

A study on Role of Consumer Generated Media in influencing Consumer Buying Behaviour with reference to Electronic Devices

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Abstract

The aim of the study is to understand the role of Consumer Generated Media in influencing consumer's behaviour by utilising consumer decision-making process towards electronic devices. The study mainly focused on high complex purchases, which are characterised by high consumer involvement and prominent brand differences. The study relied on techno-savvy consumers' from four districts of Rayalseema zone via online survey. Data from a sample of 120 respondents had taken and applied SPSS for analysis. Results shown that consumer generated media shows much impact on consumer decision-making process mainly at the stages of information search and alternative evaluation.

Keywords: Consumer Generated Media, Social Networks, Complex Purchase, Consumer Behaviour, Consumer Decision-Making Process, Information Search, Alternative Evaluation, Purchase Intention.

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1. INTRODUCTION

Consumer generated media is playing a vital role in the sector of electronic devices. It is creating new opportunities for the marketers and making their job easy. CGM is also providing more choice for the customers by providing surplus content about products and brands at affordable price. The study focused on consumer decision-making process for high complex purchases, mainly depending on the role of consumer-generated media in changing the purchase intentions of the customers based on reviews, ratings, opinion polls, comments, etc on various social networking sites. ^[1]

CGM content will be equally significant to that of officially provided information (Inversini, Cantoni, & Buhalis, 2009). Ayeh et al, 2013 implemented (TAM) Technology Acceptance Model as a metric to assess the impact of determinants like trustworthiness, perceived risk, and perceived fun had found to be the major contributions to follow CGM. Maintaining the qualitative information by reviewers is a major challenge before CGM, as fake reviews posted by customer is relatively easy and the chances to pay for reviews may grow in the future (Gartner, 2012). To maintain high levels of credibility towards CGM sites, the reviewers can post any proof or evidence of their product purchase with product pictures to communicate reliably. ^[2]

2. Theoretical Background

2.1. Consumer Generated Media:

Consumer generated media is now a trending concept in marketing where the consumers can share their personal experiences and opinions about the usage of a product

or brand through blogs, community groups, reference groups, discussion boards, forums etc on social networks. Consumer-generated media had empowered the consumers to generate their own ideas and messages called as "User Generated Content", communicated in social networking sites like Facebook, YouTube, and Twitter etc. By allowing individuals to post about the products, the marketers are adopting those individuals as third party endorsers for their brands. ^[3]

2.2 Characteristics of CGM:

Smith, (2006) raised that the key characteristic of consumer-generated media is social engagement. Surowiecki, (2005) and Stone, (2006) opined that CGM is a non-paid media created & driven by the consumers for connecting and interacting with others, to obtain the desired and genuine information. Seltzer and Mitrook, (2007) revealed that consumer generated media sites had designed with interactive and structural features that enable the ongoing discussions among the end users. ^[4]

In traditional word of mouth, the three main factors such as Source credibility, genuineness and trustworthiness had considered as predictors for consumers' acceptance in traditional WOM (Hovland, Janis, & Kelley, 1953; Ward, 1980). Apart from face-to-face interactions, electronic word of mouth consumers cannot assess the credibility of an information source (Litvin et al., 2008; Tidwell & 2002). Assessing the source credibility might be much typical through e-WOM (Park & Lee, 2008) as ratings & comments had raised by unknown sources who do not have any relation

with the readers (Dellarocas, 2003).^[5]

In background of CGM, a credible website might observe the legitimacy of the postings posted by its users at the consumer's interest, decreasing the perceived risk associated with being deceived by false content. Hence, the CGM users must consider whether the reviews and ratings could be trusted upon to know about the expected real quality and performance of a product. If the CGM users trust that the reviews posted are credible and trustworthy, they might utilise those reviews for decision-making. On the other side, if the CGM site had perceived as non-credible, unreliable, consumers will not follow them to avoid the perceived risk. Thus, consumers view CGM as reliable, credible & trustworthy.^[6]

2.3 Need of CGM:

Day by day, need for consumer-generated media is increasing from the side of marketers, as it is able to initiate interactions among individuals, provides information, develops content about a product, increase conversations, and generates trust among the individuals. Marketers can utilise consumer comments & posts to gain better knowledge about consumer's expectations, perception & attitudes towards their brands and services.^[7]

