CHAPTER I

INTRODUCTION

“An intelligent being cannot treat every object it sees as a unique entity unlike anything else in the universe. It has to put objects in categories so that it may apply its hard-won Knowledge about similar objects encountered in the past, to the object at hand”.

Steven Pinker, How the Mind Works, 1997

The 21st century is often referred to as the “e-generation” era. Internet technology has completely changed the way the world communicates, and has transformed the world into a global village. There were 2.1 billion internet users in the world till 2011 according to the report of Internet world statistics, and India had 81 million internet users and was placed in the 4th position. (Source: www.internetworldstats.com).

The internet has generated lot of excitement due to its ubiquity in electronic businesses and spanning the entire spectrum of business, commerce and governance, ranging from e-Commerce, e-Entertainment, e-Supply Chain, e-Learning, e-Payment, e-Customer Relationship Management, e-Marketplace, e-Business, e-Ticketing to e-Governance. Internet shopping has become the default method of buying different products and services, including travel products, computer products, books, investment products, music, clothing, automobiles, flowers and home needs (Donthu & Garci, 1999).
1.1 BACKGROUND OF THE STUDY

Before obtaining deeper insight into social media marketing sites and their impact on adolescent consumers’ attitude (ACA) towards social media marketing (SMM) in Chennai (the state capital of Tamil Nadu) it is important to first know the background of the study. To describe the background of the study, an attempt has been made to discuss the social networking sites in the formative years, the rise of internet usage around the globe, e-commerce and social media, growth of social media marketing around the world and an overview of adolescence.

1.1.1 SOCIAL NETWORK SITES IN THE EARLY YEARS

The use Next was established in US in 1980. This has very good impact on localizing the global scenario. The first well-known social networking site was launched in 1997. In 1997, SixDegrees.com allowed end-users to create their profiles, display their friends’ list and from 1998 allowed a user to browse through their friends lists of their friends. All these features had existed even before the launch of Six Degrees, for e.g., creating profiles was possible on most of the dating sites and several other community sites.

Classmates.com allowed people to connect with their classmates and browse through their network to find out about others who were also members. However, users were not allowed to create profiles or list friends. Six Degrees was the first website to offer all the above-mentioned features. Six Degrees promoted itself as a medium to enable individuals to connect and communicate with others.

1.1.2 RISE OF INTERNET AROUND THE GLOBE

A brief review of Information Technology (IT) industry indicates that more than 70 % of Internet users use Internet for sending and receiving emails. This usage is followed by accessing the internet for information search, instant messaging, chat sessions, etc. India was ranked fourth (51 million) after the United
States (198 million), China (120 million) and Japan (86 million) in the absolute number of internet users by Computer Industry Alamanac in 2005.

India had 60 million internet users as compared with 207 million users in the U.S., 123 million in China, and 86 million in Japan as of September 2006 (Southasia.oneworld.net). According to statistics, there were 1,114,274,426 Internet users worldwide which represents about 16.9 % of the population as in March 2007 (planning commission.nic.in). There were 38.5 million Internet users in India in the year 2005 (www.emarketer.com).

1.1.3 E-COMMERCE

E-Commerce is selling of goods and services via electronic media. The internet facilitates exchange of detailed information between buyers and sellers easily at the click of a mouse. Online shopping has become an integral part of almost every business. The Internet makes it easy for consumers to gather information, measure it, ascertain intentions, and eventually also enable direct and easy purchase of products (Ranganathan & Jha, 2007). A new era has begun in which the majority of value-adding activities in the economy will move into cyberspace by means of globally connected electronic networks. In an increasing ‘pressed-for-time’ world, the online stores enable consumers to shop from the convenience of remote locations (Bhatnager, Misra & Rao, 2000).

1.1.4 GROWTH OF SOCIAL MEDIA MARKETING ALL OVER THE WORLD

Currently Adolescents are the most multicultural, diverse group of consumers. They have buying power and have increasing influence on household purchasing patterns. The majority of marketers can reach Adolescents through social media because they spend a lot of time on line. Adolescents are also highly influenced by mass media; TV, radio, magazine advertising and product placement. Some basic guidelines for marketing to Adolescents are to be authentic, honest, and to create a buzz about the company’s products or services. Adolescents shop in
Adolescents shop in places such as shopping malls/centers, discount stores, drugstores, electronic stores and department stores. Adolescents are the future customers for most products and services. Hence if companies offer good quality products, fair prices and build a trust with Adolescents they will have customers for life.

