



## Impact of Social Media Marketing on Customer Purchase Intention

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### ABSTRACT

**Purpose:** This research examines the impact of social media marketing on customer purchase intention in Pakistani perspective.

**Methodology:** This research study is Quantitative in nature, instruments of this research is Questionnaire which is developed according to the scenario, covers all variables. The collected data analyzed on the SPSS version 15.0 with the help of Factor Analysis and Multiple linear regression

**Findings:** The result reveals that the customer tries to find out the information regarding the brand as much as possible with ease. The results showed that the perceived quality has no significant relation with the purchase intention in the context of the social media marketing (because of the fake quality images in the advertisement through images and video commercials), whereas the information search has the positive significant relation with the purchase intention (because of the huge variety available at social media to explore various brands and make decision to purchase it), last but not the least word of mouth this also shows the positive significant relations with purchase intention because this variable carries trust with itself.

**Implications:** The findings are helpful for social media experts to devise strategies in order

to appeal more and more customer.

**Keywords :** Social media, virtual marketing, internet marketing & Consumer Information search.

### Jel Classification: F23, M13

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## 1. Introduction

Marketing of brands has become like a rapid fire in the whole world and the same case is in Pakistan, daily we use to see different marketing techniques has been used by the organizations to have the space in the mind of customers for their brands. There are number of mediums by which companies or advertisers tries to reach to the customers ultimately that can be TV commercials, Radio ads, print media, bill boards and many more like this, but after the increase in the Information Technology the internet has become one of the most favorite media or channel for the advertisers and organizations to make brand more strong in the customers mind. Organizations own websites plays very vital role for consumers because they can easily get the information regarding their brand by visiting the organization website by sitting at their own home, office or wherever they are, but nowadays social media websites are growing rapidly where millions of people come together and share their similar interest and ideas so these kind of website are very much eye catching for any organization to make their brand more valuable because they can get their target market easily , these social website are Facebook, Twitter, LinkedIn, Youtube and Blog, by these social websites not only the relationship increase between the people who know each other have the similar interest but also creates the relationship between the organization and customers (Harridge-March and Quinton 2005). By having access to the company's brand through social media customer does not only have the product information but they also have the online word of mouth or comments from the previous users who have already purchased that product (Brynjolfsson, Erik et. al 2006). In marketing techniques we all know that advocacy or Word of mouth plays real role for the consumers purchase intention for that particular product.

In short there is marketing to gain attention and increase the purchase intention of the customers but this social media and its impact for purchase intention is overlooked in Pakistan, there for this research study focuses on these two research questions:

1. What is the role of social media marketing for the purchase intention of customer?
2. What are those factors of social media marketing which influences customers?

### Theoretical Background

#### Social Media:

Social media is virtual place which can be Blogs and different websites are used by the individuals and companies to share about them and their products through internet (Beer & Burrows 2007).



Source: Michael A. Stelzner 2011



Top four websites of social media in 2011 is facebook, twitter, linkedin and Blogs, in these websites number of individuals, small business, large business and communities are included.

In traditional marketing the gap exists between buyer and supplier, there are hundreds of way to reach to the buyer which are very expensive and inefficient as well this social media can be used as the bridge between the gap of this buyer and seller, by this social media marketing one can reach to the millions of buyers on one click (Bernie Borges 2009)

**Perceived quality**

If someone asks about the worth of the brand that where xyz brand stands, the one of the best way to measure the brand’s worth is to know about its brand equity. Many of the companies tries to increase their brand equity because it can be the asset or liability for the organization whereas this also helps the organizations to add or subtract value to their brand (Aaker, 1990). Where this brand equity depends upon four different asset categories which are brand awareness, brand loyalty, brand association and the perceived quality, out of which perceived quality has been selected as the only which drives financial performance, perceived quality is the one which gives the brands overall goodness, in many of the researches it has shown the brand identity has functional benefits which directly or indirectly related to the perceived quality, if there is the improvement in the perceived quality the overall perception of the customer will increase for the brand (Aaker, 1990).Thus the following hypothesis is being generated.

H1: Perceived quality on Social Media Marketing has insignificant effect on Consumer Purchase Intention.

