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Social Media Advertisement Impact on Consumer Behavior

Anum Choudry*, *Institute of Business Management & Administrative Sciences, The Islamia University Bahawalpur, Pakistan*

Dr. Abu Bakar, *Institute of Business Management & Administrative Sciences, The Islamia University Bahawalpur, Pakistan*

Dr. Amjad Saeed, *Institute of Business Management & Administrative Sciences, The Islamia University Bahawalpur, Pakistan*

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ABSTRACT

Social Media is advertising platform that is being used increasingly for all type advertising and marketing activities. A lot of time, money and resources are being investing by the organizations for social media advertisements. There is always a challenge that how social media advertisement influence the consumer buying behavior successfully. Thus, this study aims to recognize and test the key factors related to social Media advertising that could influence the consumer purchasing behavior. The study was conducted in Faisalabad city. It was a consumer-based study, and questionnaires were completed from the 300 social media users who are selected using convenient sampling technique. Validity and reliability of the data has also been tested through appropriate statistical technique whereas descriptive statistics and regression is used to analyze the data. Finally, the finding of this research is presented in the form of this paper.

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*Corresponding author: annu.choudry@gmail.com

Introduction

Social media is a reality that has been changed the interaction and communication ways of people in world (Anderson, 2011). Social media not only influenced the interaction methods of people, but it also has influenced the communication methods of organization with their consumers. In current century the social networking websites like Facebook, YouTube, Instagram Twitter, and

Myspace are the daily used practices for common and people related to business (Edosomwan *et al.*, 2011). In 2000, social media got the boom with the start of many social networking web sites. The high boom of social media heightened and altered the interaction methods of people and organizations that have common interests in movies, music, education, and friendship, based on social media networking site. In 2004, the most popular social networking website was launch and that is Facebook. Big names like YouTube and Yahoo!360 were introduced in 2005. (Junco *et al.*, 2011).

The social media has changed the communication policies and approaches used by companies to communicate with customers. In modern age social media advertisement is one the most common and well-known source of advertisement of products and services (Christodoulides *et al.*, 2010). There is a dramatically shift of marketing and advertising, social media has become the way of expression of ideas and advertisement of (Keller, 2003). As compared to traditional media, on social media the advertisers don't need to pay distributors or publisher's big amounts of money to embed their communication, in fact they can develop their own attractive contents for the customers (Aaker, 1991).

Social media is not a single platform but there is a vast ecosystem of different sites. Bu t frequently used sites are Facebook, Instagram, Twitter, LinkedIn, and YouTube. Advertisers keep their selves engaged to be aware about the ranking of social media sites to advertise their products on sites that have more traffic of users (Correa, 2010). Customer is always having authority to decide the fate of any advertising communication, social media advertising is more customer centric platform (Chu & Kim, 2011). With the unsatisfactory advertising budget of organization that organization most of the times meet via the traditional channels, social media advertising may be, specifically, easier, and more efficient for small and medium sized businesses to achieve maximum benefit from it (Chu & Kim, 2011).

Basically, the social media is about the content of advertising and branding. Companies try to build long term relationships with their customer by providing them with social media online outlets of their offered products and services. In return companies achieve customer's attention, loyalty and brand awareness and ultimately profit maximization (Kim & Hyun, 2011). Conventional advertising through mass media is on turning down (Hollebeek *et al.*, 2014). The era of traditional marketing is over, dead, finished and most marketers don't realize it (Gallaughner & Ransbotham, 2010). The useful usage of social media today and even soon is marvelous (Savage, 2010). The use of social media for advertisements (Anderson, 2011) has been significantly increased, still there is very few information available to measure the effectiveness of social media advertisements for purchase intentions (Park & Valenzuela, 2009). This study aimed to analyzing the impact of social media advertisements on consumer purchase intentions in Faisalabad city.

Literature Review

Oliver *et al.*, (1997) described that consumer purchase intention means the probability of consumers to make repurchasing of products or services. Spears and Singh (2004) explained that the consumer willingness to purchase a product is known as consumer purchase intention. Vollmer and Precourt (2008) discussed as per consumers opinion the social media advertisements are rotating more frequently on a variety of social media site and these advertisements are playing

important role to carry out their information searches and to build their purchasing decisions. Evans (2008) presented the study about the segment of advertisers beating into the purchase process with the help of social media. The researcher discussed the classic purchase funnel model as a pointer of how social media advertisements have influenced on consumer purchase intentions on different steps.

