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Social Media Advertising and Social Media Engagement on Online Purchase Intention

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ABSTRACT

Social media has become a powerful tool among marketers to sell their products. The increase in the number of internet users in India is also proving to be an added factor in this aspect. Social media platforms are increasingly popular among the young generation of the country. This research aims to find the contributions of social media advertising and social media engagement to online purchase intention among the target audience. The region of the study was the State of Kerala, which has a tech-savvy population growing every year. Along with demographic analysis and investigation of social media advertising among the target group, the study used statistical techniques, which include correlation and multiple regression, to arrive at the required outcomes. The results of the study would enable social media marketers to realign their strategies to reach the target population.

Keywords: *Social media advertising, Social media engagement, Online Purchase intention, Correlation, Multiple Regression.*

1. Introduction

Before the internet, viewers had to put up with constantly paying attention to or viewing commercials. The level of advertising in the media that people watched and listened to was appropriate. As they drove down the highway, watched TV, or listened to the radio, audiences were enslaved to the messages that marketers wanted to get through to them. Now, people are more engaged in online platforms more than ever. The growth of IT infrastructure had contributed to the increase in the number of logging in online especially in different social media platforms. During COVID-19, the existing internet users increased at an exponential rate to what it is today in India and Kerala. Social media has grown in popularity as a means of interpersonal communication in recent years. The introduction of social media has brought about a substantial shift in the way consumers make decisions. Businesses utilize social media platforms like Facebook, Instagram, WhatsApp, YouTube, and others to advertise their goods. Brand advertising, celebrity traffic, social media influencer traffic, and customer product reviews all have a favourable effect on consumers' purchase intentions. Previous literature emphasizes that contemporary marketing techniques such as billboards, TV commercials, newspaper advertisements, and so forth, are currently deemed excessively extravagant and inefficacious (Abdullah et al, 2020). There is an increasing need to understand the impact of social media marketing which includes different advertising strategies used by companies on the purchase intentions of the consumers. According to reports, the social media penetration in India has now crossed thirty three percentage (Wong, 2024). This aim of this study is to investigate the contributions of social media advertisements to purchase intentions along with social media engagement also be an important factor for making purchase intentions.

1.1 OBJECTIVES

1. To investigate the interest of the target group in social media advertising.
2. To study the association between social media advertising and online purchase intention.
3. To study the association between social media engagement and online purchase intention.

1.2 Conceptual Model of the Study

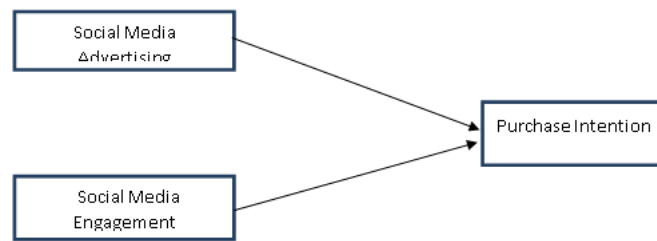


Fig 1: Conceptual Model

The conceptual model used in this research is shown in figure1. Previous literature showed models where social media marketing moderated by consumer engagement to purchase intention(Husnain & Toor,2017). Another model has investigated the association of social media advertising to purchase intentions where customer attitude along with engagement were contributing factors to purchase also (Li & Nuangjamnong, 2022). In the conceptual model, Purchase intention is the dependent variable while social media advertising and social media engagement are the independent variables respectively. Online purchase intention is influenced by various factors, including perceived risk, perceived ease-of-use, and trust (Heijden, 2003).

Social media engagement measures the public shares, likes and comments for an online business' social media efforts (*What Is Social Media Engagement? Engage Users and Make \$ / BigCommerce*, n.d.). Social media engagement is a complex concept, encompassing a psychological state of mind (Syrdal & Briggs, 2018) and involving cognitive and emotional immersion (Smith & Gallicano, 2015). Social media advertising is a form of digital advertising that uses social media platforms to serve paid ads to a target audience (*What Is Social Media Advertising? Definition, Costs, Best Practices, Benefits, and Examples - Spiceworks*, 2022). Social media advertising is effective in increasing brand awareness, generating engagement, creating conversation, and boosting revenue(Beveridge, 2023).

1.3 Hypothesis:

The hypotheses are constructed as follows:

H1: social media advertising has a positive significant influence on consumer purchase intention.

H2: social media engagement has a positive significant influence on consumer perception.

2. LITERATURE REVIEW

2.1 Social Media Advertising

Social media advertising plays a significant role in various domains. It has opened up new opportunities for cultural exchange and communication between different peoples, promoting cultural rights and diversity . Social media advertising plays a significant role in influencing purchase intention. The presence of celebrity influencers on social media can create consumer awareness and increase purchase intention . In the field of sports, social media has been used to promote less popular sports, with strategies and campaigns aimed at increasing visibility and attracting new fans (Anand & C, 2023).Additionally, social media has become an important tool for sponsorship activation, with brands utilizing social media presence to enhance brand awareness and image (Barbu et al., 2021). In the healthcare sector, social media has transformed communication and information sharing, allowing for the promotion of health issues, behavior change, and engagement with communities and policymakers (Rajshri & Malloy, 2023).