Usage of CGM by the well-founded companies might boost up the perceived validity of CGM as a transparent viable communication medium. Technological advancements and ease of use software might increase the count of CGM posts. Growing competition projects CGM as a significant weapon for marketers. On the other side, the consumers are also having fun in sharing their experiences about a brand with their friends, relatives, communities etc. which encouraging them to post more and more reviews.^[8]

2.4 CGM & Social Networks:

Social Networks are the virtual sites which has become base for the CGM, to build social networks among the individuals to have better communications among each other as a part of socialization. The major social networking sites adopted for developing consumer-generated content are WhatsApp, Facebook, Twitter, YouTube, Myspace, Instagram, LinkedIn, WeChat etc. Social networking sites provide a platform for the individuals to stay connected and interacted irrespective of geographical distance with others virtually via chats, blogs, hashtags, etc.^[9,10,12,13,14,15]

Social networking sites are often characterised by ease of use, 24/7 utility, transparency, affordability, trustworthiness etc. that allow spontaneous discussions among group of individual. Social Networks allow individuals to share information by throwing comments, posting pictures, recording audios & uploading videos. Social networking sites are the online platforms for individuals to create their own profiles add friends and forms their social groups & networks with different communities. Virtual Interest Groups (VIGs), discussion boards, chat rooms, blogs etc. forms in social networking sites based on common needs & interests. WhatsApp, Facebook & LinkedIn are some best popular social networking sites that facilitates the formation of interest groups.^[16,17]

2.5 CGM & Consumer Behaviour:

The textual messages in the form of comments, reviews etc along with the photos, audio & video clippings posted in the

CGM sites are showing much impact on various aspects of consumer buying behaviour and their purchase decisions towards a brand. Individuals prior taking purchase decision started to refer comments and reviews in CGM sites, where the ratings about how actually the product looks in real view given by experienced consumers matter a lot.

Grant, (2007) mentioned that the traditional marketing approach suppressed by the consumer centric marketing approaches, which provide lots of information to the customers with easier access. Most of the marketers are adopting consumer centric approaches to identify & interact with their consumers, which helps them in understanding their consumers' needs and expectations. The most interesting view of marketers towards consumer behaviour is the comments, opinions, reviews & ratings developed about products and brands. Thus, consumer ratings and brand affiliations going on CGM sites are much significant to marketers as they help them to harvest this information for future campaigns (Klaassen 2007).

Nambisan, (2002) expressed that reviews and comments posted are the key sources that have emerged from social networking sites. Availability of reviews from experienced consumers for various brands generates high value for both consumers and companies. In fact, firms are persuading consumers to rate and review brands in online (Bronner & de Hoog 2010). This leads to electronic word of mouth that spreads the information speedily & supports consumers in their purchase decisions (Chiou 2011).

2.6 Forms of CGM:

Social networking sites provide various forms of consumer-generated media for individuals to generate their postings. These forms are user friendly & makes the individuals to feel ease to share the information about a product or brand. The table content box explains different forms of consumer generated media.

Forms of Consumer Generated Media

Forms	Description
Reviews	Feedback provided by the experienced users
Blogs	A web page updated regularly
Microblogs	A web site to which a user makes short, frequent posts
Mob blogs	Mobile entry blogs to post photos
Forums	Web application to develop user generated content
Podcast	Series of media files that can be uploaded in web sites

2.7 Consumer Behaviour:

Consumer behaviour reflects behaviour of a consumer at the times of searching for information, decision making, purchasing, utilising, evaluating & even at disposing of a product or brand & services, which satisfy their needs, wants and expectations. It is the study of understanding how an individual makes purchase decisions & identifying which factors are influencing them in taking that decision regarding a product or service.

Consumer Behaviour gives a clear picture to the marketers about the customer’s changing needs, expectations & their perception towards a brand. It mainly focus on providing answers to the basic questions required for marketers as shown below-



2.8 Consumer Decision Making Process:

Consumer decision-making process mainly involves the following stages—

Recognizing need:

Need is a basic element which initiates an individual to buy a product or service. It acts as a catalyst to trigger the consumer buying decision. When an individual is able to identify that there is exists a need for a particular product, then it is the first step in consumer decision-making process.

Information search:

Once the individual is able to identify the existence of a need, then he starts searching for information to fulfil that need from different sources such as- personal sources, friends referrals, communities etc.

