

PEER COMMUNICATION AND IMPACTS ON PURCHASING DECISIONS: AN APPLICATION ON TEENAGERS

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Abstract

With the rise of social media channels, the ways that consumers communicate with each other have been changing and new marketplaces have been built that consumers reach anywhere at anytime. With this perspective, teenagers are the most important segment of the consumers who infinitely spend their times on the internet. They have watched video clips, read blogs, visited photo-sharing sites, done shopping online, etc. While they are shopping, they are influenced by peers towards products, brand names, size and shapes, they will spend much more money recklessly than any other age group and they are trendsetters so they become the most important targets for companies.

The aim of this article is to determine the importance of peer communication, to investigate the factors affecting adolescent consumers purchase intentions and decisions toward social media channels. For this study, a questionnaire will be applied to the students of Adnan Menderes University Faculty of Economics and Administrative Sciences to understand their opinions about peer communications

and their influences on the adolescents' purchase decisions concerning with products through social media channels.

Key Words: *Peer Communication, Purchase Intentions, Purchase Decisions*

Topic Area: Marketing (Business and Management)

JEL Classification: M31

1. INTRODUCTION

Nowadays, as the internet and social media are watching closely the rapid improvement of technology, teenagers spend the most of their free times by surfing on the internet. They try to progress the relationships between their peers, relatives and also strangers by sharing video clips, photos, opinions and situations, online. Also, by following their peers' photos and video clips, they try to buy and own the products and brands that their peers' have. Besides, while teenagers try to buy the products that their peers have and like to use, they also avoid the ones that their peers dislike. With this approach, without being aware, they form the subdivision of marketing, as known as social media marketing.

By using social media marketing, companies make their advertisements for free. This is the most important advantages that word of mouth communication provides the companies. On the other hand, besides their successful advertisements, a little mistake, wrong services and imperfect product they did, affect lots of their customers. Especially like the internet, the biggest platform for teenagers, these mistakes affect the companies' images because teenagers communicate with their peers about everything at any time.

2. PEER COMMUNICATION AND IMPACTS ON PURCHASING DECISIONS

Today, consumers can find a lot of information about products, prices and stores through the internet (Grewal et al., 1998:333). The Web has become a more social environment since its beginning. There has never before existed such an environment that has the ability to link a piece of content to another. The Internet and especially social media have changed how consumers and marketers

communicate. Each social media platform (such as blogs, online discussion forums, and online communities) has an effect on marketing performance (Akar and Topçu, 2011:36). Consumers using social media platforms can generate, edit, and share online information about businesses, products, and services. This information is widely perceived by customers as more reliable than business communication and therefore peer opinion becomes a major influencer of buying behavior (Constantinides et al., 2010).

According to Hazen and Black (1989), communication is the foundation of social interaction, the essential means through which people initiate and maintain social relationships. Its life cycle is from birth to death. Children try to get in touch with their peers as early as the age of seven (Muratore, 2008:133). Student's communication patterns are initially affected by their experiences within the family of origin. However, upon reaching adolescence and then young adulthood, peers have increasing influence on their attitudes, beliefs, and behaviors. As college students develop greater autonomy from their family of origin, peer influence becomes even more important. Adolescents are particularly susceptible to influence from their friends because of the considerable attitudinal and behavioral similarity between them and their friends (Powell and Segrin, 2009:431). The main sources of information used by children concerning all kinds of products come mainly from peers. Consumers tend to interact with peers about consumption matters, which greatly influence their attitudes toward products and services (Wang et al., 2012:200). It is understandable that the preferences of children and teenagers towards products and brand names are influenced by peers (Muratore, 2008:133).

Peers' ownership of a certain product or service constitutes a modeling process; to be like peers, the consumer can buy the same brand or avoid other brands (Lueg and Finney, 2007:27). The potential for peer pressure also motivates the focal consumer to like or purchase the product, which can prompt rewards (e.g., more intimate relationships) from peers, whereas a lack of purchase can lead to punishment (e.g., exclusion from the group). For this learning process, peers exert influences in written messages, such as positive and negative reviews, comments, suggestions, discussions, or experiences (Wang et al., 2012:201). But even if the influence of peers is stronger in more conspicuous consumption activities, although it varies according to the type of products – it is even stronger with

regard to luxury products than it is with regard to daily consumption goods and although it is mainly related to material values, it is nevertheless noticeable that the value of the product, as perceived by the child, is not determined by its marketing value, but by the enthusiasm derived from this product among a group of peers (Muratore, 2008:133).

