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# THE INFLUENCE OF SOCIAL MEDIA INFLUENCERS ON CONSUMER BEHAVIOUR AND PURCHASING DECISIONS WITH REFERENCE TO L.G

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## ABSTRACT

Customers make purchases in order to satisfy needs. The wealth of products and services produced in a country make our economy strong. All the behavior of human beings during the purchase may be termed as “buyer behavior”.. In this article there is a view about birth of buying ideas, what is buyer behavior, How consumer buy, why consumer buy, types, Decision process, Motives, conclusion.

Consumer is the king and it is the consumer determines what a business is; therefore a sound marketing programmed start with a careful analysis of the habits, attitudes, motives and needs of consumers. In particular a marketer should find answer to the following questions:

Mr. A owns scooter. The scooter is causing dissatisfaction because of some defects or troubles in it. He decides to replace it with another scooter. He anticipates the idea of a trouble free and dependable scooter. He decides not to buy a scooter of the same make, because of dissatisfaction and lack of confidence. Thus a thought seed about a new scooter is born in him, the moment he thinks, “I must replace the scooter “ the buying ideas come up. With the thought in his mind, he thinks of the benefits. And this leads to further thinking: what sort of a scooter will give the benefits, he wants. The benefits make the desire. He may buy any one of many makes of scooter, which can give the desired benefits. He makes enquiries and observe through talking to his friends. He reads advertisement about the new scooters. He chooses one with all the possible advantages and which is wholly dependable. Mr. A is a prospective customer to a dealer.

Customers make purchases in order to satisfy needs. Some of these needs are basic and must be filled by everyone on the planet (e.g., food, shelter) while others are not required for basic survival and vary depending on the person. It probably makes more sense to classify needs that are not a necessity as wants or desires. In fact, in many countries where the standard of living is very high, a large portion of the population’s income is spent on wants and desires rather than on basic needs.

## I. INTRODUCTION

### Consumer Behavior

#### Definition:

Consumer behavior refers to the mental and emotional process and the observable behavior of consumers during searching, purchasing and post consumption of a product or service. Consumer behavior involves study of how people buy, what they buy, when they buy and why they buy. It blends the elements from psychology, sociology, sociopsychology, anthropology and economics. It also tries to assess the influence on the consumer from

groups such as family, friends, reference groups and society in general.

Buyer behavior has two aspects: the final purchase activity visible to any observer and the detailed or short decision process that may involve the interplay of a number of complex variables not visible to anyone.

What influences consumers to purchase products or services? The consumer buying process is a complex matter as many internal and external factors have an impact on the buying decisions of the consumer.

When purchasing a product there several processes, which consumers go through. These will be discussed below.

#### **Purchase decision**

Through the evaluation process discussed above consumers will reach their final purchase decision and they reach the final process of going through the purchase action e.g. The process of going to the shop to buy the product, which for some consumers can be as just as rewarding as actually purchasing the product. Purchase of the product can either be through the store, the web, or over the phone.

#### **Post Purchase Behavior**

Ever have doubts about the product after you purchased it? This simply is post purchase behavior and research shows that it is a common trait amongst purchasers of products. Manufacturers of products clearly want recent consumers to feel proud of their purchase, it is therefore just as important for manufacturers to advertise for the sake of their recent purchaser so consumers feel comfortable that they own a product from a strong and reputable organisation. This limits post purchase behavior. i.e. You feel reassured that you own the latest advertised product.

#### **NEED FOR THE STUDY:**

Customers consider various factors for purchasing Products in LG Electronics. The factors they consider are based on certain demographic variables such as income, age, occupation etc. It also depends on attributes and life Performance of the customer buying behavior becomes essential to get a competitive edge.

#### **OBJECTIVE OF THE STUDY:**

Main objective: The main objective of the study is to study the buying motives of the customers regarding 1 Products in **LG Electronics limited**.

#### **SPECIFIC OBJECTIVES:**

1. To find the age group, educational background, occupation / profession and income and income level of the respondents.
2. To know whether the customer is interested to buy the Products in **LG Electronics limited** or not.

3. To find respondents reason for purchasing the Electronics Products.

4. To know the importance reason the respondents give to each factor for

Purchasing Products in **LG Electronics limited**.