**Information search**

In the decision making process the information search is very important and for that purpose advertising plays a very role but not only advertising exclusively accomplish that task (Michael Trusov, et al, 2013). By information search actually the consumer tries to lower his/her risk from the brand so that he/she may get enough information regarding the brand. Most of the consumers don’t need the bundle of information for those brands or products which are low priced and low risked that examples can be FMCG, but where there is the high price and the high risk is involved consumers need to have the bundle of information before purchasing it example can be house, car, or etc (Backmen, 1967). There are two types of information search first one is the first one is pre-purchase in which consumer particularly get the information regarding the brand or product he wants and by gathering that information helps the consumer make a better decision making before purchase that particular product, whereas the second one is the on-going search which can be said that is the ongoing search in this consumer gathers bundle of knowledge for the sake of entertainment or that information can be utilized for the future purchase or for the surrounded peoples of you (Bloch et al, 1986). Internet has become of the famous media with respect to the consumer perspective as well as with the manufacturer perspective, through internet many of the control has been reduced from the advertisers hand or form the manufacturer hand and a consumer

can the information regarding the particular brand through different ways on the internet that can be the different blogs, companies own websites or different websites from the consumer can get data easily can make purchase decision easily through the 3party information, and this is also good from the organization perspective as they can get the feedback and can make the brand with the need of the consumers (Airely, 2009). But at the same spot the bundle of information captures the mind of the consumers and that information confuses consumer and create confusion for the decision making (Beatty & Smith, 1987). Thus following hypothesis is generated.

H2: Information Search on social Media marketing has insignificant effect on consumer purchase intention.

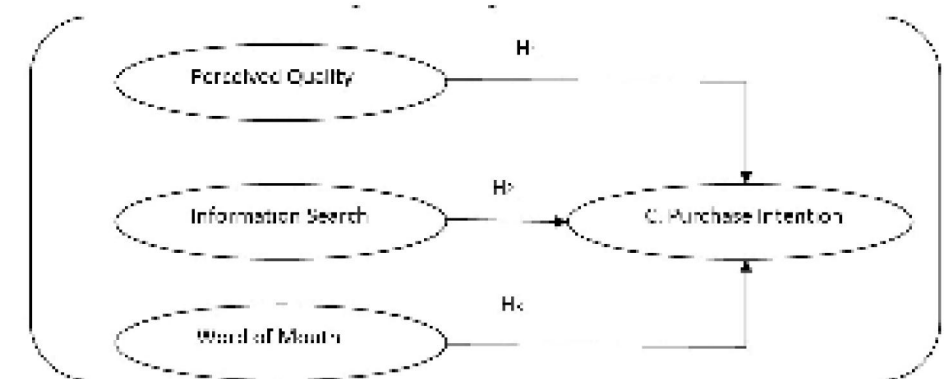
**Word of Mouth**

Word of mouth in the world of marketing is very famous and the word of mouth industry is growing on its speedy pace according to the word of mouth marketing association (Womma, 2007). Word of mouth is having giant influence through the information search on the consumer decision making whereas the word of mouth is not dependent upon the market means word of mouth is been not processed by the company or marketer it works independently so this is the reason that word of mouth has the worth in the market and it is more trustworthy and credible and reliable for the decision making by the customers (Silverman, 2001). Many of the online communities in which online word of mouth is been used to get the information regarding the brand form the 3rd party who is not related to the manufacturer and gives his/her experience with the brand previously which actually helps the customers make decision making accordingly (Cothrel, 2001).Thus following hypothesis is generated.

H3: Word Of Mouth on social Media Marketing has insignificant effect on consumer purchase intention.

Below mentioned figures depicts the Conceptual Framework of this research study

Figure 1: Conceptual Framework





**Methodology:**

**Sample & Data Collection:** This research study is Quantitative in nature because to conduct this research the Likert scale is being used from 1-5 strongly disagree – strongly agree respectively.

The collection of data was from more than the age of 16 years without any gender differences, this limit is because that those who are more than 16 are using social media websites and they are well aware about internet, the data will be collected from Karachi the biggest city of Pakistan and also literacy rate of Karachi is more than the other interior cities of Sindh, Karachi is famous for its business point of view as well, the sample size will be 195 from the different areas of Karachi that will be different universities, colleges and office workers , the reason for selecting respondent from colleges, university and some professional is because most of the students are very much familiar with internet and social media websites and they use to spent more time on it and as far as professionals are concern they used to spent time on these networks to make their social network large for their links. Top social websites are selected to study this case which are facebook, twitter and linkedin and other blogs. The instruments of this research is Questionnaire which is developed according to the scenario which covers the dependent and independent variables and finds that which of the socials Media’s independent variables impacts on dependent variable.

**Research Technique**

The data which is collected is analyzed on the SPSS version 15.0 with the technique given it is Factor Analysis and Multiple linear regression, factor analysis is because to make a large number of variables in factors that exists in a same category where as other technique is being used because the researcher has to find out that which variables of the social media influences the purchase intention of the customers.

**Data Analysis**

**Reliability of the data**

The instrument which was designed for this research is comprised of 12 different questions so here in this case the total number of items were 12, the reliability has been tested of the questionnaire through the SPSS version 15.0 and result shows 0.736 that means 74% the data is reliable which show that the data is enough reliable and consistent.