According to Zollo (1999);

- Teenagers are more involved with trends probably any other age group. They are not only trendsetters for one another, but also trendsetters for the population at large. Current trends in clothing and music, for example, are results of teens perceiving an idea or brand as cool. Some of the top reasons that make a brand a “cool brand” among teens are: “quality”, “it’s for people my age”, “advertising”, “if cool friends or peers use it”, and “if a cool celebrity uses it”. Thus, it appears that advertising, peers and celebrities/role models have the potential to contribute to brand choice among teens.

A role model for an adolescent can be anyone the individual comes in contact with, either directly or indirectly, who potentially can influence the adolescent’s decisions and behaviors. This definition of role models allows a variety of individuals to be considered role models, including parents, siblings, peers, teachers, entertainers, and athletes. In other word, anyone that can possibly influence or impact the buying attitudes or decisions of a consumer can be considered a consumption role model (Martin and Bush, 2000:443).

- Teens are extremely important targets for marketers because:
 - They influence their parents’ spendings;
 - They will spend a lot of money in the future;
 - They are trendsetters (Zollo,1999).

3. METHODOLOGY

3.1. Research and Questionnaire Design

The aim of this article is to determine the importance of peer communication, to investigate the factors affecting adolescent consumers purchase intentions and decisions toward social media channels. In this study, a questionnaire had been applied to the students of the Department of Management of the Faculty of Economics and Administrative Sciences of Adnan Menderes University to understand their opinions about peer communication and its impacts on their purchasing decisions. The questionnaire contained 23 items derived from Mangleburg et al. (2004) and Wang et al (2012). The sample of this study was determined with the simple random sample method and the population of this study defined as 400 respondents and the questionnaire was answered by 406 respondents. The data were collected over a period of two weeks, in September 2013. The questionnaire form consisted of three parts. The first part contained questions about students' demographic characteristics, the second part's questions are about relationships with their peers by using five point Likert Scale ("5" Never, "1" Very Much) and at the last part, five point Likert Scale ("5" Strongly Agree, "1" Strongly Disagree) was used by students in responding to understand the relationships with their peers on the internet and their peers impact on respondents' purchasing decisions. The data were analyzed by using descriptive statistics, frequency statistics, Chi-Square and One-Way Anova tests. Statistical Package for Social Sciences (PASW Statistics 18.0) was used to analyze and interpret the data.

3.2. Analysis and Results

3.2.1. Reliability Analysis

Reliability analysis was executed to all questions except for the demographic ones. In Table 1, it presents the study's reliability analysis.

Table 1: Reliability Analysis

	N	%	Cronbach's Alpha	N of Items
Valid	406	100	0,889	23
Excluded	0	0		
Total	406	100		

The overall reliability of this questionnaire consisting of 23 questions was assessed by Cronbach's alpha which yielded a reliability coefficient of .889. So, the scale can be said to be reliable.

3.2.2. Frequency Tables

Findings about the students' demographic features are shown as Table 2.

As seen in Table 2, there are 211 female and 195 male respondents. Most of them are between "20-22" years old, going to second class, and monthly average income is between 751 TL and 1000 TL.

Table 2: Students' Demographic Features

Demographic Features		f	%	Demographic Features		f	%
<u>Gender</u>	Female	211	52,0	<u>Department</u>	Business Administration	108	26,6
	Male	195	48,0		Public Finance	47	11,6
<u>Age</u>	17-19	153	37,7		Economics	59	14,5
	20-22	213	52,4		Banking and Insurance	14	3,4
	23-25	40	9,9		Social Work	45	11,1
<u>Class</u>	1	130	32,0		Political Science and Public Administration	36	8,9
	2	142	35,0		International Relations (Eng.)	48	11,8
	3	78	19,2				
	4	56	13,8				

Monthly Average Income	250 TL and less	22	5,4		International Relations	31	7,6
	251-500 TL	78	19,2		International Trade and Finance	18	4,4
	501-750 TL	32	7,9		TOTAL	406	100
	751-1000 TL	146	36,0				
	1001 TL and more	128	31,5				

In Table 3, findings about the relationships between respondents and their peers based on gender and ages are shown.

