

Impact of Social Media Marketing on Consumer Purchase Intention

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Abstract

This research discusses the main characteristics of consumer purchase intention through social media marketing, the main factors of social media marketing affecting the consumer purchase intention, which is, brand loyalty and consumer behavior. Today technology provides the power to customers to investigate the product and to criticize them and to label them in equal measures and more. So many organizations and company have pages on social media to hold the feedback and complement information about product. This is a quantitative research. The sample counted 83 respondents the data is collected through surveys from questioner tool. This research will be analyzed by applying multiple regression analysis using SPSS software. The result shows that there is a positive relationship between SMM and CPI.

Key Words: Social Media, Marketing, Consumers, Purchase Intention.

Introduction

The innovation of technologies like mobile and internet has given rise to social media, which is responsible for creating a new era of marketing. Social media referred as widely and relatively inexpensive accessible electronic tools that enable individuals to publish and access information, build relationships and collaborate on a common effort. It represents the computer mediated tools that allow companies and people to create, share or exchange information, ideas and career interest in virtual communities and networks. It is actually a group of internet based applications that build on the technological and ideological foundations of web and it allows creation and exchange of user and generated content. Facebook, google, twitter, Instagram, WhatsApp, yahoo, Pinterest are the most commonly used social networking tools (Mangold, 2009).

Social media has a great impact on marketing which affects the brand and consumer relationship. Modern technologies involving social media help people to shop and interact via different sites on internet (Dhuhli, 2013). Individual's way of shopping has significantly changed and improved by few decades. Still consumers used to shop at physical stores like large shopping malls and many are used to purchase online. This shopping mode is known widely by different names like online buying or online shopping (HSIAO, 2009). Percentage of online buyers is increasing in Australia, India, China, Japan for about 87%, followed by Europe and North Asia 83% and for about 53% in Pakistan. A study shows that one of every 3 internet users purchase goods and services online at least once per month (Thurau, 2010). Social media is also extensively used by almost all companies to advertise and promote themselves. Big brands also make use of the social media to convey their strong animation and friendly customer relationship. (Saravanakumar, 2012).

Marketing

With the advent of modern technology, people spend more time online and consumption patterns of individuals have been also changed. Globally, contemporary people adopted internet and mobile phone technologies very rapidly. Technological outburst provided companies with latest and innovative ideas to market and advertise their brands and products (Pelau, 2010). That's why, now a day, people rely more on new technologies to promote their ideas and market their products. The marketing through online methods is more helpful in creating brand awareness and receives more feedback and attention by the consumers than that of traditional ways of marketing (Fagerstrom, 2010). Marketing represents the well-developed methodological science and is continuously changing its directions according to the needs and developments of society. It has begun adapting innovative ideas to come to term with new paradigms of business and to establish itself in the new era. The role of marketing in the development of business is intact but the way it was executed is profoundly changing due to contributions made by and extensively developed scientific devices and satellite communication (Scott, 2008).

Brand Loyalty

Brand loyalty is a consumer decision to purchase a particular brand frequently. It is defined as a power of liking of an individual for a particular brand in comparison with other available products. It is also a function of behaviors and attitudes as well. Consumer's positive response occurs towards the products when the brand offers right product features, quality of product, and attractive price at right time. A brand which has a high rate of loyal customers shows great comparative edge over other firms. Brand conscious customers reduce the marketing cost of a company, as a cost of attracting a new customer have been found to be about six times higher than the cost of retaining an old one. Brand conscious customers are less price sensitive and seems to be more willing to pay higher prices for purchasing a desired brand. (Rosenberg, 1983).

Brand attributes includes:

Brand name has a great impact on product marketing and consumers prefer to reliance famous brand names. Brand personality linked to the brand emotional and self-expressive benefits for diversity. Product quality is referred as 'fitness for use' it means attractive characters of the brand which are beneficial for advertisement and retailing of a product.

For average consumers, price of a product is a most imperative consideration. While the brand conscious consumers are always willing to pay optimum price for their desired brand. That's why the price of the product doesn't affect the purchase intention of consumer. Promotion is a component of marketing mix. Promotional activities are actually the strategies which are used to increase trading of a brand (Sharma, 2013).

Consumers are able to reach and communicate the desired brand through social media platform. Transparent communication is difficult for brand in order to maintain trust with costumers and brand loyalty (Smith, 2014).

Loyalty

If preference of customer, taste and prices of products remains constant then Change in income directly effects the consumer's demand, such effect on purchase is known as "income effect". The involvement of a product with high prices reflects consumer's self-concept and lifestyle (Subhani, 2010).

Consumer's Behavior

Marketers pay great interest towards consumer behavior. The response of consumer behavior helps marketers to know how consumers influence, feel, think and choose from other alternatives. The behavior of consumer for purchasing a specific product depends on his psychological, personal, cultural and social factors. Most of them are uncontrollable but they are considered to know the behavior of a customer. Consumer is described as the processes involved when individuals or groups, use, services, selects, purchase or dispose of products or experiences to satisfy desires and needs (Solomon, 1983).

