

## **THE EFFECT OF THE SOCIAL MEDIA ON YOUNG CONSUMERS' CONSUMPTION EXPENDITURE**

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### **Abstract**

*Consumers carry mobile devices with them anytime, anywhere. So companies have to develop new marketing channels to reach their customers. Especially seeing the intense interest in social media by young people, marketers add the social media applications to their marketing strategies.*

*Consumers who follow spotlight developments, technological developments and fashion are young consumers. Also young people are the consumers who are the most interested in mobile technologies too. For that reason, the purpose of this study is to identify the effect of the mobile social media on young consumers' consumption expenditure. For this purpose, a questionnaire was administered to university students. The results were analyzed with SPSS software.*

**Key Words:** Social Media, Young Consumers, Consumption Expenditure

**Topic Area:** Marketing (Business and Management)

**JEL Codes:** M31, M39

## **INTRODUCTION**

At a stage where today's society turned into a consumption society, it is worthwhile to examine how youngsters behave. Young consumers purchases intensively for different reasons.

The aim of this study is to investigate the effect of social media to young consumers' consumption expenditure. Social media has an intense number of users in Turkiye as is the case in the world.

In recent researches, it has been observed that young people were closely associated with social media. Together with the use of internet in all aspects of daily life, young people have a chance to connect social networks wherever they want, especially after the development of mobile communication technologies and smartphones. Social media is almost at the center of young people's life. So, the relationship between young people's consumption expenditures and social media will be important for companies in considering current marketing plans and in determining future strategies.

### **1. Young People and Social Media**

In general, dialogues and sharing of individuals on the internet create the social media ([www.kurumsalhaberler.com](http://www.kurumsalhaberler.com)).

It is also possible to define social interaction and sharing environments created through highly accessible and scalable communication tools and platforms as the social media ([www.kobi-efor.com.tr](http://www.kobi-efor.com.tr)).

Social media is a new type of the online media. The social media has some characteristics such as getting feedback from every participant, being clear, giving chance to bilateral communication, being connected with and allowing a quick and effective formation for communities (Mayfield, 2010).

Nowadays, the use of the social media responds to the demands of the large masses from all walks of life and culture. Development of new communication environments and rising interest in communication technologies increase the power of social media (Vural ve Bat, 2010).

The development of the internet led to the creation of different types of social media platforms on the internet. Most of these platforms are the platforms where people can mutually share information and data, they can communicate with each

other, and they can give opinion on various issues. Social networks, blogs, wikis, content communities and forums can be given as examples for social media platforms (Köroğlu, 2012).

Social networking sites provide users with an opportunity to maintain existing social ties as well as to establish new connections (Ellison, Steinfield ve Lampe, 2006).

Social networks can be characterized as web-based services which allows to share something with the masses, which allows users to add to their friend list and allows people who are involved in the system to see each other (Vural vd., 2010).

Nowadays, young people spend most of their time in digital environments. Describing the young people who follow the developments in mobile communication technologies and the Internet carefully as "young consumers" will not go wrong.

In a research, it was observed that an undergraduated student has nearly 400 friends and a high school student has nearly 439 friends in social media platforms. So, it can be said that if a company reaches 2500 person, it also means that it could reach 1 million people at the same time ([www.kobi-efor.com.tr](http://www.kobi-efor.com.tr)). Therefore, it can be said that to reach young people through the social media is easier for companies.

Again in another research (Hazar, 2011), it has been said that 50,4% of students use the social media about 2-4 hours a day. So, according to the data obtained from the research, it can be said that most of the students use internet for social media applications.

Contents in social media tools shape consumer behavior and social media marketing. Social media contents created by users, or firms, are affecting the consumers at the point of purchase. Thus, to discuss for "how a product or service is" on the social media becomes important for businesses (İşlek, 2012).

Social media changes the decision-making process in the consumer's purchase behavior (Constantinides ve Stagno, 2011).

Today, costumers work with companies when creating the marketing concept. With social marketing programs, firms are striving to reach consumers online and "live" (Hanna, Rohm, ve Crittenden, 2011).

In a study (Nalçaoğlu, 2007), when young people's expenditure items were analyzed, it was observed that communication is the large share of total expenditure of components; and again 10 % of expenditures go to internet cafes while 10 % goes to clothing. Therefore, young people can be said to be concerned with new media and communication technologies.

Again in a study (İşlek, 2012), it has been observed that the social media users are mostly affected by social networks. Social media users first search the products that they want to buy on the internet before purchasing. Users think that social media websites are the most appropriate place for firms and trademarks to communicate with targeted masses.

Today, young consumers attract the attention of marketers. Young people consist of individuals who follow fashion closely, who have purchasing power and who prefer to be different.