The respondents were from 16 to 55 of years both male and female , as the survey technique has been used and the questionnaire has been circulated to different places through emails, through college students, university students and professionals , whereas the ratio of male and female is 84 were male and 111 were female .

**Descriptive statistics**

Table 1

	Mean	Std. Deviation
<b>Purchase intention(D)</b>	4.85	0.42
<b>Perceived Quality</b>	3.59	0.39
<b>Information Search</b>	4.20	0.53
<b>Word Of Mouth</b>	3.55	0.59

Table-1 shows the dependent variables which is Purchase intention and the other three that is perceived quality, information search and word of mouth are the independent variables with the N= 195.

**Factor Analysis**

As in the questionnaire there were 12 questions and those were the variables as well so we used Factor analysis to reduce the data and make factors which combines the same variables in single factors which can be used as a variable. Factor analysis has been tested on the SPSS version 15.0 and the results are as under.

Table 2

**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.59
Bartlett's Test of Sphericity	Approx. Chi-Square	1130.7
	Df	66
	Sig.	0.000

Here table-2 shows the measure of sample fitness i.e KMO value , here the value of KMO is 0.59 which is sufficient as it is necessary that the value KMO should be greater than 0.5 so one can conduct the factor analysis and this tables value is 0.59 which is beneficial for our test and satisfactory to conduct factor analysis.

Table 3 Final Rotated Component Matrix

Rotated Component Matrix(a)				
	Component			
	PQ	IS	WOM	PI
Quality	0.58			
Up gradation	0.77			
Expectations	0.67			
Delighting	0.80			
Aquire Knowledge		0.89		
Through information time saving		0.88		
Attributes availability		0.74		
Posts/feedback			0.91	
Comments			0.91	
Existence on social media				0.89
Updated on social media				0.83
Presence on social media				0.94



Factor analysis reduced 12 variables into four variables which are purchase intention, perceived quality, information search and word of mouth, which is represented by PI, PQ, IS and WOM respectively.

**Correlation**

Table 4 Pearson Correlation

	P.I	PQ	IS	WOM
P.I	1.00			
PQ	0.13	1.00		
IS	0.28	0.14	1.00	
WOM	0.18	0.19	0.07	1.00

Table-4 shows the association of independent variables with respect to dependent variables. In this research the independent variables is purchase intention and the dependent is perceived quality, information search and word of mouth. In this it shows that the coefficient of correlation of perceived quality with purchase intention is 0.13 with P-value 0.00 that 13% which gives a result that perceived quality has the positive relation with the purchase intention, where as coefficient of correlation of Information search with P.I shows 0.28 with P-value of 0.00 means 28% there is a positive relation between information search and purchase intention, word of mouth gives 0.18 with p-value 0.00 coefficient of correlation which shows 18% positive relation with the purchase intention.

**Multiple regression results**

Table 5

Variables	coefficients	t-value	p-value	VIF
(Constant)	3.341	9.498	.000	
PQ	.077	1.002	.318	1.056
IS	.206	3.707	.000	1.023
WOM	.104	2.079	.039	1.039
AdjustedR <sup>2</sup> =0.092		F-statistics =7.568		
p value=0.000				

Table-5 shows the value of adjusted R<sup>2</sup> 0.092 which explains 9.2% of the whole model fit or explains variance of independent variables on dependent variable, value of adjusted R<sup>2</sup> is 0.092 because the purchase intention does only depends on these three variables there are number of variables on which purchase intention depends like advertisement, celebrity endorsement, availability of brands, discounts, sales promotions, price and much more but over here in this research the researcher tries to focus only to those variables which are concerned with internet that's why the adjusted R<sup>2</sup> is 0.092 if the more variables has been selected might be the result of Adjusted R<sup>2</sup> increases, well information search and word of mouth shows positive significant relation with the

purchase intention that is 0.000 and 0.039 respectively, where as perceived quality has insignificant relation with the purchase intention that is 0.318 so the hypothesis H<sub>2</sub>, H<sub>3</sub> has been rejected where as the H<sub>1</sub> has been accepted.

**Discussion of results**

**Perceived Quality**

In this research the result showed that the perceived quality has no significant relation with the purchase intention, perceived quality is one which is actually from customer side he/she feels about the brand through his/her own perspective, means they make the quality image in their mind regarding the brand, perceived quality might be high or significant on point of purchase or trial area or any other variable but over here in this research it has no significant relation because on internet or on social media websites the one can only see the images or maximum the short commercials of the brands which are not in a physical form one can say that it is in virtual form and most of the companies might tries to show their brands excellent in the form of quality in the images or video commercials on the websites, many of the customers who might be dependent on the social media website may not be that much satisfied with respective to their perceived quality because the image or video commercials which were shown on social media websites were awesome but in actual situation might be entirely different so in this research the result shows that the perceived quality has no significant relation with the purchase intention means that the customer do not believe which has been shown in the pictures or advertisement on the social medias so the customer don't have perceived quality variable significant in this research.

