



Analyzing the Impact of Social Media Marketing on Purchase Intention

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Abstract – In the digital era, social media has transformed the way business interacts with consumers. This research paper delves into how social media marketing (SMM) strategies influence consumer purchasing decisions. Utilizing structural equation modeling (SEM) with SPSS and AMOS, your study empirically examines the mediating role of trust in the relationship between SMM practices and purchase intentions. The findings underscore that trust significantly mediates this relationship, suggesting that fostering consumer trust through social media platforms can enhance purchasing behavior.

Keywords – Brand Awareness, Purchase Decision-Making, Social media marketing, Influencer Marketing, Consumer Behavior

I. INTRODUCTION

Marketing encompasses diverse activities, employing various institutions and processes, all aimed at creating, communicating, delivering, and exchanging offerings that hold value for customers, Clients, partners, and society (Gundlach and Wilkie, 2009).Marketing is an evolving and dynamic business activity. Electronic commerce facilitates the exchange of products and services over the Internet, enabling selling, buying, and trading activities. The growth of disruptive technology and innovation has revolutionized traditional marketing practices by incorporating various elements, including product information, advertising spaces, software programs, auctions, stock trading, and matchmaking. Several companies have transformed the possibility of utilizing the Internet for marketing purposes. Examples of such trailblazers include Google, Yahoo.com, Facebook, Alibaba, and YouTube. com. Internet marketing, a subset of e-commerce, has experienced a surge in popularity due to the rapid expansion of the Internet. (Verma, 2018) .This study holds significant importance because of the emergence of digital marketing as a key driver of business growth in the modern era. With the increasing reliance of individuals on social media and the Internet for product and service selection, understanding the role of social media in digital marketing and its impact on consumer purchasing behavior becomes crucial. The study findings will be valuable for product and service providers as they can gain insights into consumer behavior and brand perception through social media platforms.

This study will be beneficial to understanding consumers' purchase intentions through digital marketing and social media platforms. With the evolving landscape of digital marketing, businesses have the opportunity to showcase their products and services effectively to consumers through social media channels.

This study provides valuable insights to service providers and marketers by examining consumer behaviors and purchase intentions in this context. This knowledge

can enhance digital marketing strategies, tailor offerings to consumer preferences, and ultimately increase conversion rates and customer satisfaction. Facebook, Twitter, and Instagram are experiencing the most rapid growth among the social media platforms (Rahardja, 2021). Social media is an online application program, platform, or mass media tool enabling users to interact, collaborate, and share content (Wibowo, Chen, Wiangin , Ma, & Ruangkanjanases,2021). Online shopping is a platform on which buyers directly purchase goods from sellers through online stores, e-shops, or Internet shops. These online stores showcase and describe their products using computer-generated visuals, pictures, and texts.

II. REVIEW OF LITERATURE

A literature review is a critical analysis and summary of existing knowledge of a particular topic within a specific field of study. It involves examining and evaluating relevant scholarly sources, such as books, articles, and research papers, to provide a comprehensive understanding of the current state of knowledge on the chosen subject. The concept of a literature review involves a systematic and critical examination of existing literature to establish the context for new research, identify gaps, and contribute to the development of theoretical frameworks. The study conducted by Emini, A., & Zeqiri, J.(2021), titled "Social Media Marketing and Purchase: Evidence from Kosovo," reveals a positive indirect impact of social media marketing on purchase intention. The findings highlight that brand engagement acts as a mediator in the relationship between social media marketing and purchase intention. Conversely, brand awareness does not emerge as a mediator in the connection between social media marketing and purchase intention. This study adds to the existing literature by providing valuable insights into the influence of social media marketing on brand awareness, brand engagement, and purchase intention in a transition economy such as Kosovo.



III. THEORETICAL FRAMEWORK

Social Media and Marketing Activities

Social media is an online space in which individuals with shared interests gather to express their thoughts, comments, and ideas. The utilization of these online communication platforms, enabled by the Internet and mobile-based technologies, plays a critical role in marketing actions undertaken by businesses. There were two significant aspects to consider. First, social media profoundly affects how consumers perceive and engage with products and brands. It influences their opinions and facilitates sharing experiences and recommendations with other consumers (Bilgin, 2018). The impact of social media on decision-making processes stems from its role as a platform that enables open social interactions among individuals. Social media effectively bridges the gap between interactions and consumer channel selection by serving as this medium. Consequently, people can share opinions, experiences, and recommendations more efficiently, significantly influencing their decision-making. This direct communication and access to information empowers users to make informed choices about various matters, including purchases and lifestyle decisions. Additionally, social media's ability to showcase social proof, employ influencer marketing, and deliver personalized contents.

Brand awareness

Brand awareness refers to the level of recognition and familiarity that a brand enjoys among its target audience. It represents how well consumers can identify and recall a brand's name, logo, or other visual cues. Brand awareness is a fundamental aspect of brand building and marketing, as it serves as a foundation for other brand-related activities. There are two main types of brand awareness.