It was explored that the awareness and expectation of consumers regarding online shopping and the factors influencing these perceptions (Bamrara; Chouhan & Bhatt, 2012). The regular purchasers are mainly prejudiced by the easiness and pleasant appearance and service quality of website, whereas the irregular purchaser's rate and consider the website security to a greater level. Hutter *et al.*, (2013) explained that the main goal of every company is to attain the customers' attention towards the marketed products, and in this regards the performance of social media is measured by the marketing communication's primary goal. The study shows that social media advertisements have great effect on consumer purchase intention, it influenced all mental stages of purchase decision making process (Chu & Kim, 2011).

Parvatiyar and Sheth (2001) explained that companies are using modified social media networking platforms to access the consumers in a more personalized method. Interactive and targeted advertising is the input to success and are extreme advantageous and helpful than the traditional marketing. Literature narrates that these technological ideologies and development make the online communication networks growth favorable (Park & Valenzuela, 2009). On other hand the behavior of consumer has altered in the more challenging and spontaneous directions, therefore the companies need to start thinking innovative methods to correspond their offers. Step by step this has been in progress to become obvious for today's advertisers that social media networkers desire to speak about consumer brands and employ for communication between companies and consumers.

Wright *et al.*, (2010) explored that the main point is to identify and target the right people with the right messages. Thus, selecting the right people not only fetches down the company's advertising operating cost but also radically develops their marketing efficiency. For an organization it is easy to connect with other stakeholder with the help of social media advertisings. Rehmani and Khan (2011) explored the social media communication factors that influenced the consumer purchase intentions. Chi (2016) explored clearly that users' motivation for online networking had varying effects on their social media marketing responses. Overall, social media has fostered the process of developing relationship among consumers and firms.

Chu & Kim (2011) investigated the impact of social media communication either generated by users or firms. The finding showed that user-generated social media statements had positive influence on both brand attitude and equity Iblasi *et al.*, (2016) investigated that social media has been become the important tool of communication among people and have strong influence on purchase decision of consumers.

Chen, and Jiang (2006) investigated the performance of a product or service is signifies by perceived quality. Perceived quality can influence the purchase intentions on consumers. A product or service is purchased by consumers only when the consumers are satisfied with that product, in simple word the perceived quality is important for consumer purchase intentions.

Literature highlights that the quality and price of the products or services are sometimes interpreted by the information (Park & Valenzuela, 2009). This demonstrates that the country of origin and perceived quality is factor on which products are evaluated.

Literature argues that the factors such as personality, social, mental states, and literary rights are influenced the purchase intentions of the consumers (Verma et al., 2012). These factors should be considered to get target market, because in term of evaluations and buying behavior towards a product of service all consumers have different attitudes. Advertisers should make the marketing strategies and decision in the way that they can categorize the factors can affect the purchase intentions of consumers.

Engels *et al.*, (1969) highlighted that consumers' purchase intentions are highly impacted by the word of mouth than the contents floated by advertisers for a product or service. Bauer (2005) explained the electric word of mouth as an important factor in determining the consumer purchase intentions. Usefulness and efficiency of electric word of mouth, electric word of mouth is a casual and informal discussion between persons, this communication is between professed non advertising conversationalist and a consumer about characteristics or ownership of a brand, a commodity, a service, a company, or a supplier (Yoo & Donthu, 2000).

It was indicated that if we talk about the product consumption goal associated with promotions, the positive and negative words of mouth have different degree of influence on consumers (Zhu & Chen, 2015). Many studies explored that electric word of mouth about a product do impact concerns and preference. Cheung and Lee (2012) explained that the electric words of mouth are traditional word of mouth but with the revolution of information technology, these are changed into a new kind of online interaction, that's way it is called electronic word of mouth (e-WOM). Electric words of mouth mean a multi way communication or exchange of information (Verma et al., 2012). Thus, based on the above cited details researchers has drawn the following hypothesis.

Hypothesis 1: social media has positive significant relationship with consumer purchase intension.

Hypothesis 2: Perceived quality has positive significant relationship with consumer purchase intension.

Hypothesis 3: Electric word of mouth has positive significant relationship with consumer purchase intension.

Hypothesis 4: Consumer engagement has positive significant connection with consumer purchase intension.