As seen in this table, most of the students between the age of 20-22, share their personal confidences and spend their free times with their peers, perform a large favor for their peers more than any other age groups. And also, for this age group, their peers perform a large favor for them.

Table 3: Crosstable About Gender and Ages and The Relationships

		17-19		20-22		23-25					
Female/Male		F	M	F	M	F	M	f	%	TOTAL f / %	
How likely would you share personal confidences with your peers?	Never	-	1	-	1	-	-	2	0,5	406 / 100	
	A Little	5	17	1	2	-	-	25	6,2		
	Average	37	22	67	50	5	20	201	49,5		
	Much	26	11	12	15	2	6	72	17,7		
	Very Much	18	18	36	22	4	8	106	26,1		
How likely would you spend some free time socializing with your peers?	Never	-	12	-	2	-	-	14	3,4	406 / 100	
	A Little	-	2	-	1	-	-	3	0,7		
	Average	39	20	70	50	6	20	205	50,5		
	Much	27	14	9	18	2	4	74	18,2		
	Very Much	20	19	38	25	-	8	110	27,1		

How likely would you perform a large favor for your peers?	Never	-	1	-	-	-	-	1	0,2	406 / 100
	A Little	1	3	1	-	-	-	5	1,2	
	Average	40	34	63	55	11	21	224	55,2	
	Much	26	14	11	21	2	5	79	19,5	
	Very Much	22	16	36	17	-	6	97	23,9	
How likely would your peers perform a large favor for you?	Never	-	-	-	-	-	-	-	-	406 / 100
	A Little	5	17	2	4	-	-	28	6,9	
	Average	31	19	75	57	6	21	209	51,5	
	Much	25	17	9	19	3	5	78	19,2	
	Very Much	20	12	34	19	-	6	91	22,4	
TOTAL		153	213	40	406					

3.2.3. Chi-Square Test

To determine the peers' affect on the respondents purchasing behaviors, chi-square test was applied by developing 2 hypotheses.

H₀: I do not obtain the product information from my peers.

H₁: I obtain the product information from my peers.

H₀: When buying products, I never buy the ones that I think my friends will approve of.

H₂: When buying products, I usually buy the ones that I think my friends will approve of.

Table 4: Crosstable About Affects on Purchasing Decision

H₀-H₁	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree	Total
Female Count	0	2	7	57	145	211
Expected Count	8,8	4,2	8,8	50,4	138,8	211
% within Gender	,0%	,9%	3,3%	27,0%	68,7%	100%
% within Statement	,0%	25%	41,2%	58,8%	54,3%	52%
% of Total	,0%	,5%	1,7%	14,0%	35,7%	52%

Male	Count	17	6	10	40	122	195
	Expected Count	8,2	3,8	8,2	46,6	128,2	195
	% within Gender	8,7%	3,1%	5,1%	20,5%	62,6%	100%
	% within Statement	100%	75%	58,8%	41,2%	45,7%	48%
	% of Total	4,2%	1,5%	2,5%	9,9%	30%	48%
Total	Count	17	8	17	97	267	406
	Expected Count	17	8	17	97	267	406
	% within Gender	4,2%	2%	4,2%	23,9%	65,8%	100%
	% within Statement	100%	100%	100%	100%	100%	100%
	% of Total	4,2%	2%	4,2%	23,9%	65,8%	100%
H0-H2							
Female	Count	1	4	8	131	67	211
	Expected Count	8,8	6,2	10,4	124,2	61,3	211
	% within Gender	,5%	1,9%	3,8%	62,1%	31,8%	100%
	% within Statement	5,9%	33,3%	40%	54,8%	56,8%	52%
	% of Total	,2%	1%	2%	32,3%	16,5%	52%
Male	Count	16	8	12	108	51	195
	Expected Count	8,2	5,8	9,6	114,8	56,7	195
	% within Gender	8,2%	4,1%	6,2%	55,4%	26,2%	100%
	% within Statement	94,1%	66,7%	60%	45,2%	43,2%	48%
	% of Total	3,9%	2%	3%	26,6%	12,6%	48%
Total	Count	17	12	20	239	118	406
	Expected Count	17	12	20	239	118	406
	% within Gender	4,2%	3%	4,9%	58,9%	29,1%	100%
	% within Statement	100%	100%	100%	100%	100%	100%
	% of Total	4,2%	3%	4,9%	58,9%	29,1%	100%

According to Table 4, most of the respondents, both female and male ones, strongly agree to obtain the product information from their peers and just agree to buy products that their peers will approve of.