For that reason, the marketers who want to reach this mass started to use the social media. Assuming that young consumers spend most of their times on social networks it would be very reasonable to reach youngsters through social networks.

In a study conducted in 2011 by the Global Web Index, it was expressed that in Turkey, 89% of active Internet users engaged in research on the internet before buying and 62% of users think that the most important reason to connect the internet is to do a research before buying (smgconnected.com, 2012).

Through social networks, marketers can watch consumers; can determine the factors that shape the ideas and preferences and try to direct their preferences (Kara ve Çoşkun, 2012).

## **2. APPLICATION**

### **2.1.The Aim and Importance of The Study**

The fact that the social media occupies such an important place in young people's lives brings about the question about what the social media affects in their lives. Whether the social media has an effect on the consumption expenditures of young people constitutes the aim of this study. The effect of social media on young costumers' consumption expenditures affect future plans and campaigns of marketers and companies. This situation shows the importance of the study.

## 2.2. The Subject of The Study

The subject of the study was determined as the effect of social media on young costumers' expenditures. Accordingly, undergraduate students have been selected to represent young costumers.

## 2.3. The Methodolgy

In the study, a descriptive research method was used. In the implementation part, a survey was applied to the selected sample. As the main mass, the students of Abant Izzet Baysal University, Gerede School of Applied Sciences and Gerede Vocational School have been selected. The main mass consists of 1976 students. Simple random sampling has been used to determine the sample size.

The sample size determined as 156 students. But 350 survey has been distributed for the study. The survey of the study have three parts. The first part of the survey contains demographical questions. The second part of the survey contains questions about determining their social media using habits. And the last part of the survey contains questions that aim to identify the factors which affect the students' consumption expenditures.

The questions of survey have been analyzed with the SPSS data program. The study is limited to the sample and the survey questions. The results are the following.

## 2.4. Analyzes and The Results of The Study

### 2.4.1. Demographical Results

**Table 1: The Demographic Data of Respondents**

	Frequency	Percent		Frequency	Percent
<b>Gender</b>			<b>Monthly Income</b>		
Women	148	45,5	<500	25	7,7
Men	177	54,5	501- 1000	131	40,3
<b>Age</b>			1001-1500	105	32,3
16-25	321	98,8	1501-2000	38	11,7
26-35	4	1,2	2001-2500	12	3,7
<b>Personal Spending</b>			>2501	14	4,3

<200	176	54,2	<b>The Time Spent on Social Media</b>		
201-500	120	36,9	Less than one hour	127	39,1
501-700	29	8,9	1-3 hours	132	40,6
<b>Connecting to Social Media</b>			4-6 hours	39	12,0
Less than one hour a day	89	27,4	More than 7 hours	27	8,3
1-2 hours per day	103	31,7			
3-4 hours per day	94	28,9			
5-8 hours per day	24	7,4			
9-12 hours per day	9	2,8			
<b>TOTAL</b>	<b>325</b>	<b>100%</b>		<b>325</b>	<b>100%</b>

When the table is analyzed, it can be said that 45.5 percent of respondents were female, 54.5 percent of respondents were males. 98.8 percent of the respondents' ages range from 16 to 25. 40.3 percent of respondents' income level is between 501 -1000 TL. In terms of the time spent on the social media, 40.6 percent of the respondents were spending time between 1-3 hours. 31.7 percent of the respondents said that they connected to the social media one to two hours a day.

#### 2.4.2. Reliability Analysis

Cronbach alpha coefficient was calculated as 0,660 for all the questions in the survey. When the demographic questions were taken out Cronbach alpha coefficient was calculated as 0,836. So the results demonstrated that survey results have high reliability and ensure a proper ground for further analysis.

#### 2.4.3. Factor Analysis

Factor analysis was performed using the purposes of social media questions and according to the results, Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) rate is 0,818>0,05. So it can be said that the data set is suitable for factor analysis with this result. As a result of analysis, questions consist of four factors and 60,044 percent of total variance is explained. In addition, factor density was investigated and the questions in the top ten are listed in the following table.

**Table 2: Factor Analysis of The Questions on The Use of Social Media Questions**

Factors	F density
q23 Meet new people	,827
q25 To Express himself	,792
q31 Do research on products	,786
q37 Comments to contents	,776
q21 Built a relationship with my friends	,766
q26 Listen to music	,763
qs33 Doing research on companies	,730
q35 Stay up to date	,696
q28 Sharing content	,692
q29 Free time to assess	,648

Analyzing the above table, the results of factor analysis of the questions on the use of social media questions says that the question which have highest factor density is q23 (meet new people). q25 (to express himself) and q31 (do research on products) are ranked as the second and the third respectively.

