# PERCEPTION OF E-COMMERCE CUSTOMERS ON THE QUALITY OF FUNCTIONS OF SOCIAL MEDIA (A SURVEY AMONG CUSTOMERS IN COLOMBO)

 $\mathbf{B}\mathbf{y}$ 

# MUTHUKUDA ARACHCHIGE CHARITHA LAKMAL MUTHUKUDA REG NO: EU/IS/2012/COM/127 INDEX NO: COM1627



A project report submitted to the Faculty of Commerce and Management,

Eastern University, Sri Lanka, as a partial fulfilment of the requirement for the

Degree of Bachelor of Commerce Honours (B COM Hons).

# DEPARTMENT OF COMMERCE FACULTY OF COMMERCE AND MANAGEMENT EASTERN UNIVERSITY, SRI LANKA 2018

#### **ABSTRACT**

This paper seeks to demonstrate the level of the perception of e - commerce consumers on the quality of the functions of social media which discuss and explore the ways and conclusions to widen up the quality of the functions in social media. This paper seeks to provide a better and more comprehensive understanding of why consumers use social media for their online commerce activities. The study used online scenario- based surveys following a questionnaire created in Google Forum. This study identified that the level of perception of e- commerce consumers on the quality of the functions in social media is in high level under the dimensions of Attitude, Media Richness, Trustworthiness, Trendiness and Convenience. And there isn't a variation in the perception of the consumers when compares to the demographic factors. This research helps organizations to understand why consumers use social media and what they perceived as a consumer in online. This study has gives a new direction for the researches to think in their researches which is not yet done on the quality of the function of social media. This paper also provides a rich and vivid understanding of why consumers use social mediafor their e - commerce transactions.

**Keywords**- Functions of Social media, Web 2.0, Attribute of Perception, Social Networking Sites, Social Marketing

## TABLE OF CONTENT

| ACKNOWLEDGMENTi                      |   |
|--------------------------------------|---|
| ABSTRACTii                           |   |
| ABBSERVATIONiii                      |   |
| TABLE OF CONTENTiv                   |   |
| LIST OF TABLESvii                    | i |
| LIST OF FIGURESix                    |   |
| CHAPTER ONE - INTRODUCTION           |   |
| 1.1 Background of the Study          |   |
| 1.2 Problem Statement                |   |
| 1.3 Research questions 6             |   |
| 1.4 Research Objectives 6            |   |
| 1.4.1 Primary Objective6             |   |
| 1.4.2 Secondary Objectives 6         |   |
| 1.5 Significance of the Study        |   |
| 1.6 Scope of the Study8              |   |
| 1.7 Summary                          |   |
| CHAPTER TWO - LITERATURE REVIEW      |   |
| 2.1 Introduction                     |   |
| 2.2 Social Media9                    |   |
| 2.3 Social Networking Sites          | 1 |
| 2.4 Social Commerce 13               | 3 |
| 2.5 Social Media Marketing           | 4 |
| 2.6 Growth of Social Media Marketing | 7 |
| 2.7 Facebook Marketing               | 9 |
| 2.8 Attributes of Perception         | 0 |
| 2.8.1 Attitude                       | 0 |
| 2.8.2 Media Richness                 | 2 |
| 2.8.3 Trustworthiness                | 4 |
| 2.8.4 Trendiness                     | 5 |
| 2.8.5 Convenience                    | 5 |
| 2.9 Perception of the Customer       | 6 |
|                                      |   |

## CHAPTER THREE - CONCEPTUALIZATION AND

### **OPERATIONALIZATION**

| 3.1 Introduction                              | 29 |
|---|----|
| 3.2 Conceptualization                         | 29 |
| 3.3 Attributes of Perception                  | 30 |
| 3.3.1 Attitude                                | 30 |
| 3.3.2 Media Richness                          | 31 |
| 3.3.3 Trustworthiness                         | 31 |
| 3.3.4 Trendiness                              | 32 |
| 3.3.5 Convenience                             | 32 |
| 3.4 Quality of the Functions of Social Media  | 32 |
| 3.5 Hypothesis Development                    | 33 |
| 3.5 Operationalization                        | 34 |
| 3.6 Summary                                   | 36 |
| CHAPTER FOUR - METHODOLOGY                    |    |
| 4.1 Introduction                              |    |
| 4.2 Research Design                           | 37 |
| 4.3 Sampling                                  | 38 |
| 4.3.1 Target Population                       | 38 |
| 4.3.2 Sample                                  | 38 |
| 4.4 Methods of Data Collection and Measure    | 38 |
| 4.4.1 Source of Data                          | 38 |
| 4.4.2 Structure of Questionnaire              | 39 |
| 4.5 Data Presentation and Analysis            | 40 |
| 4.5.1 Method of Data Presentation             |    |
| 4.5.2 Data Analysing and Evaluation           | 41 |
| 4.6 Summary                                   | 42 |
| CHAPTER FIVE - DATA PRESENTATION AND ANALYSIS |    |
| 5.1 Introduction                              | 43 |
| 5.2 Data Reliability                          | 43 |
| 5.3 Personal Information                      | 44 |
| 5.3.1 Personal Information: Gender            | 44 |
| 5.3.2 Personal Information: Age               | 45 |
| 5.3.3 Personal Information: Education Level   | 46 |

| 5.3.4 Personal Information: Monthly Income (Rs.)                               | 47 |
|--|----|
| 5.3.5 Personal Information: Occupation   | 48 |
| 5.4 Usage of Social Media Platform by the E-Commerce Consumer                  | 49 |
| 5.4.1 Analysis of Social Media Account Holders                                 | 50 |
| 5.4.2 Analysis of Social Media Platform Mostly Used                            | 50 |
| 5.4.3 Analysis of the Most Preferred E-Commerce Retailer in Social Media       | 51 |
| 5.4.4 Comparison of frequencies with the Demographical Variables               | 52 |
| 5.5 Research Information.  | 56 |
| 5.5.1 Level of Attributes of Perception  | 56 |
| 5.5.2 Attitude   | 57 |
| 5.5.3 Media Richness   |    |
| 5.5.4 Trustworthiness  | 58 |
| 5.5.5 Trendiness   | 58 |
| 5.5.6 Convenience  | 59 |
| 5.5.7 Mean comparison of the Attributes of Perception with Demographic Factors | 59 |
| 5.5.8 Independent Sample T-Test and ANOVA Testing                              | 61 |
| 5.9 Summary  | 63 |
| CHAPTER SIX - DISSCUSSION  |    |
| 6.1 Introduction   | 64 |
| 6.2 Discussion of Demographic Information                                      | 64 |
| 6.3 Discussion of Research Information   |    |
| 6.4 Summary  | 68 |
| CHAPTER SEVEN - CONCLUSION AND RECOMEDATIONS                                   |    |
| 7.1 Introduction   | 69 |
| 7.2 Conclusions and Recommendation   | 69 |
| 7.4 Limitations of the study   | 71 |
| 7.5 Assumptions of the study   | 72 |
| 7.6 Summary  | 72 |
| References   | 73 |
| Appendix 01  |    |
| Questionnaire  | 78 |
| Appendix 02  |    |
| Reliability Analysis   | 83 |
| Descriptive Statistics   | 84 |