Table 5: Chi-Square About H0-H1 and H0-H2

	Value	df	Asymp. Sig. (2-sided)	
Pearson Chi-Square	23,897 ^a	4	,000	H0-H1
Likelihood Ratio	30,540	4	,000	
Linear-by-Linear Association	15,641	1	,000	
N of Valid Cases	406			

Pearson Chi-Square	19,151 ^b	4	,001	H0-H2
Likelihood Ratio	21,888	4	,000	
Linear-by-Linear Association	15,377	1	,000	
N of Valid Cases	406			

a. 2 cells (20,0%) have expected count less than 5. The minimum expected count is 3,84.

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 5,76.

Also, after analysing Chi-Square table, H₀ hypotheses have to be rejected and alternative hypotheses have to be accepted ($p < 0,05$), (Table 5).

3.2.4. One-Way Anova

To understand the importance of peers opinions, behaviours and the relationships between respondents and their peers, One-Way Anova was applied to analyze by three hypotheses.

H₀: My peers do not encourage me to buy the product

H₁: My peers encourage me to buy the product

H₀: I never ask my friends to help me choose the best product

H₂: I often ask my friends to help me choose the best product

H₀: I like to shop by myself

H₃: I do not like to shop by myself

Table 6: One-Way Anova

		N	Mean	Std. Deviation	Std. Error	
<u>DESCRIPTIVES</u>	17-19	153	4,1373	1,21968	,09861	H0-H1
	20-22	213	4,6338	,72501	,04968	
	23-25	40	4,6500	,66216	,10470	
	Total	406	4,4483	,96662	,04797	
	17-19	153	4,2353	1,08072	,08737	

	20-22	213	4,6432	,62526	,04284	H0-H2	
	23-25	40	4,5750	,67511	,10674		
	Total	406	4,4828	,85111	,04224		
	17-19	153	3,7647	1,03087	,08334		
	20-22	213	4,1268	,62788	,04302	H0-H3	
	23-25	40	3,9750	,42290	,06687		
	Total	406	3,9754	,80700	,04005		
		Sum of Squares	df	Mean Square	F	Sig.	
ANOVA	Between Groups	23,760	2	11,880	13,499	,000	
	Within Groups	354,654	403	,880			H0-H1
	Total	378,414	405				
	Between Groups	15,192	2	7,596	11,004	,000	
	Within Groups	278,187	403	,690			H0-H2
	Total	293,379	405				
	Between Groups	11,672	2	5,836	9,330	,000	
	Within Groups	252,082	403	,626			H0-H3
	Total	263,754	405				

As a result of Table 6, H₀ hypotheses rejected and H₂ and H₃ hypotheses accepted for the students between the age group of 20-22. Also, H₀ hypothesis rejected and H₁ hypothesis accepted for the students between 23-25 ages ($p < 0,05$).

4. CONCLUSION

After the web became one of the most social environment for teenagers, sharing personal opinions about everything, photos, videos, etc. got to be the most important things between teenagers and their peers, on social media. With this perspective, this study was applied to Department of Management of The Faculty of Economics and Administrational Sciences of Adnan Menderes University's students to understand their opinions and relationships with their peers and its

impacts on the respondents' purchasing behaviours both on social media and social life.

The questionnaire was answered by 406 students, 211 female and 195 male, within two weeks. After analysing all surveys, by using descriptive and frequency statistics, Chi-Square and One-Way Anova tests on SPSS 18.0 programme, it is understood that most of the students share their personal confidences, spend their free times and perform large favors for their peers, get large favors from their peers, and when it is needed, obtain the product information from their peers. Also, they buy the products that their peers will approve of and take their help to choose the best product. Besides that, they do not like to shop by themselves, they think, shopping with peers or friends is more fun than shopping alone.

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