Problem Discussion

Social media also provide additional activities like gaming, chatting, blogging and marketing of products as well. People using social media tools interact with one another in the number of different ways (Boyd DM, Ellison NM, 2008). Social interaction enhances better purchasing behavior and group communication. Online communication methods are the good ways to gather and share ideas with one another (Darban, 2012).

Consumer behavior is effected by consumer characteristics involving behavioral characters and environmental factors including mass media and social influence (Christy, 2010). Friends, family members and coworkers are greatly influenced by the social media and likely compare with one another (Sinclair, 2011).

Problem Statement

We are conducting this research to check the impact of social media marketing on consumer's purchasing intension.

Objectives

- To check the impact of consumer's purchase intention through social media marketing.
- To enhance communication and awareness of products among people.
- To introduce innovative ideas about product marketing to the world.
- To gather different cultures on a single platform for introducing product.
- To demonstrate the beneficial aspects of products.
- To save time of the buyer, as by visiting multiple outlets via social media is a time saving approach.

Research Questions

- How social media has brought changes among consumers during their decision making of purchasing?

- How does social media effect consumer's behavior to process and gather information about product?
- What makes social media marketing different from mass media?

Importance and Significance of the Study

Person's life is greatly affected by social media now a day. The number of its users increasing day by day. According to the investigations made by researchers more than 50 crore individuals are interacting on social media (Taining, 2012). Thus the increasing number of social media users have attracted marketers which help them to communicate in a better environment. It also helps many organizations to deal with the customers and to determine their needs.

According to consumer socialization theory, the consumers behavioral, cognitive, and affective attitudes are effected by communication (Ward, 1974). Social media marketing has a great impact and helpful in building new consumers behavior. People used to conduct many business and purchases on social media. Connections on social media and recommendations by friends are very helpful for consumers on decision-making. These recommendations could help purchasing attitudes brand attitudes and advertising attitudes.

Literature Review

Online Social networks growth has developed a new place communication between the people. On this platform people can share their opinion, experience and knowledge with each other which may have impact on behavior of consumers and purchasing. Social network websites have millions of users in the whole world with similar interests, hobbies and views. Facebook, YouTube, Myspace, WhatsApp are the best examples of social media that are most popular among the consumers (Sin, 2012).

Consumer behavior is influenced by social media by the information acquired after purchasing, which predict the satisfactory or dissatisfactory statements of consumers (Faulds, 2009). In this paper, discussions are made on main factors of social media marketing affecting consumer purchase intention and their analysis. Actual surveys are made and by using TAM and SOR models, influence of social media marketing on consumer purchase behaviors are verified. The results obtained from the research conducted shows that the social media stimulates external factors and effect consumer inner perception and hence it effects consumer purchase intension (Maoyan, 2014).

This article depicts that, the modern technology helps the consumer to label and criticize the product. In modern era, many companies used to advertise their product through social media and relate their product with help of costumer's reviews with other companies. The research conducted is based on quantitative method. After conducting statistical analysis by questionnaires, real impact of social media on consumer behavior can be clearly seen (Loanas, 2014).

There is a lot of literature on online consumer behavior but very little of it focuses on developing countries. The research conducted proposed that, in Pakistan what are the factors which effect the online buying patterns of consumers. The variables discussed were perceived risks, hedonic motivations, perceived advantages, website design and cognitive behaviors having security and trust factors. The data was collected by questionnaires and analyzed by SPSS software. Psychological factors had a positive effect on the consumer behavior and buying behavior but perceived risks had a negative impact on consumer buying behavior. The results shows that strategies should build by online stores to increase the reliability, betterment and trustworthiness of website design for effective marketing (Adnan, 2014).

It is noticed that in few decades, companies have a great influence on online networks. A great opportunity is provided through social media websites for companies to interact and engage with consumers and help in increasing relationships with consumers (Mersey, 2010).

Researches have indicated that consumer's attitudes are adversely affected by small negative information (Schlosser, 2005). Marketing is the activity, process of communicating, delivering, set of institutions, exchanging that have value for partners, clients and society and costumers. (Groom, 2008). Different multinational companies use social media websites such as Facebook, twitter, WhatsApp etc. in all over the world to convey their information about product (Williams, 2008). The message of various companies is transmitted by using technique "word of mouth" by social media marketing (Kuruk, 2007).

Social media have become a major factor to influence the various aspects of consumer behavior (Mersey D. M., 2010). Social media marketing have better way to convey information and better impact on consumer purchase intention (Mangold, 2008). Social media websites have transformed societies, corporations and customers access of information and better communication skills (Sin N. A., 2012).

Theoretical Framework



Hypothesis

- H1: social media marketing has positive affects consumer purchase intention
- H2: consumer behavior has positive affects consumer purchase intention
- H3: brand loyalty has positive affects consumer purchase intention

Research Methodology

Research Design

Research design holds the whole research together. It is referred as to show the rational aspects of the ways; the research was conducted. The research conducted by me follows the "Descriptive Research Design", in which examine the impact of social media marketing on consumer purchase intension.

