SOCIAL MEDIA AND PURCHASE INTENTION: FINDINGS FOR FUTURE EMPIRICAL DIRECTIONS

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Article History: Received on 12th June, Revised on 03rd September, Published on 04th September 2019

Abstract

Purpose: The purpose of this current paper is to underline the importance of social media prospects on enhancing purchase intentions, particularly in the automobile industry. The paper caters to highlighting how social media advertising, brand imaging and brand equity developed through social media can enhance purchase intentions.

Design/Methodology/Approach: The paper caters to critical appraisal of literature available on the topics and the predictor and outcome variables studied in this regard. Automobile business is very lucrative and it has been noticed that such practices make a major impact in boosting buying intentions of customers.

Findings: The finding of the paper is a development of a conceptual framework highlighting the potential of brand image, social media advertising and brand equity towards boosting purchase intentions. The paper has concluded with a framework for future scholars to energize on the concept of social media prospects for the achievement of organizational goals and objectives.

Originality/Value: The current study is based mainly on critical review of the prominent literature and offer detailed understanding on the undertaken variables.

Key words: social media, purchase intentions, branding, equity, marketing.

INTRODUCTION

For every car Dealer Company it is a challenging task to find out the new ways to increase the number of customers, what it motivates them, especially because different people are motivated by different things. What actually the managers need to do is to improve the sales volume of companies. The main challenge that car dealers are facing today is to reach the goals of the companies. Luckily, the manager has the power to the key environmental reasons that are very important to increase the number of customers.

Today the result of organizations is extremely dependent on the new ways of advertisement through different social media networking. Hence, for the car company it’s vital to find the most influential social media so that it can plan a suitable advertisement strategy and gain better results.

The right combination of inmaterial and material advertisements can boost up the increase in number of customers and enhance increase in profit of the car company. The most important reason, that the manager directs, is his or her relationship with every customer. The second most significant factor in a manager's capability is to promote best advertisement through social media.

The communication between the management and customers should be more frequent and more transparent, customers to be informed with true and valid information, and to have access through every channel to advertise the car company to larger number of customers such internet, particularly social media.

A well planned and efficient advertisement system to increase the number of customers is important. The correct type of advertisement is developed in harmony to the car company's advertisement philosophy, strategies and procedures.

The importance of social media has increased at its peak. The online information developed rapidly through the so called Social Networking Websites (SNW) (Statistics, 2011; Takele, 2018; Ukwueze et al., 2018). The main reason of developing so fast the social media is by developing the Web 2.0 technologies, that it helped to increase the communication between the people and creating online forums, blogs, also mobile and web applications such as Facebook, Snapchat, Myspace, Instagram, Twitter, etc (Wirtz et al., 2013).

Promotion in social media it has decreased a lot of the expenditures of the car companies, comparing to classical ways of advertisements Managers in most car companies started understanding the importance of social media in order to increase the interactivity with the customers and finding new customers. Social media helped the car companies to get fast feedback, to order faster and to improve the products and services much faster than without the social media. Hence, the interest to do research have increased recently in terms of the effects in the private life, in the culture of the young generation, education and identity (Lipsman, 2017; Suryanto et al., 2018; Unaad et al., 2018; Vafa et al., 2018; Ali and Haseeb, 2019).

Seeing the influence of social media in society, car companies are looking for ways in increasing customers “likes” and “shares” for profit purposes (Andriole, 2010). Hence, it’s very difficult to find a company that doesn’t have a single
account in the main social media networks such as Facebook, Twitter, Snapchat or Instagram, for the purpose of being closer to the clients and increasing its profits (Nair, 2009). Another beneficial side of social media is that it can promote new services and their guidelines for usage.

The meaning of brand image is the subjective perception for a certain brand that it goes to the minds of one customer. It is a belief, impression, idea, in general it is the think for a certain brand. The image for a brand is not static, and it can develop over time. This image is formed at the customers’ minds after they get into interaction with the brand or they have any kind of experience with it. Hence, the interaction it can be in many forms and not only coming after purchasing or using a certain product or service.

Brand equity is described by the brand value. This value is coming from the perception of the customers for a certain product or service or an experience with it. If customers think highly for a certain product, they give high value for the product, and it gets positive brand equity which can bring to increase in profits and vice versa. The brand equity is related to brand name and symbol. It can be created by making the products memorable, easily recognizable and better quality and reliability from competitors.

The focus of the research is to explore and to study the influence of social media advertisements especially Facebook and Instagram in enhancing brand image of car companies. The strong intention behind the topic selection is because a lot of car companies in the Kingdom of Bahrain rely on social media advertisements for accomplishment and competitiveness.