Alternative Evaluation:

When the sufficient information is gathered, then the individual starts evaluating about the different alternative products or brands available in the market, which can satisfy his needs.

Purchase Decision:

This is the most important step in the consumer decision-making process. Once the alternatives evaluated, then the individual takes a decision either to buy the product or not. If he decides to buy the product, then, which brand is preferred might finalized at this step.

Post purchase behaviour:

Post purchase behaviour refers to the behaviour of an individual after purchasing and utilising the product i.e. the customer is either satisfied with the product or dissatisfied with the product. If he is satisfied, does he give positive word of mouth or go for repeated purchase or remains silent. If

he is dissatisfied, does he gives negatives reviews & word of mouth? This provides useful message to the prospect customers & marketers.

3. Literature Review

Dreighton, (1996) opined that the information obtained from end users through CGM might be utilised in designing the new products & determining the prices

Czinkota & Kotabe, (2001) opined that consumer buying behaviour reflects the behaviour of consumers in terms of his preferences, expectations, attitude, perception towards a brand and decision-making ability.

Clark, (2001) described consumer generated media platforms as virtual viable communities, where consumers come to know each other, get interacted, shares information and trust each other.

Bierma, (2002) opined that the marketer’s strategies in the form of online tactics might be much effective in influencing customers’ at most positive ways.

Horrigan, (2002) revealed that most of the individuals are using CGM to be connected with friends, to post their experiences, to stay informed with timely updates, to be a part of community, to have self-entertainment & socialization.

High involvement products like televisions, mobiles, cars etc are characterised by high prices, high purchase intervals & deep emotional involvement has to undergo a lengthy buying behavioural process (Ramesh Kumar& Bajaj, 2002)

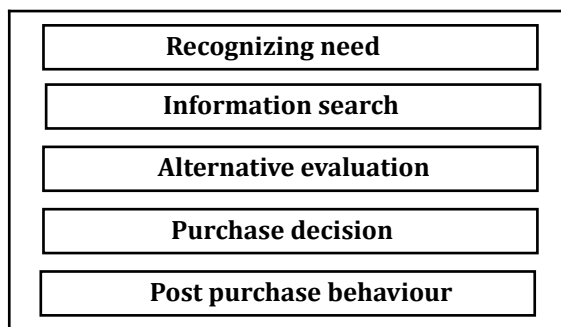
Increasingly, people are using the Internet, as well as CGM to be a part of special interest communities, to network with friends, to stay informed on various topics, to perform personal services (e.g., banking, trading stocks), to interact with various organizations and to entertain themselves. (Horrigan 2002)

Constantinides, (2004) expressed consumer buying behaviour as a complete process with stages such as the need recognition, information search, alternative evaluation, purchase decision & lastly post-purchase decision.

Carlin, Dan 2006 (BusinessWeek, 2007) reported that not only teenagers are using CGM, but also adults between 30-35 aged employees are signing in Facebook& Twitter to have regular updates from friends & colleagues.

Len hart (2007) reported that teens are the most influential segments driving the CGM movement. Social networking sites like Facebook, Twitter, MySpace and Photo Bucket have more sign-in, nearly 60% with the age group of 12 - 24years.

Hart and Black Shaw (2006) found some significant



factors like availability of user-friendly CGM sites, product experiences, ability to create & post a comment, possibility to share the content or message etc determines whether consumers will adopt CGM or not.

Beldad, (2010) Experience in adopting CGM and online ratings, comments, reviews etc. in the decision-making process is an important factor to consider when examining the determinants of trustworthiness.

Forbes, (2013) made analysed 249 sample size of consumers' purchases to study the various categories of products purchased, and revealed that purchasing decision of consumers regarding costly or inexpensive goods are influenced by the comments & opinions of their bloggers, online friends & contacts of social networking sites. As per the researcher more than 50%, individuals use Facebook & other social networking sites to get a brand or product reviews and references from friends or contacts.

Lehmann & Kok, (2013) examined the effect of social media on consumer's purchase decision-making. Here the researcher compared an influenza vaccination Ad posted on social networking websites and Dutch news sites & concluded 2 media have different impact on public. Researcher concluded that public respond fast to the Ad posted in social media when compared to news media. This revealed that social networking sites are more powerful in attracting the public and influence their decision-making much by providing sufficient information.