Factor analysis was performed using the effects of social media on shopping and according to the results, Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) rate is  $0,886 > 0,05$ . It can be also said that the data set is suitable for factor analysis with this result. As a result of analysis, questions consist of two factors and 64,225 per cent of total variance is explained. In addition to this, factor density was investigated and the questions in the top nine are listed in the following table.

**Table 3: Factor Analysis of The Questions on The Effects of Social Media on Shopping**

Factors	F density
q39 comments made by my friends affect my expenses	,884
q44 I follow the firms by social media	,808
q40 Social media adverts of brands which I am interested in affect my consumption expenses	,751
q45 Social media adverts are more effective than the other channels	,735
q46 I think I am impressed by social media platforms on shopping	,723
q43 Negative comments in social media about products which I would like to buy affect my consumption expenses	,718
q42 I usually buy the products that I like by using the link associated with social	,693

media sites	
q47 I think products are cheaper in social media platforms or in internet.	,653
q41 I usually exchange ideas in social media about the products which I would like to buy	,596

Analyzing the above table, the results of factor analysis of the questions on the effects of social media on shopping says that the question which have highest factor density is q39 (comments made by my friends affect my expenses). q44 (I follow the firms by social media) and q40 (Social media adverts of brands which i am interested in affect my consumption expenses) are ranked as the second and the third respectively.

Factor analysis was performed using the effects of the factors on shopping and according to the results, Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) rate is  $0,762 > 0,05$ . It can be also said that the data set is suitable for factor analysis with this result. As a result of analysis, questions consist of three factors and 69,518 per cent of total variance is explained. In addition to this, factor density was investigated and the questions in the top nine are listed in the following table.

**Table 4: Factor Analysis of The Questions on The Effects of The Factors on Shopping**

<b>Factors</b>	<b>F density</b>
q80 Social media adverts of the product which I would like to buy are important	,907
q77 The price of the product which I would like to buy is important	,855
q78 The quality of the product which I would like to buy is important	,851
q81 Newspaper or tv ads of the product which I would like to buy are important	,842
q76 Socia-cultural factors are important on shopping	,720
q75 My family is important on shopping	,672
q73 My entourage is important on shopping	,655
q74 My needs are important on shopping	,619
q79 The brand of the product which I would like to buy is important	,600

Analyzing the above table, the results of factor analysis of the questions on the effects of the factors on shopping says that the question which have highest factor density is q80 (Social media ads of the product which I would like to buy are important). q77 (The price of the product which I would like to buy is important) and q78 (The quality of the product which I would like to buy is important) are ranked as the second and the third respectively.

## **CONCLUSION**

Under the development of technological circumstances, a number of companies have formulated alternative promotion practices. In today's climate, young consumers have become mobile consumers; so, it can be said that companies might benefit from social media in their marketing campaigns to reach young costumers. Customers, especially young costumers carry their mobile phones with them everywhere. Thus, social media is important for companies to provide an effective relationship with their costumers.

Together with the use of internet in all aspects of daily life, young people have a chance to connect social networks wherever they want, especially after the development of mobile communication technologies and smartphones. Social media is almost at the center of young people's life. So, the relationship between young people's consumption expenditures and social media will be important for companies in considering current marketing plans and in determining future strategies. To investigate the effect of social media, undergraduate students in Abant Izzet Baysal University have been selected to represent young costumers. For this reason, 350 questionnaire were distributed in Gerede School of Applied Sciences and Gerede Vocational School and 325 of them used for the analysis.

According to the results described above, it can be said that, 40,6% of students spent time on social media between 1-3 hour. And 31.7 % of the students said that they connected to the social media one to two hours a day.

To investigate the aim of the study, it has been applied factor analysis in the implementation part. The results of factor analysis show that, the most important reason for using social media is to meet new people. And to express themselves and do research on products.

Students said that social media affects on shopping. According to the results, comments made by their friends affect students expenses. Students follow the

firms by social media and social media adverts of brands which they are interested in affect students consumption expenses.

Also according to the results, students said that, social media ads of the product which they would like to buy are important, the price of the product which they would like to buy is important and the quality of the product which they would like to buy is important. These results are limited by the responses to questionnaire respondents. According to the implications of factor analysis, it can be said that social media is very effective in students life, and on consumption expenses.

Based on these results, it can be said that the young consumers who are the students of Abant İzzet Baysal University, Gerede School of Applied Sciences and Gerede Vocational School, influenced by the social media. Therefore, the companies can achieve positive results when they send the appropriate message to the appropriate person to develop and submit applications in social media platforms. Firms can internalize these results to develop relationships with existing young customers and attract new customers.

To sum up, determining the factors that affect consumers' attitudes towards social media will help companies manage their marketing strategies.

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