5. To know the customer service satisfaction from the respondents.

6. To know the awareness of the brand **LG Electronics limited**.

#### **RESEARCH METHODOLOGY**

##### **SOURCES OF DATA:**

##### **PRIMARY METHOD:**

Primary data are those, which are collected fresh and for the first time and this happen to be original in character. In this study primary data was collected by interview schedule method.

##### **SECONDARY METHOD:**

Secondary data are those, which are collected from existing data. Secondary data for this study include appropriate material from newspaper, Magazines, Brouchers, Company Reports, Standard Text Books, and information from Internet has also been acquired wherever necessary.

##### **DATA COLLECTION INSTRUMENTS:**

The instrument used for this study is an interview schedule. Questions related to objectives of the study from the major portion of the interview schedule. It mainly consists of multiple-choice questions so that the respondents can mark one or more of the several choice of answers. Secondary data has been gathered from many published sources such as Newspapers, Journals, Magazines, Company Reports, standard textbooks and information from Internet has also been acquired wherever necessary.

##### **METHODOLOGICAL ASSUMPTIONS:**

- a) The primary data has been collected by an interview schedule.
- b) The sample for the study was selected on a convenience basis
- c) All primary data collected is true and reflects the actual actions of the respondents.

- d) The data collected has been coded, tabulated and analyzed into logical Statement using simple statistical methods, pie charts, etc.

### **DESCRIPTION OF THE RESEARCH DESIGN:**

A research design is a logical and systematic plan prepared for directing a research study it specifies the methodology and technique to be adopted for achieving the objectives. It constitutes the blueprint for the collection, measurement and analysis of data.

The main aim of the study is to evaluate the brand image of LG Electronics. The study is descriptive in nature. Surveys are best-suited method for descriptive research. So survey method is used for the study.

The preparation of a research plan for a study aids in establishing direction to the study and knowing exactly what has to be done and how and when it has to be done at every stage.

A research plan describes the boundaries of research activities and enables the research to channel his energies in the right work. With clear research objectives, in view the research can proceed systematically towards his achievements.

### **SAMPLING PROCEDURES:**

Sampling is a systematic approach for selecting a few elements from an entire collection of units (population) in order to make some inference about the total population it is a small specimen or a segment of the whole population representing its general qualities as far as possible. The study was undertaken by convenience sampling.

### **CONVENIENCE SAMPLE:**

Convenience sampling is a non-profitability sampling. It means selecting sample units in just hit and miss fashion i.e., interviewing people whom you happen to meet.

### **SAMPLE SIZE:**

The study is conducted on a sample of 100 respondents.

### **SAMPLING FRAME:**

The population for the study consists of **LG Electronics limited** shore room owners in the cities of Hyderabad and Secunderabad.

### **RESEARCH INSTRUMENTS:**

An interview schedule was used to conduct the study.

### **LIMITATIONS:**

1. The Time Period Of Project Is 45 Days.
2. Though The Customers Wanted To Give Information They could not Give As It Wastes Their Business Time.
3. The Accuracy Of The Answers Depends Upon The Mode Of Interest Of Respondents.
4. Though the customers wanted to give information they could not, as they felt it takes away their business time.
5. The accuracy of the answers depends upon the mode of interest of respondents.
6. The opinions of the sample may or may not depict the exact opinions of the total population.

## **II. LITERATURE REVIEW**

“Since the customer are the main focus of any organization its structure should be so flat i.e., people fluently interact with the customer and maintain continuous feedback about the customer’s moods and methods in order to shape its business portfolio and strategies”.

It is very important to find whether the fundamentals of the organization are getting strong as desired. It is therefore rightly said that a well trained army with quality arms and ammunitions and with a sense of involvement can get the nations frontiers in a desirable and dependable manner similarly: people at the operation level with superior competency and capability supplied with superior products and strategies can acquire a place for an organization in the market place. Retail outlets are the contact points of the customers and therefore the image of the organization largely depends upon the quality of the people managing the interventions and transactions at the level.