RESEARCH AIM AND OBJECTIVES

The aim of this study is to find out the direction of the new media changes of advertising through the social media advertising and it effect on the car companies and services. Beside this, the research tries to find out these factors:

- To recognize how web-based social networking publicizing using social media can upgrade exchange between auto organizations and clients by multi-way correspondence.
- To identify customer realization towards social media advertising approach and relationship in order to develop a brand image for car companies.
- Distinguish the activities shoppers’ positive or negative take to publicize on social media.
- To observe how Instagram advertising influences users in generating further information from a brand.

THEORETICAL FRAMEWORK

In this section it will be reviewed the main theoretical framework that might be appropriate to the study and better understanding of social media. The theory is given by Jodi (2013) JC social media agency, based in the UK. Content structures the foundation of social media for car business. Having solid content adds to numerous objectives of social media marketing and is the way to utilizing those exceptionally essential calculations. Extensively, social media content contains three distinct components. Each component of content shared social media has a fluctuating level of self-promotion, value-adding, and interaction (see figure 1):

- **Value-adding** – engaging the crowd somehow; making a positive response,
- **Self-promotion** – to sell directly products or to promote the brand to crowd,
- **Interaction** – planning to make a genuine two-way discussion with people online

"Content is everything” is the well-established expression with regards to social media marketing. Social media content gives the establishment of a flourishing of a social presence particularly in case the company is not very famous brand. Example, Twitter is the most famous social media network for business. On Twitter the companies can interact with current and prospect customers and do collaborations. Through other networks, companies can interact once the other person has interacted with you, example is commenting advertisements on Facebook. Therefore, content in social media is everything. It creates interaction between people. A self-promotional post constitutes anything that is more promotional than interaction and value-adding. The large number of posts can be any dots over the triangle. But, the company should target the right side of triangle that is the desired dot with high value adding and interaction. Out of 20 posts, one might be

![Figure 1: Social media content matrix, Jodi (2013).](image-url)
in the left corner of the triangle, near self-promotion, the other 19 should be at least more to the corner of interactive or value adding.

**LITERATURE REVIEW**

*There are many definitions given to social media, but the one that is suitable with the preset research context is from Ron Jones where he says that: Social media is referring to online media that gives the possibility to users to talk, to participate, to share, to network and to bookmark online (Jones, 2009).*

Social media is a set of application offered in the internet online with the similarity of Web 2.0 technology that gives the possibility to the individuals to exchange information by becoming the users of certain media. Hence, social media is divided in few proportions such as blogs, virtual worlds, collaborative project sites and social networking sites. All these social platforms could be used for digital advertising.

According to the statistics portal, social media marketing spending increased rapidly in the United States from 7.5 billion USD in 2014 to the projections of reaching 17.3 billion USD in 2019 ([Statista, 2017](https://www.statista.com/)).

![Figure 2: Social media marketing spending in the United States from 2014 to 2019 (in billion U.S. dollars)](https://www.statista.com/)

**Source:** Statista (2017). The statistics portal.

The first step to know before the implementation of the social media advertising of companies is important to know the potential usage and its effectiveness. According to [Vemuri (2012)](https://www.statista.com/) the values of social media can be grouped in: Deepen Customer Relationships, accelerated awareness, Foster Innovations and Drive transactions. The meaning of Social networking sites (SNS) is that it gives the possibility in creating public profiles in a certain web page and to create a relationship with the users that also have accounts in the same web page.

The purpose in using the social networking sites can be of many kinds, such as for discussion online, chat rooms and other purposes ([Beal, n.d](https://www.statista.com/)). The site gives many opportunities to the users; as such except text it gives possibility to add videos, graphics and pictures. There are many social networking sites, but the most popular ones are Facebook, Twitter, MySpace and LinkedIn. Facebook is the most popular social media in the world and it has increased the number of monthly active users up to 2 billion as of the 3rd quarter of 2017, by doubling the number of active monthly users from 1 billion as of the 3rd quarter of 2012 ([Statista, 2017b](https://www.statista.com/)).

The purpose of social media changes slightly between them. If you consider Facebook, it is more for friends and users that know each other in their life, but Twitter and MySpace have more limited group of friends. The leader of the social media is Facebook, as it got the highest rank from marketers based on the popularity and huge numbers of users from the youth generation. Therefore, this attracts also the possibility for advertisements such as for events, games, applications, fan pages, and offering the possibility for direct texting with each other’s ([Lin and Utz, 2015](https://www.statista.com/)).

Other two most popular social media are Instagram and Snapchat. Instagram is a social networking application that became trendy very fast even though it was established recently, in 2010, and was bought by Facebook in 2012. It is considered as the most influential social network in the world. The main purpose is to share and edit photos and videos through Smartphone’s, which are displayed on your profile and those that follow you can see your posts and vice versa. The
application is very user-friendly. The number of users has increased rapidly up to 800 million monthly active users as of September 2017.

