’s Customers are aware about most of the national and international apparel brands available in India. So apparel retailers must ensure and provide the healthy and enjoyable atmosphere during purchasing of clothing. Youth mostly preferred domestic products rather international brands because they feel that domestic products and brands better understand them and suit their needs better than international brands. (Karthikeyan, 2011)

Vikkraman and Sumathi (2012) said that “Indian retailers should go for aggressive strategies to improve the customers perception on local brands in terms of quality and emotional value like “Be Indian; buy Indian”, “proud to be an Indian” etc. The strategic alliances, licensing agreements or joint ventures are the important strategies to sell the local brand under global brand name with higher status and quality.” Xiaofen and Yiling (2009) suggested that apparel retailers must concern about the e-WOM and get consumers opinion of the brand to improve brand competition constantly.

2.27 SOCIAL MEDIA AND APPAREL BUYING BEHAVIOUR
Fashion retail sector is the only sector which is considered to be entirely suited and naturally fit for social media. Social media for fashion retail sector means social networking sites that enable the fashion retailers to connect and communicate directly with the fashion retail consumers through latest social networking technology. To study
the trends and anticipate the fashion behavior of the consumers fashion retail sector is using various social media platforms. (Ahmad et al, 2015)

Social media sites are the best things which are happened to the apparel sector. This network has ability to reach and communicate with the large apparel fashion consumers with just a single click and post. Retailers and consumers now directly interact via any of the existing available platforms. In apparel selling business “word of mouth” is the main source of spreading information through the active user’s base of these platforms. The revolution of the internet has a great impact on apparel industry through social media. (Aderibigbe, 2010)

Apparel brands now directly communicate with their customers. They can reinforce and spread their promotional messages directly to their right audiences. (Gonzalez, 2010)

As apparel retail sector has embraced social media sites, various brands are giving importance to consumer’s opinions and emotions. Today it is difficult to get away for the consumers from the constant bombardment of information about latest fashion trends and information through these social networking sites. Social networking sites are now completely open up for the small apparel retailers by providing a never ending interactions and connections with consumers. Small apparel retailers can maintain their marketing efforts through these social media sites to improve and maintain relationships with their existing and potential customers. To stay relevant apparel retailers need to keep up with the changes to ensure that they will be noticed by customers. (Crista, 2011)

Social media and apparel fashion both have ability of self expression. An apparel brand with having strong social media presence can easily stimulate and attract their potential customers and able to give them a rich and varied experience of brand's creative notion. (Bansal, 2015)

Social networking sites convey products and happenings along with their brand culture. Thus fashion and apparel brands have started emphasizing the importance and benefits of social media presence.(Mark, 2014) The findings of Napompech (2014) suggested that
“demand driven clothes, clothing diversity, convenient and secure system of ordering and discounts are the main factors those influenced consumers to buy clothes online through social media.”

Facebook has an immense potential and is growing as a strong marketing and advertising platform for different apparel brands. (Ben et al, 2015) it provides an appropriate way to increase customers and brands communication through branded entertainment that includes various activeness levels of customers. When a customer directly interacts with the retailer through social media than their relationship and bonding will be stronger because customer has invested more in that relationship, and brand. (Muntinga et al., 2011) Facebook is preferred by the majority of the apparel retailers comparative to other social media sites. Retailers can get customers reactions and opinion on their products in the short period of time through facebook. (Seo and Burns, 2012)

Caverly (2011) found that “eight out of the top ten brands that consumers searched for online after visiting the company’s Facebook page were apparel-related brands. By creating Facebook pages that have strong consumer interactions, apparel brands can take advantage of Facebook’s enormous user base and gain access to its targeted consumers.”

Facebook can be used by the apparel retailers in the Variety of ways. Such as “Burberry” which is the most famous brand of UK, permitted its Facebook users to sign up and receive a free sample of Burberry fragrance. (McEleny, 2011) The facebook page can allow their users to suggest brands and products to their friends and read comments written by other social media users. Social media users can see and buy any item the brand carries without ever leaving the Facebook Page. (Touchette, Schanski and Lee, 2015)

Social media sites are like brand warmers. Although there is a huge and increasing competition among apparels brands but still Apparel brand retailers need to understand the minds of the customers. They must understand that which factors attracts consumers
buying behavior and what is the role and effect of social media on their sales and marketing. (Gul Muhammad Shafiq et al, 2014)

According to the report of euro monitor 2016 “Social media is a crucial instrument in spreading brand awareness among consumers. Social media is uniting Bharat and India online – bringing together rural and urban regions. Awareness of international brands such as Tommy Hilfiger, Lacoste, United Colors of Benetton and others is on the rise in the smaller cities of India due to digital media.