Social media has become one of the most powerful places where products and services can showcase to the customers. The market dynamics keep on changing from one place to other in all dimensions. Now, social media has taken the place of the market after evolution of the internet. The virtual markets attract more and more people towards new products and services. As with most things in life there are positive and negative sides to social networking.

Business today has changed from being a transactional relationship to a social relationship. In such a scenario, it is essential that successful businesses use Engagement Marketing principles in order to successfully engage their potential customers before, during and after their purchase cycle. Further, the foundation for this engagement is high-quality and pertinent information.

**Table 1.1 Top Social Media Sites**

<table>
<thead>
<tr>
<th>S.No</th>
<th>Social media</th>
<th>Monthly Visitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Facebook</td>
<td>9,00,000,000</td>
</tr>
<tr>
<td>2</td>
<td>Twitter</td>
<td>310,000,000</td>
</tr>
<tr>
<td>3</td>
<td>LinkedIn</td>
<td>255,000,000</td>
</tr>
<tr>
<td>4</td>
<td>Pinterest</td>
<td>250,000,000</td>
</tr>
<tr>
<td>5</td>
<td>Google+</td>
<td>120,000,000</td>
</tr>
</tbody>
</table>

Adolescents shop in places such as shopping malls/centers, electronic stores, drug stores, discount stores and department stores. Adolescents are the future customers for most products and services. Hence if companies offer good quality
products, fair prices (value for money) and earn the trust of adolescents, they will have long-lasting and loyal customers.

Social media has become the widely prevalent place where products and services are showcased to potential customers. As market dynamics change, social media has now taken the mantle of being the preferred (default in many instances) forum for marketing since the internet revolution spread worldwide.


Social media has rapidly climbed the rungs of the popularity ladder amongst ordinary people during the last few years, so it is very likely that social media will soon surpass all other functional areas of marketing in importance and reach. Social media is trying to address the gap between marketers and consumers by building trust relationships, continuous dialogue and interacting with the right audience in the right manner and in one of the fastest ways.

Social media marketing is growing very fast and has huge potential, however but is still in a budding stage in India. Hence, it is time for companies to devise effective strategies and execute them successfully to be able to leverage social media marketing to their benefit, e.g., winning larger share of business
through this revolutionary medium and leading the way in innovation in the future by sustaining the competitive edge.

![Diagram 1.2 Social Media Growth 2006-2012](http://www.dstevenwhite.com)

The internet has evolved into a truly global market place with business opportunities for everyone including developed as well as developing countries such as India (Joshi, 2013). According to a research by Forrester which is one of the leading research and advisory firms, the e-commerce market in India is estimated to grow at a CAGR of more than 57% during 2012-16. The table below depicts a part of Forrester research report that shows the estimated online Business to Consumer (B2C) sales of different countries including India. From the table, it is evident that B2C sales in India are growing at a CAGR of nearly 53% to reach $8.8 billion by 2016. This is quite understandable as the drivers for such a consistently high growth rate include ease and comfort of buying (convenience), variety of options available and various cash payment options that are available without having to physically visit a shop at all.

From the chart above, it is evident that social media has grown manifold during the last few years, in particular, Facebook, Twitter, Google+ and LinkedIn – Facebook has grown nearly ten-fold during the period 2008-12, Twitter has grown nearly five-
fold during 2009-12, Google+ has grown nearly five-fold in just 1 year (2011-12) and LinkedIn has more than doubled during 2010-12.

<table>
<thead>
<tr>
<th>Country</th>
<th>Sales in $Billion</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
</tr>
<tr>
<td>India</td>
<td>1.6</td>
</tr>
<tr>
<td>Australia</td>
<td>23.2</td>
</tr>
<tr>
<td>Japan</td>
<td>63.9</td>
</tr>
<tr>
<td>China</td>
<td>169.4</td>
</tr>
</tbody>
</table>

Source: India has to be fastest growing e-commerce market.

1.1.5 ADOLESCENCE – AN OVERVIEW

Adolescence is the period of life bounded by puberty and assumption of adult responsibilities. It starts with puberty, which begins with the appearance of secondary sex characteristics and ends with psychosocial markers, such as assumption of adult responsibilities. Adolescence is a psychological concept with biological correlation; however puberty is primarily a biological concept. In our culture adolescence is 'neither children nor adults'. According to Piaget (1982), psychologically, adolescence is the age when the individual becomes integrated into the society of adults, and it is the time when a child no longer feels that he/she is inferior to his/her elders but the equal, at least in rights. “Adolescent- defined by WHO (World Health Organization) is a period from 15 to 24 years. One in every five person is an adolescent”.