4. Research Methodology

Descriptive statistics

Behaviour of consumers towards CGM is evaluated using 11 determinants through 5-point scale ranging from strongly agree to strongly disagree. Every respondent has asked to specify the most preferred consumer generated media and found 39.2% of respondents preferred Facebook, 20% Twitter, 17.5% YouTube, 17.5% Instagram & remaining 5.8% Myspace. This reveals that majority preferred consumer generated media are Facebook & Twitter as shown in Table No.1

Table No.1 Preferred CGM

Preferred CGM	Frequency	Percent	Cumulative Percent
Facebook	47	39.2	39.2
Twitter	24	20.0	59.2
YouTube	21	17.5	76.7
Myspace	7	5.8	82.5
Instagram	21	17.5	100.0

Consumers while making purchase decision search for information on various social media. Consumers' selection of CGM is based on the worthiness of information provided on the web site. Consumers assess the information reliability through various consumer reviews. Hence, selection of CGM depends on CGM sites information availability. The study identified the dependency on CGM sites information and found acceptance with 12.5% of respondents strongly agree, 37.5% agree, 21.7% undecided, 12.5% disagree and 15.8% strongly disagree as shown in Table No.2

Table No.2 Dependency on CGM site's information

Dependency on CGM site's information	Frequency	Percent	Cumulative Percent
strongly agree	15	12.5	12.5
Agree	45	37.5	50.0
Neutral	26	21.7	71.7
Disagree	15	12.5	84.2
strongly disagree	19	15.8	100.0

4.1 Research Design:

The research design used for this study is descriptive research, as we are trying to describe & gain insights on role of consumer generated media through online surveys using questionnaire and some articles published in journals.

4.2 Data collection Method:

The study used both the primary and secondary data. The data collected by using a questionnaire through online survey, is a primary data. Data collected from journals and other publications had used for secondary data.

4.3 Sample Design:

- Sample – The sample used for the study had taken from Rayalseema region.
- Sample size – sample size taken for the study is 120.
- Statistical tool - SPSS

4.4 Questionnaire Design:

A well-structured questionnaire used to gather the data using 5-point scale with multiple-choice questions

4.5 Statistical tool:

The selection of the statistical tool to analyse the data collected is most significant & should choose the appropriate statistical tool, which fits good to yield the reliable output. Statistical tool applied to analyse the data in this research paper is SPSS (Statistical Package for Social Sciences)

Consumers habituated to spend time on CGM sites with or without any purpose. The study identified that 33.3% of respondents spent 2-3 hours on CGM sites in a day, 29.2% spent 1 hour, 21.7% spent more than 3 hours, 8.3% spent less than 1 hour & 6.7% spent depending on time as shown in Table No. 3

Table No.3 Time spent on CGM sites

Time spent on CGM site in a day	Frequency	Percent	Cumulative Percent
Less than 1 hour	10	8.3	8.4
1 hour	35	29.2	37.8
2-3 hours	40	33.3	71.4
more than 3 hours	26	21.7	93.3
Depends on time	8	6.7	100.0

CGM sites are playing key role in influencing the behaviour of consumers in many aspects. From the study, inferred that 11.7% strongly agreed that CGM sites plays key role in influencing consumer behaviour, 50% of respondents agreed, 10.0% undecided, and 17.5% disagreed & 10.8% strongly disagree as shown in Table No.4

Table No.4 Role of CGM in influencing Consumer behaviour

CGM role in influencing Consumer	Frequency	Percent	Cumulative Percent
strongly agree	14	11.7	11.7
Agree	60	50.0	61.7
Neutral	12	10.0	71.7
Disagree	21	17.5	89.2
strongly disagree	13	10.8	100.0

Consumers when identified a need to purchase any product, starts to search for information on various CGM sites. The study revealed that 50% of respondents agreed as CGM sites influenced them at the time of information search, 23.3% strongly agreed, 14.2% disagreed, 8.3 strongly disagree & 4.2% remained neutral as shown in Table No.5

Table No.5 CGM sites influence at times of information search

CGM sites in information search	Frequency	Percent	Cumulative Percent
strongly agree	28	23.3	23.3
Agree	60	50.0	73.3
Neutral	5	4.2	77.5
Disagree	17	14.2	91.7
strongly disagree	10	8.3	100.0