## CUSTOMER GETTING SMARTER

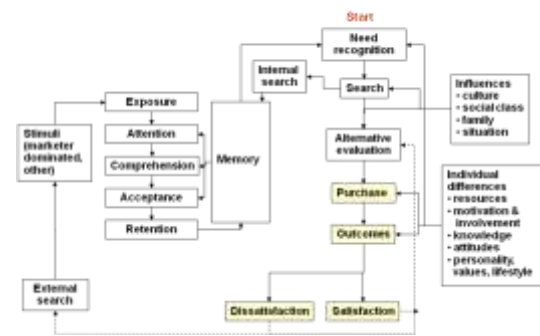
A competitor, in order to achieve the loyalty of the customers, offer an endless information flow on the products and services and thereby continuously educates the customer about the opportunities in the market. Therefore today even an ordinary person, is in possession of the large amount of data to use for the purpose of making a decision as to which products/ services he would go in for. The competitive environment is making the customer wiser day by day and he is able to take a large number of decisions on his own. The experts' advice of the olden days is being replaced by the customer's own wisdom. This is making the market place more complicated and unpredictable. The customer is getting smarter today and he is able to decide his own money's worth and therefore, organization across the board are pursuing the customer's views to streamline their business strategies to remain customer-worthy.

People are the prime factor for any organization to maintain the effectiveness and thus develop the right focus for the people, so that each one perceives as clearly as possible his position in the cycle of growth and prosperity of the organization. Agendas will have to be drawn in such a manner and communicated so effectively that the individual is able to enjoy a meaningful life in the organization, endowed with authority and responsibility for the role he plays.

### The Consumer Market:

The consume market consists of all the individuals and households who buy or acquire goods and services for personal consumption. The simplest model consumer buyer behavior is the stimulus – response model. According to this model marketing stimuli ( the four Ps) and the major forces (economic, technological, political, cultural) enter the consumer's "black box" and reproduce certain responses.

Complete model of consumer behavior



Social factors influence buyer's behavior. A person's reference group-family, friends, social organizations, professional associations- strongly affect product and brand choices. The buyer's age, life-cycle stage, occupation, economic circumstances, lifePerformance, personality, and other personal. Characteristics influence his or her buying decisions. Consumer life-Performences the pattern of acting and interacting in the world are also an important influences on purchase decisions.

Finally, consumer-buying behavior is influenced by four major psychological factors- motivation, perception, learning, and beliefs and attitudes. Each of these factors provides a different perspective for understanding the workings of the buyer's black box.

### Consumer Decision-Making Process



## CONSUMER PERCEPTION

It can be defined as the process by which an individual selects, organizes, and interprets stimuli into a meaningful and coherent picture of the world. A stimulus is a unit of input to any of the senses. Examples of stimulus ie, sensory input include products, packages, brand names, advertisements, and

commercials, sensory receptor. Marketers do not want their target audience to look only at the models in their ads. They want to communicate something about their products as well.

### **Why Consumers Buy**

As we discussed in the What is Marketing? tutorial, customers make purchases in order to satisfy needs. Some of these needs are basic and must be filled by everyone on the planet (e.g., food, shelter) while others are not required for basic survival and vary depending on the person. It probably makes more sense to classify needs that are not a necessity as wants or desires. In fact, in many countries where the standard of living is very high, a large portion of the population's income is spent on wants and desires rather than on basic needs.

### **SOCIOLOGICAL ASPECTS OF THE CUSTOMER & CONSUMER BEHAVIOR**

There are countless theories explaining customer behavior and attributes. According to the Consumer Psychology in Behavioural perspective. "The most widely-accepted and influential models of consumer behavior derive in large part from cognitive psychology. As a result, consumer choice is usually understood as a problem-solving and decision-making sequence of activities, the outcome of which is determined principally by the buyer's intellectual functioning and rational, goal-directed processing of information." . These types of theories on consumer behavior invest consumers with extensive capacities to handle considerable quantities of information and to engage in processing of that information to compare, contrast, and evaluate alternative information for the consumers' purposes and aims. Even early models of managerial type decision-making models were based on this reasoned, goal-directed information processing. With the constant growing competitive markets and the growing field of information within those markets, no one individual nor organization can encompass the information flow by cognitive means. Computers and information systems have

replaced the activities of individuals in the decision making roles and organization have built systems to become the cognitive decision making models that once was done by human means alone. So how does this affect the customer? It now means that not only does the organization need to understand the consumer, but the system that is built needs to have that understanding also.

### **MANAGING CUSTOMER EXPECTATIONS**

In developing any type of business relationship, especially in a service-oriented type of relationship, expectation on both parties must be monitored and maintained. In Managing to Keep the Customer, the service organization should have the recognition of the needs, coupled with knowledge of what to change, capacity, and willingness of the management team to implement the needed changes. Once a project is in motion, expressing those necessary changes in the current protocols of the client organization is necessary and effective communication of the goals of that client organization is a must. Getting those necessary systems requirements prior to the engagement of a project is always necessary, but is not always easy. Being able to change the project in the middle can be costly for the client and for the vendor. It can cause a change in focus because of the fact that the whole picture was not fully presented prior to the beginning of the project or it can even scrap what has been done and must redo to encapsulate the whole system.