1.2 SIGNIFICANCE OF THE STUDY
Marketers are always interested to grab the attention of the consumers. People have embraced new media and technologies such as smart phones, tablets, smart watches, wearables, etc. This has enabled marketers to reach consumers 24/7 through a variety of such mediums. Further, in today’s world almost everyone can access social media through a variety of mediums such as desktops, laptops, tablets, smart phones, etc. and almost everywhere – at home, office, while travelling as well as in public places. Therefore it is imperative that marketers consider social media as an integral part of their marketing strategy. Traditional campaigning approaches are overshadowed not only by rising social media but also due to increasing difficulty to create an outstanding campaign due to prohibitive costs and a very competitive market. The purpose of this study is to investigate the influential factors on adolescent consumers’ attitude towards social media marketing and how the attitude influences the social media usage pattern.

1.3 STATEMENT OF THE PROBLEM

The nineties witnessed a surge in internet usage in developed countries, and as one approached the new millennium, this trend also caught up with developing countries like India. Between 2000 and 2007, use of mobile phones rose exponentially, and by around 2008, it became everywhere. During the last five years, there has been a rapid increase in usage of smart phones and tablets. In parallel, the early 2000s witnessed social media sites such as Orkut which started off as a means to share opinions, etc. among friends and acquaintances. Subsequently, social media websites such as Facebook, Four Square, LinkedIn, etc. grew in popularity, and today it is an integral part of our lives. Being online on social media almost 24x7, sharing information and status updates instantaneously seems to be almost a universal trait of all millennials. Steady decrease in cost of smart phones and tablets, rising data speeds due to the advent of 3G and 4G, and the almost ubiquitous presence of Wi Fi especially in urban areas has also played a role in this nearly 24x7 online presence of people on social media. As a result, adolescents who constitute a significant part of the millennial population seek social media for almost everything – ranging from help during crisis or emergency situations (like during the
recent floods in Chennai in December 2015), to exchanging information, marketing and buying/selling products, reviews of books, movies, products, places, brands, etc., political/religious/cultural/sports/... affiliations, status updates of their day-to-day activities (including very mundane ones such as eating food), etc. Given this context, in a city like Chennai, one can certainly anticipate that social media marketing shall play a very important role in influencing adolescent consumers. However, it would be interesting to delve into the details to find out the impact of social media marketing on adolescents with varied demographic profiles, socio-economic status, family size, etc. This, in turn, would enable organizations fine-tune their marketing campaign (on social media as well as on other mediums) to target the right population. It is with these broad objectives that this research has been carried out.

1.4 OBJECTIVES OF THE STUDY

- To study the demographic profile of the Adolescent Consumers in Chennai.
- To know the social media usage perception of the Adolescents Consumers in Chennai.
- To identify the Factors influencing the Social Media Marketing in the study domain.
- To ascertain the Factors influencing the Adolescent Consumers’ Attitude in the study domain.
- To examine the Relationship between Social Media Marketing and Adolescent Consumers’ Attitude.
- To find the influence of demographic profile and social media usage of the adolescent and the perception towards Social Media Marketing and Adolescent Consumers’ Attitude.

1.5 HYPOTHESES

- The factors of Social Media Marketing do not differ significantly.
- There is no significant difference among the Factors of Adolescent Consumers’ Attitude.
There is no significant relationship between Social Media Marketing and Adolescent Consumers’ Attitude.

There is no significant influence of Demographic Variables of adolescent on their perception towards Social Media Marketing.

There is no significant influence of Demographic Variables of Adolescent on their Attitude towards Social Media Marketing.

1.6 METHODOLOGY

Research Methodology is a systematic process used to collect information and data for the purpose of making business decisions. The methodology may include surveys, interviews, publication research and other techniques comprising the present as well as past information.

1.6.1 Sampling Areas Covered for the Study

Chennai has been chosen as the survey area. The data was collected from North Chennai, Central Chennai and South Chennai covering areas (fifteen zones in Chennai metropolitan) South Region of India, namely Thiruvottiyur, Manali, Madhavaram, Adyar, Perungudi, Soliganallur, Kodambakkam, Tondiarpet, Thiru-vi-ka Nagar, Royapuram, Ambattur, Valasaravakkam and Alandur.