CGM sites are providing sufficient information to the customers about a brand or service. The study inferred that 2.5% of respondents strongly agreed that CGM sites provides sufficient information, 45% agreed, 10.8% undecided, 25.8% disagreed & 15.8% strongly disagreed as shown in Table No.6

Table No.6 CGM sites providing sufficient information

CGM gives sufficient information	Frequency	Percent	Cumulative Percent
strongly agree	3	2.5	2.5
Agree	54	45.0	47.5
Neutral	13	10.8	58.3
Disagree	31	25.8	84.2
strongly disagree	19	15.8	100.0

Customers who depends on CGM sites to obtain information about a brand or service trust the information available in the sites in the form of reviews & opinions. The study inferred that 3.3% strongly agreed that they trust information gained from CGM sites, 45.8% agreed, 10% undecided, 25% disagree, 15.8% strongly disagree, & as shown in Table No.7

Table No.7 Trustworthy information from CGM sites

Trusting information from CGM sites	Frequency	Percent	Cumulative Percent
strongly agree	4	3.3	3.3
Agree	55	45.8	49.2
Neutral	12	10.0	59.2
Disagree	30	25.0	84.2
strongly disagree	19	15.8	100.0

CGM sites are providing the information about all the alternative products available in the market with sufficient information. From the study it had inferred that 24% of respondents strongly agreed that CGM sites helps in evaluating alternatives available in the market, 45% agreed, 13.3% undecided, 18.4 strongly disagree, & 3.3% disagreed as shown in Table No.8

Table No.8 CGM sites in evaluating alternatives

CGM in evaluating alternatives	Frequency	Percent	Cumulative Percent
strongly agree	24	20.0	20.0
Agree	54	45.0	65.0
Neutral	16	13.3	78.3
Disagree	4	3.3	81.6
strongly disagree	22	18.4	100.0

Consumers when satisfied or dissatisfied with any product tries to post reviews or comments about their experience with that brand or service in CGM sites. From the study, it had inferred that 5.0% strongly agreed that they give ratings & reviews to brands they bought, in CGM sites, 50% agreed, 5.0% undecided, and 24.2% disagreed & 15.8% strongly disagreed as shown in Table No.9

Table No.9 providing reviews in CGM sites

Giving rating to brands in CGM	Frequency	Percent	Cumulative Percent
strongly agree	6	5.0	5.0
Agree	60	50.0	55.0
Neutral	6	5.0	60.0
Disagree	29	24.2	84.2
strongly disagree	19	15.8	100.0

Consumers purchase decisions has influenced by the reviews, comments, opinions & ratings available on CGM sites. From the above table it had inferred that 2.5% of respondents strongly agreed that their purchase decision had influenced by CGM, 44.2% agreed, 9.2% undecided, 25% disagreed & 19.2% strongly disagreed as shown in Table No.10

Table No.10 Purchase decisions influenced by CGM sites

Purchase decision influenced by CGM	Frequency	Percent	Cumulative Percent
strongly agree	3	2.5	2.5
Agree	53	44.2	46.7
Neutral	11	9.2	55.8
Disagree	30	25.0	80.8
strongly disagree	23	19.2	100.0

Correlation Result:

Correlation is used in SPSS to find out the either the relationship exists between the preferred CGM sites and its 11 determinants or not. From the study, the correlation of preferable CGM site with 11 determinants of consumer behaviour revealed that preferred CGM & CGM evaluating alternatives are highly correlated with correlation coefficient of 0.71, information search with correlation coefficient of 0.69, dependency on CGM site's information with correlation coefficient of 0.67 & product satisfaction

Table No.11 correlation coefficients

Determinants	Correlation coefficient
Dependency on CGM site's information	0.67
Time spent on CGM site in a day	0.57
CGM role in influencing Consumer	0.52
CGM sites at information search	0.69
CGM gives sufficient information	0.56
Trusting information got from CGM sites	0.59
CGM in evaluating alternatives	0.71
Giving rating to brands in CGM sites	0.46
Purchase decision influenced by CGM	0.51
Product satisfaction based on CGM reviews	0.64

Conclusion

From the above study, concluded that user generated content in the Consumer Generated Media shows much impact on consumer decision- making process mainly at the stages of information search and alternative evaluation. Many consumer are approaching CGM sites for information search & evaluating the alternative products based on the reviews, comments, opinions posted on the CGM sites, which persuading their purchase decision.

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