**Information search**

Information search is one of the most important in the decision making process as without this one can't go for the final decision step for purchase anything whether in which there is high involvement or low involvement there is a need of information search. Same in this research information search has shown a significant relation with the purchase intention, in this social media website there are number of ways to get information regarding the brand one want, as number of website is also available for the attributes of the brand and their specification so one can compare their brands on different websites and the can have number of brands with the number of information on the websites so one can compare and easily have the access to the brand and details with on ease situation only the internet access only. Information search plays very vital role in purchase intention whether through social media websites or by any other mean as well because when any customer has to purchase any brand whether with a high or low involvement need information regarding that brand before purchase and in this research as social media has been taken as mean for the purchase intention which is provides large information regarding the different brands.

**Word of mouth**

In traditional marketing word of mouth is a marketing which has high impact on



purchase intention because it is not done by the marketer the customer of that brands do it by their self if they find brand according to their need and this word of mouth has the high negative impact as well if the brand doesn't satisfied customer need as for which it was meant for then that customer makes its negative word of mouth and which spreads like a fire, so companies tries give their best to increase positive word of mouth through providing their best brands in the market, so here in this research word of mouth has been taken virtual word of mouth means comments, posts and feedback, this is given by the customer who already purchased those brands which are exists on the social media websites as those brand already been purchased by other people so they give their comments, posts something regarding that brand and give feedback that what they found in that particular brand, where in this research this word of mouth has the positively significant relation with the purchase intention, the reason can be that the customer on the social media easily finds those peoples who are user of those brands and before purchasing they come to know many of the real things regarding that particular brand, and customer tries to trust those comments and posts the reasons is that these are not from the companies side so they can easily rely on those comments and all because the comments and all these thing are from the previous user , now even in general websites of the companies they gives a feedback form or comments form to shows these feedbacks and comments to other customers so they can trust on their brands and their promises as well, this word of mouth plays a significant role for the purchase intention in the case of social media websites.

### **Conclusion**

This research is conducted on the impact of social media marketing on purchase intention. A research has been conducted with respect to internet marketing only. In this research social media has been selected as the medium for the marketing and websites which has been selected are facebook, twitter, linkedin and other blogs etc, as these websites and blogs are having high level of traffic compared to traditional marketing under which facebook is on number one. Three variables were selected on the basis of the internet marketing as they were related to the internet marketing which is perceived quality, information and word of mouth and their relation has been seen on the purchase intention, in this the results shows that the perceived quality has no significant relation with the purchase intention in the context of the social media marketing and because of the fake quality images in the advertisement through images and video commercials, whereas the information search has the positive significant relation with the purchase intention because there are number of ways on social media to find out whatever one want to find for his/her brand through different webs and can easily take decision to purchase brand of his/her choice where last but not the least word of mouth this also shows the positive significant relations with the purchase intention because this variable carries trust with itself because in this the previous customer or user give their experience regarding the brand in the form of comments, posts and the feedback through which one can easily find out the realities regarding the brand which he/she is going to purchase.

### **Recommendation**

Traditional marketing carries a large importance but as everyone knows that the internet

and information technologies has its own importance so one cannot neglect it by any mean, in any industry or in any company if they want to directly or indirectly be in touch with their customers or potential customers they should have presence on internet, it has been discussed previously as well that marketing is for people so the internet is the place where billions of people come to find stuff for their need. Marketers want a place where they can easily access to their potential customer nowadays social media like facebook, linkedin, twitter and other blogs are having a great mob, and in marketing its very difficult to find out the segment and then communicating to them so in these social media network or websites they sorted peoples in a manner that everyone can join place of his/her own interest there are number of communities , groups, pages , blogs and much more where one can find things according to his/her interest by which it becomes easy for the marketer to communicate to the targeted market with the only one click and its very cheap as well. So for any organization with any brand they should show the presence on the social media website so the customer can easily access and can get information regarding the brands in which they are interested, the companies should emphasis on the information search and word of mouth with the perspective of customers means they should provide as much information as they can regarding their brand so the customer can get the information about the brand and company should also provide the space for the feedback section and comments sections so they can get feedback for their improvement as well as the customer get benefited by that function.

### **Future Recommendation**

Internet , information technology and the social media network is entirely a different world there are hundreds of ways to get in touch or take a place in the customers mind through different mediums on internet , the other traditional marketing techniques is also there As in this research social media marketing has been focused in the overall internet marketing although there are number of areas are left like emails marketing, advertising on different websites, companies official website handling and Sms Marketing, if different areas been captured as given above then it will give the overall best benefit to the organization and it will be very helpful for the customer side as well because they can get the information easily for the particular brand which they want.

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