These international brands are active on social media and are investing in digital marketing to reach out to consumers. However, Indian apparel brands are still in the learning phase and are yet to evolve in terms of social media campaigns.” Retailers have included social media as a essential part of their marketing and sales promotions strategies. In today’s world social media is the modern and hottest trend in fashion industry. (Ahmad et al, 2015)

Social bakers have shown the presence of Active apparel retailers on social media sites in India. The statistics of top ten apparel brands which are active on social media sites especially on Facebook, Twitter, and You tube in India are as below-
Figure 2.12: Facebook stats in India – Apparels (Source: SocialBakers.Com)
**Figure 2.13: Twitter statistics in India – Apparels (Source: SocialBakers.Com)**

<table>
<thead>
<tr>
<th>#</th>
<th>Twitter Handle</th>
<th>Following</th>
<th>Followers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Macbeth (@Macbethfootwear)</td>
<td>369</td>
<td>57773</td>
</tr>
<tr>
<td>2</td>
<td>Being Human Clothing (@bebeinghuman)</td>
<td>160</td>
<td>32408</td>
</tr>
<tr>
<td>3</td>
<td>VERO MODA India (@VeroModaIndia)</td>
<td>464</td>
<td>18648</td>
</tr>
<tr>
<td>4</td>
<td>Levi's India (@Levis_IN)</td>
<td>88</td>
<td>16830</td>
</tr>
<tr>
<td>5</td>
<td>JACK &amp; JONES INDIA (@JackJonesIndia)</td>
<td>587</td>
<td>13164</td>
</tr>
<tr>
<td>6</td>
<td>American Swan (@AmericanSwan)</td>
<td>246</td>
<td>10136</td>
</tr>
<tr>
<td>7</td>
<td>falguni peacock (@falgunipeacock)</td>
<td>552</td>
<td>8420</td>
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<tr>
<td>8</td>
<td>Lawman Pg3 (@LawmanPg3)</td>
<td>243</td>
<td>7580</td>
</tr>
<tr>
<td>9</td>
<td>BATA India (@BATA_India)</td>
<td>205</td>
<td>7065</td>
</tr>
<tr>
<td>10</td>
<td>WforWoman (@WforWoman)</td>
<td>67</td>
<td>4214</td>
</tr>
<tr>
<td>Rank</td>
<td>Channel</td>
<td>Subscribers</td>
<td>Total viewers</td>
</tr>
<tr>
<td>------</td>
<td>----------------------------------------------</td>
<td>-------------</td>
<td>----------------</td>
</tr>
<tr>
<td>1</td>
<td>Van Heusen India</td>
<td>2,756</td>
<td>5,621,919</td>
</tr>
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<td>2</td>
<td>VERO MODA India</td>
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<td>3</td>
<td>J21 TV</td>
<td>225</td>
<td>226,743</td>
</tr>
<tr>
<td>4</td>
<td>Being Human Clothing</td>
<td>1,393</td>
<td>154,112</td>
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<tr>
<td>5</td>
<td>BATA India</td>
<td>129</td>
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<td>6</td>
<td>American Swan</td>
<td>241</td>
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<tr>
<td>7</td>
<td>DC Shoes India</td>
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<td>28,960</td>
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<td>8</td>
<td>Crocs India</td>
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<td>15,640</td>
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<tr>
<td>9</td>
<td>Chouette Fashion</td>
<td>1,945</td>
<td>10,028</td>
</tr>
<tr>
<td>10</td>
<td>Converse India</td>
<td>25</td>
<td>5,593</td>
</tr>
</tbody>
</table>

Figure 2.14: YouTube statistics in India – Apparels (Source: SocialBakers.Com)
2.28 SOCIAL MEDIA AND APPAREL BUYING BEHAVIOUR IN RAJASTHAN