Hypothesis 5: information Search has positive significant relationship with consumer purchase intension.

Framework

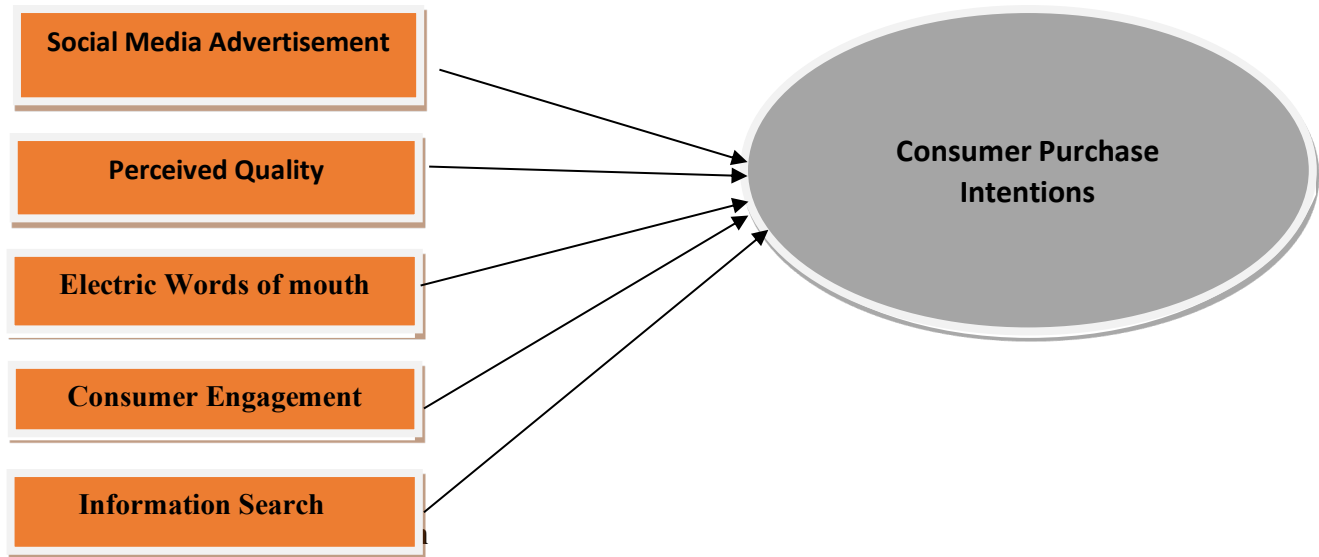


Figure 1.

Data, Variables and Methodology

Step 1: survey Research Design → Survey Method → Sampling design and size →

Convenience sampling and 300 sample size)

Step 2: Questionnaire Design → Question items and scale measurement → (5-point liker scale)

→ Questionnaire format → (Scenario, 2 question section- social media advertisements on consumer purchase intentions) → Pre-Test

Step 3: Data Collection → Figure 3.1 Research Design Summary

Respondents' Profile and Characteristics

100% of my respondents is aware of social media websites. The 21-30 years old are using social media sites that is 44.3% and below 20 years are less using social media their % is 6.3%. graduated are using social media sites more which is 33.3%. the students are using social media sites more which is 58.4%. And less percentage is for government employees which is 6.3%. The highest percentage of respondents based on their income are Different income brackets included up to 20000 to 40000 (31.2%), 41000-60000 (44.4%), 61000-80000 (39.7%), 80000-100000 (7.0%) and 100000-above (21%). Maximum population, 100% respondents is aware about the face book and then 95% aware about YouTube. The daily users of social media sites are high in percentage that is 48%, the for weekly users is 31% and 21% for monthly users. The percentage about the awareness of social media advertisements, according to this survey, 78% people are aware about the social media advertisement and 22% people don't know about the advertisements on social media. 52% people purchases products after watching advertisements of social media and 48%

don't purchase the products advertised of social media. Only 37% people are willing to repurchase the products and 63% people don't purchase again. the 63% people like to see advertisements of brand on social media and 37% people don't like to see the advertisements.

Reliability refers to the result consistency when the body of the study has been measured generally. A research instruments' reliability is measured by means of Cronbach's alpha globally which is founded on internal consistency. Cronbach's alpha calculated the average of measuring construct and its correlation. Items are reliable if value of cronbach's alpha exceeds 0.5 (Kim et al., 2004).