First and foremost, the concept of understanding customer's perceptions must not be an afterthought, but must be the driving force behind every project. "Our expectations are influenced by our previous experience, our knowledge, and our memory. And what we perceive is often what we expect to see or what we are looking for. This mental set functions at the unconscious level to delimit our capability to perceive." (Mahatoo, p.68). Keeping this in mind, we are enabling our client to use prior experience to maintain their expectations. Their perception is not always

reality; therefore vendors must "shape" those perceptions, so that it does reflect reality. "A key to the design and operation of project management is understanding the user's perceptions and matching the systems around those perceptions. Failure of most projects stem from systems developers denying that the users have any say in the development of the systems". (Bender, p.28.)

### **SCOPE CREEP -- HOW TO AVOID IT & THE VENDOR'S RESPONSIBILITY**

A good definition is located from the web: "Scope Creep is the expression used by project managers and/or vendors who are under pressure to constantly deliver in excess of what was originally agreed. Scope creep normally results from a failure to establish the clear requirements of the business users. As these begin to solidify the scope of the original plan can start to move - and continue to move. If the project manager is not alert to this (all too common) phenomenon, the requirements will constantly change thus ensuring that the projects spends years on delivering nothing, as they are continually reviewing and altering direction."

This scope creep cycle can be disastrous for some organizations. The cycle of reviewing and changing the requirements may be necessary on the customer's side, but a worse case scenario is that the whole project is cut because of a lack of funding or lack of time. On the other hand, a scope change can be an opportunity. Some scope changes that are clearly beyond an original work package may turn out to be the source of additional work - commonly called add-on work, engagement expansion, up-selling etc. "Good scope management always keeps that possibility in mind. It's a great way to turn a possible threat into an advantage. Some service organizations thrive by expanding existing projects by identifying additional "value-added" work they can perform for their clients. The keyword is value-added, not nickel and diming or padding the contract. Your client will be happier for it. And your

project manager and employer will love you for it."

### **POOR ESTIMATION (VENDOR'S RESPONSIBILITY)**

Inaccurate estimations are "one of the major factors in the breakdown of relationships between IT people and their clients." (10). A project plan is an educated guess at how to reach certain goals, by a certain date, at a certain cost. The plan needs to be put together by the project manager, with the input of the people who will actually be doing the work. To the question; Why are these estimates not borne out? the answer is "It's not that simple.";

In the early stages of a project, particularly a large one, when the estimates are generated, there can be a vagueness about what form the project will really take, both with regard to the tactics of performing the tasks, as well as the actual goals, which can change as work progresses. This results in a risk that: "the schedule dates and budget numbers lack validity at later stages of the project. As more project activities are completed, and more changes occur in your knowledge and understanding of the project goals and objectives and of the possible ways of producing a correct solution, the more likely it is that the assumptions you made early on are incorrect and incomplete. " . This presumes that we find out more about the project as we go along -- even with regard to the goals. But even with projects that are well defined from the start, accurately predicting the end date can be problematic, "because we know so little about accurate schedule estimation, and because estimates are usually made by the people who are least able to make accurate estimates (e.g., marketers and customers), it is simply the norm that schedule targets, and thus cost targets, are unreasonably short. The problem for systems and software is that the field is so young... we are really never quite sure that an unreasonable schedule is, in fact THAT unreasonable." . Additionally, many estimates may be politically driven (Thomsett), with an end result similar to the

above. In fact, Thomsett (e, 1998) in a very funny article about the "Estimation Games" played between the project manager and his superiors, suggests that in the most desperate cases, where the project manager has a gun to his head to produce estimates, he take out the most reliable estimating tool around: three dice. Shake, roll, and give the total of months (or weeks or days, depending on the situation) for the project.