Educational Institutions covered in Chennai

Students studying in the following institution were the surveyed population for the study

(i) Schools and Diploma institutions

- Higher secondary schools
- Indian Technical Institute (ITI)
- Diploma Institutes
(ii) **Colleges and universities** (including deemed)

- Arts and science colleges
- Universities
- Engineering colleges
- Medical colleges

1.6.2 **Sources of Data**

The study mainly depends on the Primary data collected through a well structured Questionnaire distributed to Adolescent Consumers in Chennai alone. The Secondary data was collected from journals, magazines, books, articles, research papers and websites.

1.6.3 **Sampling Method**

This study applies a convenience sampling technique as a sampling method. Further convenience sampling method was used for two reasons-firstly, respondents were selected because they happened to be in the right place at the right time and secondly, convenience sampling technique is not recommended for descriptive or casual research, but it can be used in exploratory research for generating ideas (Malhotra2005). The researcher visited the class rooms of schools and colleges to distribute the questionnaires.

1.6.4 **Data Instrument**

An interview schedule was developed after reviewing related literature and considering the objective of the present study. In the process of preparing and finalizing the questionnaire suggestions were taken from subject experts. The questionnaire was divided into four major parts. The first part of the questionnaire pertains to the demographic status of the respondents, part II focuses on the Social
media usage of the adolescent, part III gives perception of Social media marketing and part IV deals with Adolescent consumer attitude.

The research instrument had a total of 150 questions. Questions were asked under the following headings:

- **Part I**  Personal information or Demographic details (14 questions)
- **Part II**  Social media usage,
  - What makes you accept to join a SM (Social Media) group (select all that apply)? (6 questions)
  - How important are the following factors in your decision to purchase goods online based on SM (Social Media) marketing? (Rank the following from 1 to 7, 1 – most important, 7 – least important),
  - Where do you usually access social media (select all that apply) (6 Options)
  - How do you usually access social media (select all that apply), (4 Options)
  - Purpose of usage of social media (select all that apply), Frequency of social media website visit,) (5 options).
  - How do you use the following social media features while accessing social media? VF: Very Frequently (every time) F: Frequently (once every 2 times) S: Sometimes (once every 3-5 times) R: Rarely (once every 6-10 times) VR: Very Rarely (fewer than once every 10 times), using Five-point Likert scale.
  - How often do you use the following social media websites? VF: Very Frequently (at least once a day) F: Frequently (once every 2-4 days, i.e., atleast twice a week) S: Sometimes (once in 1-2 weeks) R: Rarely (once in 3-6 weeks) VR: Very Rarely (< once in 6 weeks) ) (7 questions) using Five-point Likert scale.
  - Motivation to visit social media page (select all that apply) (5 options) Factors influencing online shopping through
links/info available on social media: Rank the following from 1 to 8, 1 – most important, 8 – least important. ) (8 questions).

- How important are each of the following factors in refraining / keeping you away from shopping online through links/information available on social media: State your opinion about the factors related to social media – tick the relevant option Very Important –5; Important – 4; Neither Important nor Unimportant – 3; Unimportant -2 not important at all (12 questions) using Five-point Likert scale

- Part III Social Media Marketing (44 questions), using Five-point Likert scale.
- Part IV Adolescent consumers’ attitude (43 questions) using Five-point Likert scale.

The questions were presented as statements. The items were measured by a 5 point Likert’s Scale where the choices ranged from 1= strongly disagree to 5= Strongly Agree. Likert Scaling is a bipolar Scaling method measuring either positive or negative response to a statement. A central point on the scale was Neutral (no opinion) statistical package for the social science (SPSS) was used to analyze the data

1.6.5 Data collection process

The researcher had personally visited all the selected schools, colleges, and other technical, professional educational institutions to conduct the survey. Data was collected from the adolescents both on the campus and off the campus.