2.2 Social Media Engagement

It is influenced by factors such as product involvement, attitude towards the community, and online interaction propensity (Dessart, 2017). High social media engagement can significantly impact brand relationships, particularly brand trust, commitment, and loyalty (Dessart, 2017). In the context of internal communication, social media can be a valuable tool for engaging employees, with best practices including clear policies, employee training, and authentic, consistent content (Ewing, 2019).

2.3 Online Purchase intention

The degree to which an online advertising campaign is successful is primarily determined by the consumer's inclination to acquire the promoted products, a factor that can be easily identified through empirical studies. Research conducted previously examines customer attitudes towards the inclination to employ a mobile application for online purchasing (Febriati et al,2020). The subject of purchase intention is a wide-ranging matter that has been examined extensively in scholarly investigations across various sectors, encompassing marketing, advertising, and reporting. The level of enthusiasm displayed by the consumer in obtaining the merchandise serves as a pivotal indicator of the individual's intentions (Beck & Ajzen, 1991). The intention to search for product information online is a key predictor of online purchase intention (Shim et al, 2001).

3. RESEARCH METHODOLOGY

A descriptive study was used in this research to investigate the impact of social media advertisements and social media engagement on purchase intention of the target group. The target group included 130 respondents from across Kerala. Kerala has one of the most tech-savvy population in the Country with high literacy rate. The level of internet penetration is also the highest in the country according reports (2023). Convenience sampling was used in data collection from the respondents which used a self-administered questionnaire. The first part of the questionnaire was used to find the general interest of the target group in social media advertising. The second part of the questionnaire was used to investigate 1) social media advertising and 2) social media engagement to the online purchase intention.

A total of 12 items were used to investigate the outcome for this part of the study. LIKERT scale was used in the questionnaire. The subscales related to social media advertising was adopted research by Daroch (Draoch, 2017). The subscales related to social media engagement was adopted by related studies by Sigerson (Sigerson & Cheng, 2015). Online purchase intention was adopted from Wani (Wani et al, 2016). The overall Cronbach's Alpha for the 12 items in the questionnaire was .830 which was an excellent result according to literature (Nunnally & Bernstein 1994). Google Forms were used to circulate and collect data from the target group. Statistical techniques used included proportionate analysis, Correlation and multiple regression. IBM SPSS v23 was used in the analysis for the multivariate analysis.

4.RESULTS AND DISCUSSION

4.1. Demographic characteristics and social media

Table 1: Demographic characteristics

Age Group	n	%
Below 30 years	183	87
31-40	21	10
41-50	4	2
Above 50	2	1
Gender		
Male	128	61
Female	82	39
Education		
12th	46	22
Graduation	74	35
Postgraduation	82	39
Other	8	4
Annual Income		
Less than 3 Lakhs per annum	134	63.9
3 to 5 Lakhs per annum	37	17.5
6 to 8 Lakhs per annum	39	18.6
Occupation		
Professional	21	10
Self Employed	4	2
Salaried	25	12
Student	160	76

Note : n=210

The overwhelming majority of respondents (87%) are under 30 years old. This suggests that the target audience for this research is likely to be young adults. There is a significant skew towards males (61%) in the sample. The highest level of education attained by the majority of respondents (39%) is a postgraduate degree. This suggests that the sample is relatively well-educated. The majority of respondents (63.9%) have an annual income of less than 3 lakhs per annum. This suggests that the sample is skewed towards lower income earners. The largest group of respondents (76%) are students. This is consistent with the finding that the majority of respondents are under 30 years old.

4.1.1 On how many social media sites are you active?

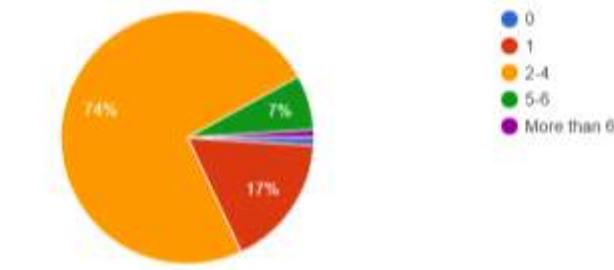


Fig 2: Social Media Activity

Based on this data, we can see that the majority of respondents (52%) are active on 2 or 3 social media sites. There is a significant minority (27%) who are active on 4 or more social media sites, and a smaller group (18%) who are only active on 1 site. Notably, 6% of respondents are not active on any social media sites at all.

4.1.2 How many hours do you spend approximately per day on social media?

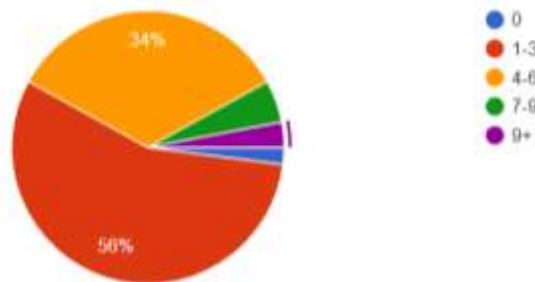


Fig 3: Hours spent on social media

The fig shows that a major share of the respondents are using social media between 1-3 hours followed by 4-6 hours. This gives an insight on the social media engagement among the target group.