	Construct	Variable	Items	Cronbach Alpha
1	ADV1	Advertisement	8	0.936
	ADV2			
	ADV3			
	ADV4			
	ADV5			
	ADV6			
	ADV7			
	ADV8			
2	B.PQ1	PRECIVED QUALITY	3	0.934
	B.PQ2			
	B.PQ3			
3	WM1	Electric Word of mouth	3	0.951
	WM2			
	WM3			
4	CE1	Consumer Engagement	6	0.911
	CE2			
	CE3			
	CE4			
	CE5			
	CE6			
5	IS1	Information Search	5	0.889
	IS2			
	IS3			
	IS4			
	IS5			
6	PI1	Purchase Intentions	8	0.921
	PI2			
	PI3			
	PI4			
	PI5			
	PI6			
	PI7			
	PI8			

Table 1.

Analysis and Results

The influence of social media advertisement on consumer buying intentions was investigated to estimate the multiple regression analysis. After the collection of primary, it has been examined by using SPSS 20 to descriptive statistics and multiple regression analysis. The multiple regression analysis as first used by (Pearson, 1908) which applies more than one independent variable to describe the maximize difference in the dependent variables. The regression model is indicated as follow:

$$Y = \alpha + b_1X_1 + b_2X_2 \dots + b_3X_3 + e$$

Multiple Regression Model

The function model of the present study seems as below: PI = (ADV, PQ, WM, CE, IS,)

PI = purchase intention

ADV = Advertisement

PQ = Perceived Quality

WM = Word of Mouth

CE = Customer Engagement

IS = Information Search

X is the purchase intention;

X2 is the consumer's age; 0 = below 30-year-old, 1 = above 30-year-old,

X3 is the consumer's education; 0 = Graduation, 1 = above Graduation,

X4 is the consumer's income; 0 = up to 50,000, 2 = above 50,000

X5 is the consumer's employment status; 0 = if not employed, 2 = if employed

X6 is the dimensions of social media on consumer purchase intentions in factor loading scores.

The regression model of the present study is:

Model Summary					
Model	R	R-Square	Adjusted R Square	Std. Error of the Estimate	
01	0.408 ^a	0.167	.153	2.03280	
a. Predictors : (Constant)					

Table 2.

Above adjusted R square that is coefficient of determinant of social media advertisements on consumer purchase intentions PI with SM, PQ, WM, CE and IS. The adjusted R² is 80.5% of the total variability in purchase intentions can be described by SM, PQ, WM, CE and IS. whereas remaining 19.5% are not counted in the study. Additionally, the model summary likewise revealed the overall significant relationship of social media advertisements, perceived quality, electric word of mouth, customer engagement, and information search with purchase intention towards the different brands at p =0.000

Regression Coefficient

Coefficients ^a						
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	34.993	1.709		20.473	.000
	S_M1	1.735	.254	.396	6.829	.000
	P_Q	.017	.133	.007	.126	.900
	W_OM	-.524	.214	-.141	-2.451	.015
	C_E	-.582	.190	-.166	-3.058	.002
	I_S	-.702	.276	-.138	-2.545	.011

a. Dependent Variable: P_I

Table 3.

The motivation behind the research was prompted by personal interest that how consumer behavior has changed in the digital age, especially with social media. The central gravity of the research was to explain when, *why*, and *how* social media has influence on consumer decision making process both in practice and theory.

Thus, the research was conducted in the *perception of consumers* (in Pakistan), which was designed to describe the impacts of social media on different phases in their consumer purchase intentions, by finding out *in what way consumers perceive social media* in the whole process. Moreover, the research possibly, could help organizations to *advance new insights* from this viewpoint and to *identify possible pitfalls and opportunities through social media* advertising.

Conclusion and Discussion

The social media advertisements have a profound impact on the consumer purchase intentions. Pakistan has also experience rapid change in the reform era. Further the research revealed that, perceived quality, word of mouth, information search and customer engagement have impact on consumer purchase intentions. This study was limited to consumer in Faisalabad area only, which may not be truly representative of the social media users is more common in large cities but not common in rural area the result might be different in other cities and small towns were included in this study. This research first is to study the social advertisement and purchase intention in the context of Pakistanis. This research is about consumer attitude in the developing country with increasing competition among products and service provider companies. This research contributes to the literature analyzing the factor which is affecting the purchase intension is response to the social media advertisements.

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