Unaided Awareness: Unaided brand awareness measures a consumer's ability to spontaneously recall a brand when asked about a specific product or category. For example, if someone is asked to name a soft drink brand, their ability to mention "Coca-Cola" without any prompting reflects unaided awareness.

Aided Awareness: Aided brand awareness involves assisting consumers by providing cues or prompts, such as showing them brand names and asking if they are familiar. Aided awareness is often measured by asking consumers if they recognize a brand when shown its logo or name.

Brand Engagement

Brand engagement refers to individuals' emotional and psychological connection with a brand. It goes beyond simple awareness of a brand's existence and involves building a meaningful and positive relationship between the brand and its target audience. Effective brand engagement leads to higher customer loyalty, advocacy, and increased business success. The brand engagement is

an ongoing process that requires a deep understanding of the target audience, continuous efforts to create meaningful experiences, and a commitment to maintaining a positive and authentic brand image. Brand engagement can increase customer loyalty, word-of-mouth referrals, and sustainable business growth when executed effectively. Perceived value refers to consumers' subjective assessment or judgment regarding the worth or benefits they believe they will receive from a product, service, or brand relative to the cost or sacrifices they expect to incur. It is a customer's perception of the overall value proposition offered by a product or service. Perceived value is influenced by various factors, including the product's features and attributes, quality, brand reputation, customer service, marketing efforts, pricing, and the context in which the producer service is presented. It is important to note that perceived value may vary from one individual to another, as it is based on personal preferences, needs, and experiences. (Permatasari & Kuswadi, 2017)

Social Media and Purchase Intention

Social media has been recognized as impacting customers' purchase intentions towards products or services. (Akhtar, Tahir, & Asghar, 2016). Research has demonstrated that social media marketing, mainly through online communication and word of mouth, significantly influences customers' purchase intentions. (Rudyanto, 2018).

Brand Engagement and Purchase Intention

The Internet plays a crucial role in the substantial dependency of email marketing as most online mechanisms require the use of emails. When users consent to receive email marketing, it indicates their interest in the products or services offered by companies. This interest, in turn, can potentially influence their purchase intentions. By actively opting in to receive email communications, users demonstrate engagement and openness to exploring the offerings. This increased interest and engagement through email marketing can positively impact customers' intention to purchase (Sekarintias & Kusumawati, 2017).

Brand Awareness and Purchase Intention

Perceived value directly influences purchase intention. When consumers perceive a high value in a product or service, they are likelier to develop a positive attitude towards it. This positive attitude leads to an increased purchase intention. On the other hand, if consumers perceive low value, they are less likely to have a positive attitude and, as a result, have a lower purchase intention. Several studies on consumer behaviors have shown that a positive perception of value is a critical driver of purchase intention. Consumers tend to be more willing to buy when they believe that the product's benefits outweigh its costs or when they perceive the product to be superior to alternative options (Permatasari & Kuswadi, 2017).



IV. Conceptual Framework For The Study

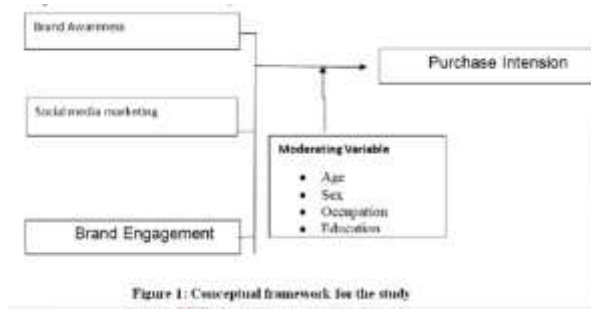


Figure 1: Conceptual framework for the study

The Hypotheses of Study are:

- **H1.** Social media marketing has a significant effect on purchase intention.
- **H2.** Brand awareness has a significant effect on purchase intention.
- **H3.** The brand engagement has a significant effect on purchase intention.

Research Methodology

This study utilizes a quantitative approach and employs the associative method to achieve the research objective. Primary data is collected through a survey questionnaire, which is distributed online and employed. A non-probability convenience sampling technique is used in this study. this study, a sample size of 200 respondents has been taken. This study will utilize a questionnaire approach to collect data from the participants. The questionnaire will be developed using Google online forms, and the link to the questionnaire will be shared with the participants through online media such as social media or email. Descriptive analysis methods such as cross-tabulation and median analysis tests are employed. Inferential analysis techniques, including Chi-Square, t-test, and ANOVA, are used to conclude from the collected responses.

Reliability and Validity

For Reliability test, Cronbach's Alpha was calculated for this questionnaire. It is generally used to measure internal consistency or reliability i.e. how closely related a set of items are as a group.