Technique

We have used Quantitative technique in this research, which is focused on the collection of numerical data for statistical analysis.

Population

We have collected the data from students of all departments of "University of Education Lahore". Data collection was based on social media i.e. Facebook and WhatsApp.

Sampling Technique

We have used probability sampling technique which depicts the exact number of population.

Sampling Size

Data was collected via a structured questionnaire with a sample of 83 individuals who are social media (Facebook and WhatsApp) users. In which 40 were male students, 30 were female students, 8 were teachers and 5 were from admin staff.

Research Instruments

We have collected data through questionnaire as a research instrument and tool. I have adopted questionnaire and modify it and now it is in adapt shape.

Data Collection

Data was collected through survey tool from the students, teachers, employees and businessmen etc. in Okara, Punjab, Pakistan.

Data Analysis

Reliability Test

Reliability Statistics

Cronbach's Alpha	N of Items
.899	22

We can see that Cronbach's alpha is **0.899**, which indicates a high level of internal consistency for our scale with this specific sample.

Correlation Test

Correlations

		Social Media	Brand loyalty	Consumer Behavior	Purchase Intention
Social Media	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	83			
Brand loyalty	Pearson Correlation	.737**	1		
	Sig. (2-tailed)	.000			
	N	83	83		
Consumer Behaviour	Pearson Correlation	.522**	.567**	1	
	Sig. (2-tailed)	.000	.000		
	N	83	83	83	
Purchase Intention	Pearson Correlation	.691**	.666**	.660**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	83	83	83	83

** . Correlation is significant at the 0.01 level (2-tailed).

A correlation test was run to determine the Impact of a social media on consumer purchase intention. The data showed no violation of normality, linearity or homoscedasticity. There was a strong, positive correlation between social media and consumer purchase intention, which was statically significant ($r = .737, n = 83, p < .05$).

We can see that relationship between brand loyalty and social media the Pearson correlation coefficient, r , is 0.737, and that this is statistically significant ($p < 0.05$) and consumer behavior with social media the Pearson correlation coefficient, r , is 0.522, and that this is statistically significant ($p < 0.05$) and social media with purchase intention, the Pearson correlation coefficient, r , is 0.691, and that this is statistically significant ($p < 0.05$). Brand loyalty with purchase intention, the Pearson correlation coefficient, r , is 0.666, and that this is statistically significant ($p < 0.05$). Consumer behavior with purchase intention, the Pearson correlation coefficient, r , is 0.660, and that this is statistically significant ($p < 0.05$).

Regression Test

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.785 ^a	.616	.602	.48988

a. Predictors: (Constant), Consumer Behavior, Social Media, Brand loyalty

We can see that the correlation between the independent and dependent variables represented as R is 0.785. The coefficient of determination that show how the variables are deviated from the straight line which has the value of 0.616 represented as R Square. The adjusted R square value is 0.602.

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	30.458	3	10.153	42.306	.000 ^a
	Residual	18.959	79	.240		
	Total	49.417	82			

a. Predictors: (Constant), Consumer Behavior, Social Media, Brand loyalty

b. Dependent Variable: Purchase Intention

The consequences show that there is significant impact of Social media marketing on consumer purchase intention. The significant level is .000. The positive values show that there is positive relationship between the SM and CPI.

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.156	.302		.516	.607
	Social Media	.398	.118	.355	3.380	.001
	Brand loyalty	.238	.130	.199	1.834	.070
	Consumer Behavior	.353	.084	.361	4.197	.000

a. Dependent Variable: Purchase Intention

This study involves in the measuring the impact of Social media marketing on consumer purchase intention. We collect the data from surveys by using a questioner tool. The result shows that there is a positive relationship between SMM and CPI. As the firms increase their spending on marketing on social media. The profitability of the firms also enhanced. It provides benefits to the firms in the long run by increasing the sales and profits. SMM assist the firms to gain competitive edge and enhance the profitability of companies. Brand loyalty variable is rejected in this research while Result shows the positive relationship between SMM and CPI.

Conclusion

The purpose of this research was to explain when, why, and how social media marketing have impact on consumer purchase intention. Research questions were narrated to narrow down the objective of study and to help the researcher to identify the explanations of the issue. We collect the data from surveys by using a questioner tool. The result shows that there is a positive relationship between SMM and CPI. As the firms increase their spending on marketing on social media. The profitability of the firms also enhanced. It provides benefits to the firms in the long run by increasing the sales and profits. SMM assist the firms to gain competitive edge and enhance the profitability of companies. Result shows the positive relationship between SMM and CPI.

Future Recommendation

Considering the limited time and scope of this research, many theories related to the subject were covered but in a rather general perspective so as to provide a big picture for the readers. As we can see the results shown above that brand loyalty variable is rejected in this research. Therefore, if further research could be conducted, then researcher should have to work on brand loyalty.

Limitations

Survey was based on my own Facebook and WhatsApp friends and relative's other peoples. And my research was not related to other social media tools like Imo, Pinterest. Yahoo, google plus, twitter, Instagram etc.

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