### **LACK OF MANAGEMENT EXPERIENCE**

Project managers generally evolve into their role; they do not train for them. In fact, Thomsett notes, "the average commercial IT person has completed a 3 year university degree in computing before they are recruited into organizations. In addition, most IT people would obtain at least 3 -5 days of formal technical education per year within their companies. So, if we look at an 8-year veteran, they would typically have between 300 - 400

days of formal technical education! However, as they are moved into project management, the total of formal education in project management is 0 days! At best, they may receive a 1 to 3 day workshop on project management. No wonder our group & others & have found that poorly-trained project managers are a major cause of project failure." To this lack of project management experience we can add the observation that project managers are usually promoted because of their technical abilities, not because of their adeptness at social skills, which is more necessary than technical virtuosity. As a project manager, you "must develop your ability to facilitate, include other people, and [gain] consensus among people with different expectations." . DeWeaver echoes this approach throughout her book. This skill set of a high degree of creativity, breadth of vision, and a concern for people, is difficult to realize.

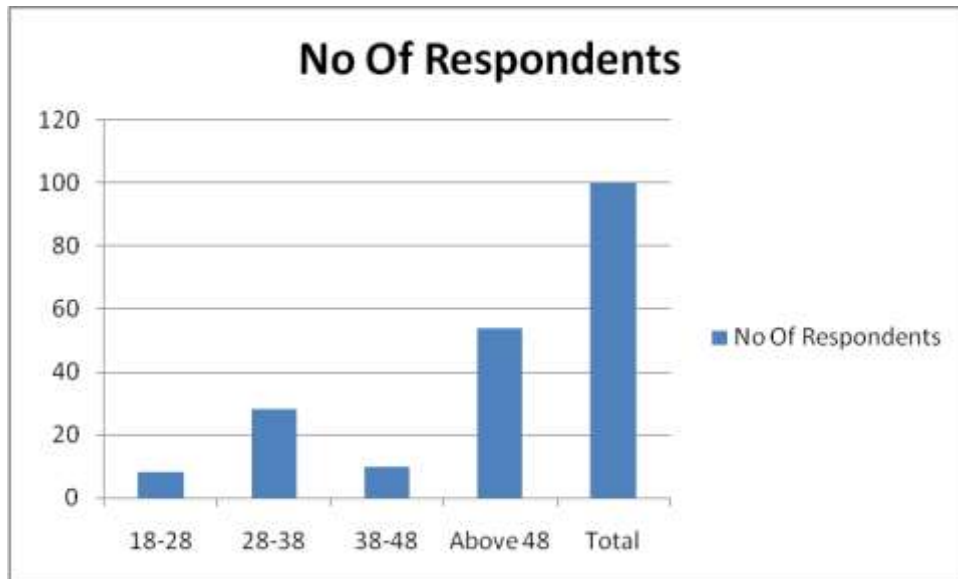
### **III. DATA ANALYSIS&INTERPRETATION**

#### **AGE GROUP OF THE RESPONDENTS:**

The below table shows the age group of the respondents surveyed:

AGE	No Of Respondents
18-28	8
28-38	28
38-48	10
Above 48	54
Total	100



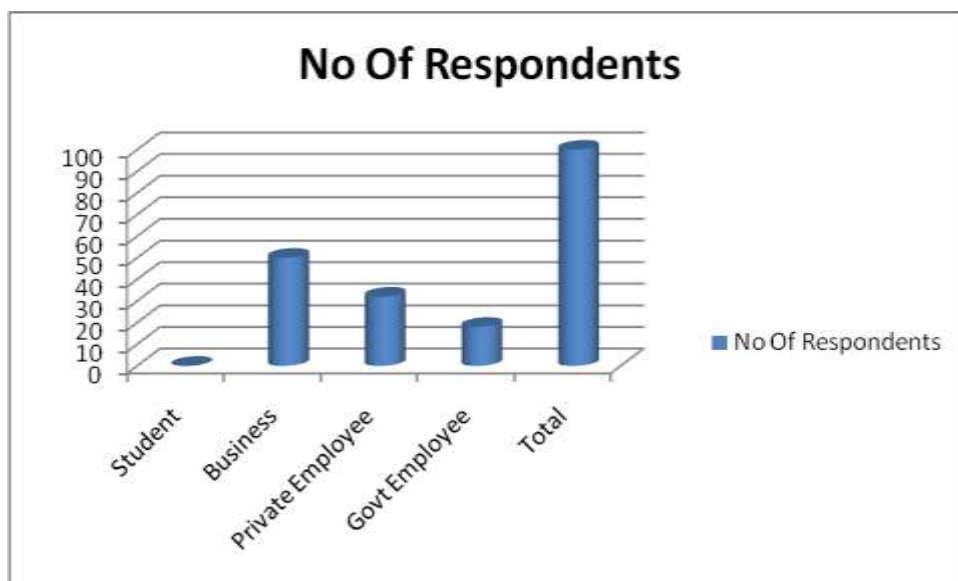


INFERENCE: From the above table, 8% of the respondents belong to the age group of 18-28 years, 28% of the respondents belong to the age group of 28-38 years, 10% of the respondents belong to the age group of 38-48 years, 54% of the respondents belong to the age group of above 48 years.