Rajasthan is the state that comes among the nation’s six fastest growing states. Agriculture plays a very important role in the economy of Rajasthan. Although textiles, vegetable oils and dye productions also contributed to the GDP of states. Social media is often misunderstood as exploitation of technology but rather it is the service to the community. Social media and technology are not agents of change. They are just tools. The core work of social media is to know your customers and influence them into something they love. Social media strength can be determined by the content strength. Social media provides the way for people to connect, contribute and collaborate. Social media is not about product but it’s about people. In other words “provide the people and people will provide you.” So to teach the people and to provide them with the best knowledge of social media platforms, especially Facebook, the Rajasthan state government has collaborated with Facebook to organize several camps throughout the state. People, especially in rural areas and hamlets will be taught about the technology Social networking, and the benefits of social networking and how they can smoothly connect with their leaders.

Social media has changed the lives of people in the world and even people in Rajasthan are also getting attracted towards it. According to Forecast & Opportunities report (2016) “shopping trends in India would change in the next few years. Hence a growing disposable income and limited time can fuel an online retail market in India, including Rajasthan.” Web 2.0 has changed the way of shopping of online buyers throughout the world. E-commerce enables retailers to reach more audiences via social media. (Sin et al, 2012)

Presently Rajasthan is also considered to be the biggest market for high quality branded fashion apparels and these apparels are also appreciated in the international market. Even Wal-Mart has also planned to open more stores in Rajasthan. Now days it is observed that clothing trends generally change in every ten to thirteen weeks. The presence of apparel brands have created huge competitive environment in Rajasthan.
In Rajasthan however online shopping is in early stage but now apparel retailers are seeing it as a eye-catching and very convenient business opportunity but they have to study the buying behavior of consumers and for getting profit they have to bring changes according to the consumers requirements. (Kala and Sharma, 2015) consumers have to be educated about online shopping procedures and they should know the necessary steps required for doing online shopping in rajasthan. (Upadhyay and Kaur, 2013)

According to chaturvedi et al (2016) “Facebook, significantly affects the online buying behavior for apparel retail in Rajasthan. The three major elements of online buying behavior, Perceived Risk, Trust, and Information Seeking Behavior have a significant influence on online apparel buyer behavior in the Rajasthan region. However trust plays the most crucial role in online apparel buyer behavior followed by information seeking behavior and perceived risk. Trust is usually assumed to be an imperative prerequisite for people’s adoption of electronic services in a developing region like Rajasthan where individuals are generally described as risk reluctant, the level of trust is critical in determining the attitude of an individual towards online apparel shopping.”

Although a very limited literature is available in context of Rajasthan which does not even able to suggests and clarifies the importance of social media marketing to apparel retailers.

2.29 RESEARCH GAP

The literature available suggests that research has been done in different areas of consumer behaviour, apparel retail and social media by different researchers in different parts of the world. Some experts have explained what social media is all about; some have cited teenagers as the most prolific users of the social media, while study of some has focused on the importance of social media. Still others have studied the use of social media by apparel companies to promote sales, and some have explained consumer behaviour. Studies have been done on the growing purchasing power of the Indians and the need for companies to find an appropriate media to reach their target market. The involvement of consumers in the company’s products is also highlighted in a study &
suggestions have been made to engage consumers actively. Exciting websites creation for consumer access is also studied.

But still there lies a gap in the study; no study/research has been done so far on the effect of social media on the buyer behaviour of apparel retail in Rajasthan. This study has a great application in the real world and apparel retailers can get valuable findings regarding use of social media for promoting sales.

2.30 CONCLUDING REMARKS

This Chapter gives a brief summary of the past studies done in the area of social media, Apparel Retail Sector and consumer behavior. It presents different views of researchers about various social networking sites. It also provided a brief about buying behavior of consumers in Rajasthan. This chapter discusses the role of trust, perceived risk, information seeking behavior in online shopping and social media influence on consumer buying process.

This chapter also provides a brief about organized apparel retail trends in India and consumers perspective including attributes of social media and apparel retailing in Indian context Based on the review. The literature also gives a brief summary about influence of social media promotions on apparel buying behaviour in context of Rajasthan.