4.1.3 Which social media platform do you use most?

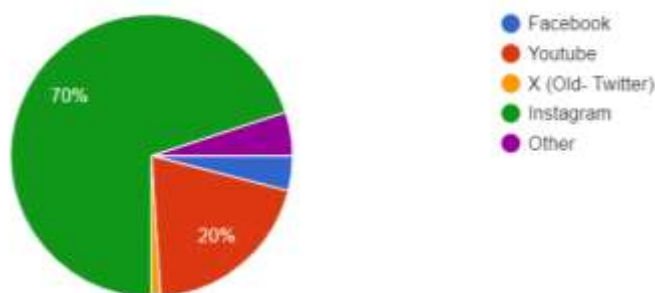


Fig 4: Most popular social media platform

Interestingly, the most popular social media platform is Instagram among the target group which was youth below the age of 30 years as we noticed in the demographics. Youtube also has a major share among the group of social media platforms.

4.1.4 Are you interested in the advertisement that you see in Social media platforms?

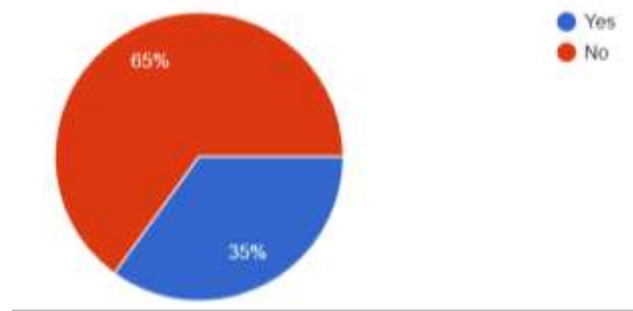


Fig 5: Interest in Social media advertisement

From the Chart, it was evident that many of the respondents are interested in social media platforms. This shows how influential this marketing channel has become among the masses.

4.2 Correlation Test: Online purchase intention, Social media advertising and Social media engagement

Table 2: Correlation test Between Online purchase intention, Social media advertising and Social media engagement

	n	M	SD	1	2	3
1. Online Purchase Intention	210	6.90	1.95	1.000	.561**	.295**
2. Social Media Advertising	210	14.88	4.53	.561**	1.000	.179**
3. Social Media Engagement	210	11.62	10.53	.295**	.179**	1.000

Note: M stands for Mean and SD stands for Standard deviation respectively. n stands for the number of valid cases. The mean and standard deviation for Online purchase intention was 6.90 and 1.95 respectively while it was 14.88 and 4.53 for social media advertising respectively. For Social media engagement, the mean was 11.62 with a standard deviation of 10.53. ** denotes $p < .05$.

From Table 3, results showed a perfect positive correlation, $r(210) = .561$, $p < .05$ which is a strong, positive relationship between the variables Online Purchase intention and Social media advertising. We also observe a positive correlation between Online Purchase intention and Social media engagement with $r(210) = .295$. Social media advertising has a positive correlation with Social media engagement with $r(210) = .179$.

4.3 Linear Regression: Predictors of Online purchase intention

4.3.1 Hypothesis:

H₁: Social media advertising is a predictor of Online purchase intention

H₂: Social media engagement is a predictor of Online purchase intention

Table 3: Regression analysis summary for predicting the Online Purchase Intention (N=210)

Variable	Unstandardized Coefficients		Standardized Coefficients	t	p
	B	SE	Beta (β)		
Constant	2.508	.638		3.930	.000
Social Media Advertising	.226	.036	.525	6.330	.000
Social Media Engagement	.098	.040	.201	2.426	.000

Note: Constant = 2.508, $F(2,208) = 26.567$, $p < .05$, $R^2 = .66712$, Dependent=Online Purchase Intention

The results of the Regression indicated the predictor explained 66.71% of the variance ($R^2 = .66712$, $F(2,208) = 26.567$, $p < .05$). It was found that trust in Social media advertising significantly predicted Online purchase intention ($\beta = .226$, $p < .05$). Also, Social media engagement predicted online purchase intention significantly ($\beta = .098$, $p < .05$).

5.CONCLUSION

Social media platforms have become a popular tool for digital marketing in promotion of brands for the industry. This research tried to investigate the impact of social media advertising and social media engagement on online purchase intention. The demographic proved that the youth were more interested in social media platforms where males were having a dominant share among the respondents coming under the income group of less than 3 Lakhs per annum. The target group was active on multiple social media platforms for at least one to three hours with Instagram being the most favourite platform among the group. The Correlation test proved that the variables-social media advertising, social media engagement and online purchase intention were positively correlated. The Multiple regression showed evidence that both social media advertising and social media engagement were strong predictors of online purchase intentions among the consumers. Future research would be able to investigate whether variables like the credibility of social media advertising, brand awareness of the products can strengthen online purchase intentions.

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