A total of 20 respondents were chosen for the pilot test. A high degree of Alpha is often used as evidence that the items measure an underlying construct. However, a high Alpha does not imply that the measure is one-dimensional.

Number of items/components	13
Cronbach's Alpha	0.878

V. Results and Discussion

Explanatory Variable		Number 200	%
Gender	Male	118	59%
	Female	82	42%
Age	15-20 years	40	20%
	21-30 years	119	59.5%
	31-40 years	17	18.5%
	above 40 years	00	00%
Marital Status	Married	136	68%
	Unmarried	64	32%
Occupation	students,	125	62.5%
	employed in private sector	28	14%
	Business	13	6.5%
	government service	17	8.5%
	unemployed	17	8.5%
Education	Secondary level	30	15%
	12th grade	40	20%
	bachelor's	94	47%
	master's degree	20	10%
	Above-masters'	16	8%
Religion	Hindu	198	99%
	Others	02	2%

The study examines the relationship between social media experience, platform preferences, and advertising focus across different professions among 200 participants. In terms of social media experience, students predominantly have 5-6 years, government service individuals vary widely, private sector employees mostly have 5-6 years, business professionals favor 3-4 years, and unemployed participants have a mix of 1-2 years and 3-4 years of experience. Facebook emerges as the preferred platform across all professions, with no statistically significant differences in platform preferences. The majority of participants across professions focus on social media advertising, resulting in an overall percentage of 81.5%, with no significant differences in advertising focus across professional categories.

The study finds that Social Media Marketing accounts for a 5.7% variation in Purchase Intension, indicated by an R-square value of 0.057. Two-way ANOVA results with a p-value of 0.001 show a significant relationship between Social Media Marketing and Purchase Intension. The coefficient analysis reveals a positive relationship, with a one-unit increase in Social Media Marketing leading to a 0.240 unit increase in Purchase Intension, underscoring the positive Impact of Social Media Marketing on consumers' intent to purchase.

VI. CONCLUSION

In this comprehensive study encompassing 200 respondents, a thorough exploration of demographics, social media behaviors, and purchase intentions has been undertaken, yielding valuable insights into consumer behavior in the digital age. The research illuminated compelling correlations between gender, age, education levels, and professions with social media preferences, usage patterns, and advertising engagement, shedding light on the nuanced ways individuals interact with online platforms. One notable discovery was the gender-based disparity in social media platform preferences. Males exhibited a predilection for Facebook and actively engaged



with social media advertisements, while females displayed a preference for TikTok. These distinctions underscore the significance of gendering shaping digital interactions and marketing strategies, emphasizing the need for targeted approaches tailored to specific audience segments. Additionally, age emerged as a crucial factor influencing social media choices. Platforms such as Facebook and TikTok resonated differently across age groups, reflecting the evolving landscape of social media usage. The study discerned varying durations of social media experience across education levels, providing nuanced insights into the digital proficiency of different demographic segments. Furthermore, the research highlighted the pivotal roles played by Social Media Marketing, Brand Awareness, and Purchase Intention in shaping consumer decisions. Social Media Marketing exhibited a positive correlation with increased Purchase Intention, underscoring the effectiveness of strategic online marketing initiatives. The study elucidated moderate to strong relationships between Brand Awareness and Purchase Intention, emphasizing the influential power of brand recognition on consumer choices. These findings underscore the multifaceted interplay between marketing strategies, brand perception, and consumer preferences, offering invaluable guidance for businesses aiming to enhance their digital presence and customer engagement.

In essence, this study serves as a rich resource for marketers, businesses, and researchers, providing a deeper understanding of the intricate dynamics governing social media usage, brand engagement, and consumer intentions across diverse demographic backgrounds. By recognizing and leveraging these insights, businesses can refine their marketing strategies, tailor their messaging, and optimize their online presence to effectively connect with their target audience, ultimately fostering stronger brand-consumer relationships and driving business growth in the digital era. The study could involve several avenues for further research and exploration. Here are some potential directions for future research: Long-Term Effects: Explore the long-term effects of social media marketing on consumer behavior and purchase intention. Conduct a longitudinal study to track changes over an extended period, considering factors such as brand loyalty and sustained purchasing patterns. Emerging Trends and Technologies: Investigate how emerging technologies, such as augmented reality (AR) or virtual reality (VR), impact social media marketing effectiveness and subsequently influence purchase intention. In-depth Industry Analysis: Conduct industry-specific analyses to understand how the impact of social media marketing varies across different sectors. Explore whether certain industries experience higher or lower influence from social media on consumer purchasing decisions. Consumer Trust in Online Transactions: Examine the role of trust and credibility in online transactions facilitated by social media marketing. Investigate how trust factors influence consumers' willingness to make purchases through social media platforms. Integration of Online and Offline

Marketing: Explore how the integration of online and offline marketing strategies affects overall purchase intention. Analyze the synergies and differences between digital and traditional marketing efforts.

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