#### OCCUPATION OF THE RESPONDENTS:

The below table shows the type of respondents of the respondents surveyed.

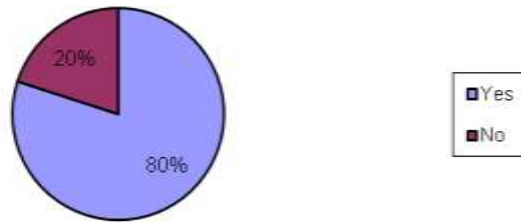
Occupation	No Of Respondents
Student	0
Business	50
Private Employee	32
Govt Employee	18
Total	100



INFERENCE: From the above table 0% of the respondents are students, 50% of the respondents are businessmen, 32% of the respondents are private employee, 18% of the respondents are Govt employee.

The below table shows that whether the respondents is Wanting To purchase

Wanting to Purchase	No of respondents
Yes	80
No	20
Total	100

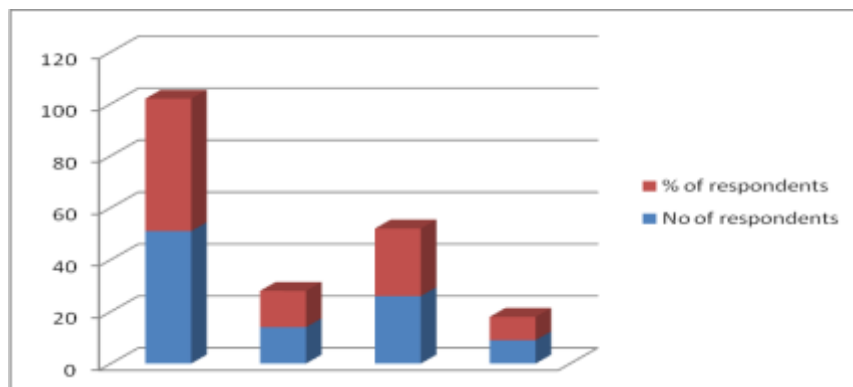


#### INFERENCE:

From the above table 80% of people wanting to buy and 20% do not want to buy the products of LG Electronics.

The below table shows the type of Goods that the respondent is wanting.

Type of Goods	No of respondents	% of respondents
Electronics	51	51
Cosmetics	14	14
Dresses	26	26
Others	09	9



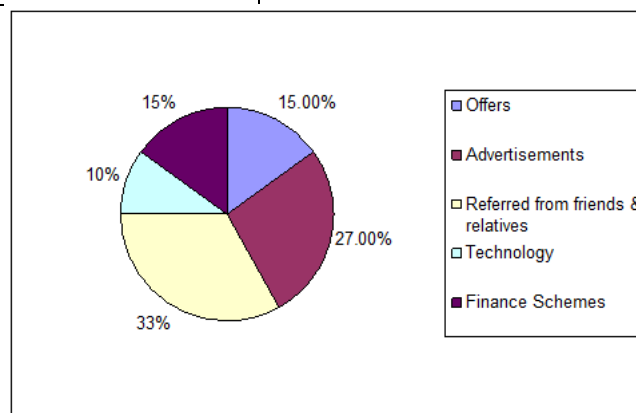
#### INFERENCE:

From the above table 51% of the respondents are Wanting LG Electronics Products. 14% of the respondents want Cosmetics. 26% of the respondents want Dress. 9% of the respondents want others.

### SOURCES OF INFORMATION

The below table shows, from where did the respondent get the information about the LG Electronics.