Permission had been taken from the heads of the educational institutions to meet the adolescents inside the campus for the survey. The researcher spent considerable time with the adolescents for getting the questionnaire filled. Filled questionnaire was collected on the same day. Adolescents who would co-operate and aware of the field of social media. They all answered the questionnaire with great interest, involvement and commitment. As regards off the campus adolescents filled the questionnaire with the help of their parents.
Pilot Study (pre-test)

As a Pilot study was the first stage in the data collection process and it was conducted between the period from April 2014 to June 2014 by distributing 100 Questionnaires to adolescent consumers, Reliability test was conducted using Cronbach Alpha Method which revealed the Reliability percentage 92.7% and 93.8% social media marketing and adolescent consumers’ attitude respectively.

Table 1.3 Reliability Statistics

<table>
<thead>
<tr>
<th>S. No</th>
<th>No. of Items</th>
<th>Cronbach's Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Social media marketing</td>
<td>44</td>
</tr>
<tr>
<td>2</td>
<td>Adolescent consumer attitude</td>
<td>43</td>
</tr>
</tbody>
</table>

Data Collection

In the second stage, the Data Collection was carried out between July 2014 and March 2015. Out of 500 questionnaires distributed, 12 questionnaires were incomplete and 16 questionnaires were not returned to the researcher. Finally 472 completed questionnaires were received out of 500 questionnaires distributed to the adolescent consumers. On the whole, including pilot study (100 questionnaires and data collection (472 questionnaires), 572 respondents were surveyed for the study.

1.6.6 ANALYSIS OF THE DATA

After collecting the data, the researcher had turned to the task of analyzing them. The analysis of data requires a number of closely related operations such as establishment of categories, the application of these categories to raw data through coding, tabulation and then drawing statistical inferences. The following research tools had been applied by the researcher for analyzing the data, drafting statistical conclusions to meet the objectives of the study.
Simple Percentage Analysis was applied on the Demographic and Usage Profile of Adolescent consumers.

Ranking of factors of Social media usage was carried out through Ranking Mean Values and one-Sample t-test.

Factor analysis, a multi-variable tool had been used to reduce enormous number of variables into predominant factors of Social media marketing and Adolescent consumers’ attitude.

Cluster analysis, a multi – variable technique was used to group Social media marketing and Adolescent consumers’ attitude. The resulting clusters of adolescents exhibited high internal homogeneity among the cluster and high external heterogeneity between the clusters.

Significant association among the groups of adolescents was arrived at, based on the factors of the social media marketing and adolescent consumers’ attitude by using Chi-Square Analysis.

Relationship among the various predominant factors of Social media marketing and Adolescent consumers’ attitude was found out by applying Multiple Regression analysis.

Influence of the demographic variables and usage pattern of social media variables on the factors of Social media marketing and Adolescent consumers’ attitude had been studied by adopting One-way Analysis of Variance.

1.7 LIMITATIONS OF THE STUDY

- The Research Area was confined to Chennai Only.
- Only Adolescent consumers (in the age group 15-24) have been taken up for the study.
- Sample size was only 572
- Respondent’s opinion differs from time to time.

1.8 CHAPTER SCHEME

The present study on Adolescent consumer’s attitude and social media marketing development in Chennai has been conducted with a view to identify and rank the factors of social media marketing, adolescent consumer attitude and social
media usage among adolescent consumers in Chennai. The influences of the demographic and social media usage variables on the factors of social media marketing and adolescent consumers, their relationship and association have also been attempted in this study.

CHAPTER I highlights the background of the study and traces the significance and statement of problem of the study, objective of the study, hypotheses formulation, and methodology of the study, data collection process and analysis and the limitations of the study.

CHAPTER II: Portrays research studies both empirical and descriptive studies attempted by various researchers in the field of Social media marketing, consumer attitude, awareness, preference, purchase decision, level of satisfaction and social media usage. It sketches the review of related literature relevant to the present study.

CHAPTER III gives a brief description of the Meaning and definition of an adolescent and social media marketing, Characteristics of the adolescent consumers, usage of social media. Adolescent consumers and social media, need for social media, classification of social media and consumer attitude theory.

CHAPTER IV illustrates the profile of the Chennai Adolescent consumers and their usage pattern in percentage. It also gives the result of the t-test and ranking analysis.

CHAPTER V depicts the impact of the factors of social media marketing and adolescent consumers’ attitude. Based on factor analysis adolescent consumers are classified into homogeneous groups. Impact of demographic variables on clusters of adolescent consumers’ attitude and social media marketing are also studied in this chapter.

CHAPTER VI measures the nature of relationship between factors of social media marketing and adolescent consumers’ attitude. Based on the findings of the study social media marketing and an adolescent consumers’ attitude Model is developed.