Sources of information	No of respondents
Offers	15
Advertisements	27
Referred from friends & relatives	33
Technology	10
Finance Schemes	15
Total	100

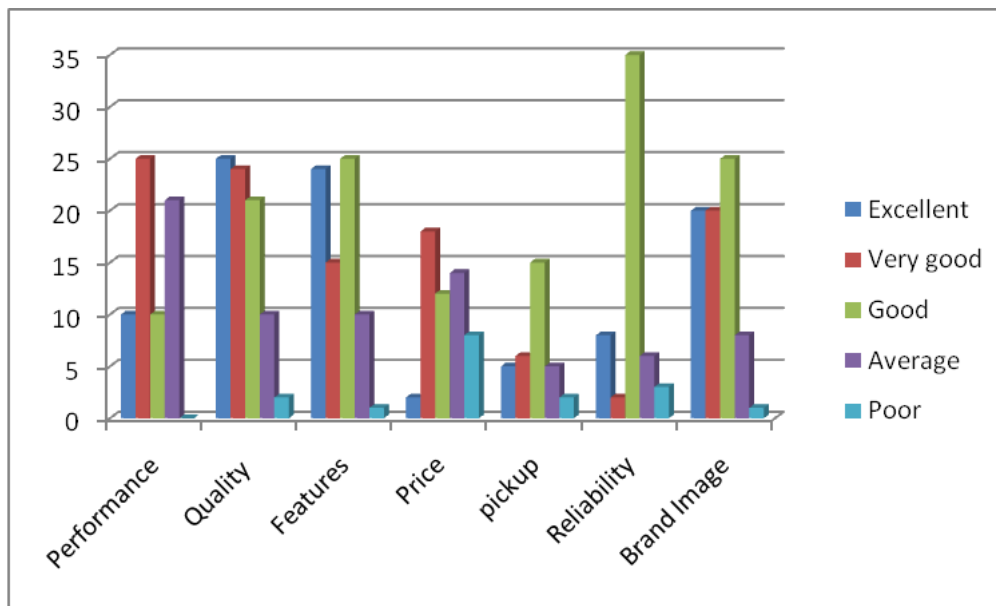


### INFERENCE:

From the above table 15% of people known from offers, 27% of people known from advertisements, and 33% of people known from their friends and relatives, 10% of people known from technology, 15% of people known from finance schemes.

### SATISFACTION WITH LG Electronics (Electronics):

LG Electronics	Performance	Quality	Features	Price	pickup	Reliability	Brand Image
Excellent	10	25	24	02	05	08	20
Very good	25	24	15	18	06	02	20
Good	10	21	25	12	15	35	25
Average	21	10	10	14	5	6	8
Poor	0	2	1	8	2	3	1



#### INFERENCE:

From the above table 17% of the respondents preferred PERFORMANCE as their main motive, 22% of the respondents preferred PRICE as their main motive, 4% of the respondents preferred FEATURES as their main motive, 22% of the respondents preferred TRANSPORT as their main motive, 2% of the respondents preferred

#### IV. CONCLUSIONS

- 45% of the respondents are LG Electronics customers and hence it is most Preferred brand out of various brands.
- LG ELECTRONICS is the most preferred brand out of all products
- 60% of the respondents are considering LG ELECTRONICS brand before Purchasing there for use.
- Most of the respondents are getting information through friends Before purchasing the products.
- Most of the respondents are Wanting good satisfaction with dealer Service comparing to other brands.
- Most of the respondents are giving more preference to quality.
- 60% of the respondents are affecting by their friends and relatives.

#### V. FINDINGS

- 50% of the LG ELECTRONICS customers are business people and

32% of the customers are private employees.

- Most of the respondents belong to the age group of 18-50 years.
- LG ELECTRONICS is the most preferred shop in the market.
- Most of the respondents getting information through the Media and friends before purchasing the products.
- Most of the respondents are motivated by their friends and family members.
- Most of the respondents have good satisfaction with the performance of their strength.
- 64% of the respondents are satisfied with the quality of their products.
- Most of the respondents felt that the price is reasonable.
- Cent percent of the respondents satisfied with the response of the sales executive at first visit.
- 60% of the LG ELECTRONICS users have good satisfaction with the performance given b the company.

- Most of the respondents are satisfied with the response of the company to the complaints given by the customers.
- Most of the respondents are satisfied with the fulfillment of promises by the company.

## **VI. SUGGESTIONS**

- The products recently introduced by LG ELECTRONICS are mostly concerned about home base. So, they should also consider commercial people while manufacturing.
- Indian market is a price sensitive market's the Products should be at Minimum price with maximum quality.
- The standard of pricing should be improved.
- Advertisements in Televisions, offers should be increased to attract the People.
- If LG ELECTRONICS can improve in Performance and brand image it will be the best in all the other competition brands.

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