Snapchat was created more recently, in 2011 but very quickly became one of the most demanded social media applications in the world. The platform it has a similar purpose, to share images and videos through Smartphone’s, but the difference with Instagram is that these pictures and videos can disappear after some time. It is a serious competitor to Facebook and Instagram since it offers similar products and it turned down a 3 billion USD buying offer from Facebook in January 2014 (Molloy, 2017). The number of daily active users worldwide has increased constantly since its creation when it reached the highest usage of 178 million as of the third quarter of 2017 (Statista, 2017d).

Figure 3: Users of social media platforms in the Arab region as a percentage of global users (2017)

Source: Salem (2017). The Arab social media report 2017

The 5th Arab social media report is studying the impact of social media on businesses. According to the study the main drivers for usage of social media in business are: business growth, improving company image, social media as a marketing tool, job opportunities, becoming more consumer centric, training employees, improving inter office relations, improving service operations, driving entrepreneurship, innovation and new technologies, globalization, high marketing and advertising spend. Despite above mentioned positive impacts, social media also bring negative impacts to businesses such as: inaccuracy in information in planning the strategies of the businesses, the existence of fake products/brands brings lack of trust among the users of social media in companies and decrease in direct communication between employees at businesses. Social media as a marketing tool is driven by cheap advertisement of products, the customers are targeted directly, the size of the customers is very large, the message is distributed very fast and the need to improve in terms of reliance in order to increase the sales of the companies.

Advertising on Social Media

Advertising in social media is very new possibility for the organizations because it is much more interactive between the users, as an example that is Facebook, that is the dominant social media (Logan et al., 2012). As such, advertising on Facebook, gives the chance to the users to actively interact with each other for the advertisements in the page by clicking at options of “like” or the option of “share” the advertisements to their friends and to check who else has liked or shared the advertisements.

The effect of advertising is linked to the credibility, since through the social media users can show a very good feedback to organizations in terms of the reliability of the product or service advertised. Providing entertaining and informative content for food/beverages category it is increasing the usage of online visits on Facebook brand pages. Additionally, more attractive are remunerations for commenting by the users. The interactivity is decreasing between the users for posts made by moderator, and the vividness increases by which the most attractive post is picture. Another interesting finding is that if the posts are posted during the day the number of comments is increasing, but not in the peak working hours, because the comments would be much lower (Cvijikj and Michahelles, 2013).

The study shows that the Snapchat is very important social media, as the marketers might have made a mistake, but the comments need to get from Snapchat. The research finds that 45% of college students might check the snap from not popular brand, while 73% might check the snap from a very popular brand. Also 69% answered that they might add as a friend on Snapchat a famous brand that shows that the users are more into the known brands. When they are asked for the type of promotion, 67% favoured sales offer and 58% preferred coupons to get information for brands.

Social media can be considered as an important tool for purchases in Finland, but it is playing a crucial role in informing the customers especially for sales campaigns. Consumers consider that the speed of information is very fast through the social media compared to traditional media, but the content of an information might be false for a certain product. It gives
a chance to consumer to increase communication with the companies. The findings show that consumers are not interested to share the information with their friends or peers, the so called word of mouth. It plays a crucial role in decision making of purchases. The behavior of the consumers doesn’t change even after the advertisement in social media, because the consumers again go in traditional way of processes, in order to make a straightforward decision once they get the advertisement in social media (Lee, 2013).

Social media is helping users to access to information through online communities, reviews and suggestions. Consumers through social media can get online support from their peers, by that trust in networks is increasing. This trust will result into motivation for purchasing online and social media will become more useful (Tahir et al., 2019). The trust plays a crucial role in e-commerce. Social media has made it possible for consumers to get access into information of other consumers and by that to share the content easily. All these indications are good factors for the number of online users to increase (Ahmed, Umran, Qureshi & Samad, 2018; Hajli, 2014; Pahi et al., 2016; Ahmed et al., 2017; Umran et al., 2018).

The presence of brand on social media it is important for consumers to trust more the product. The communication of brand through social media brings to brand image positivity. The study done in Finland, found that the influence of social media on brand image is more important to younger generations and females. There are huge differences in time usage of social media related to brand image between the genders and age generations. Companies should give importance to both methods of advertisements, traditional and social media (Jokinen, 2016).

The findings of Gorgani (2016) are that electronic word of mouth on social media improves brand image, brand awareness, brand attitude and brand equity. In order for small and medium enterprises to sustain their positions in the market they need to have effective usage of social media networks. The study was done on Iranian jewellery Design Company. The author finds that electronic word of mouth is crucial for brand equity. The study analysed only the Facebook users and not others social media users’ comments.

Electronic word of mouth has a strong influence on customers in Bahrain, because they believe the online advertisements, and they share the information as trusty to others. The information that they get is important to the customers for decision making of purchases. The information posted on social media it brings additional value to businesses in terms of brand awareness and positive brand image. It is also highlighted that the content advertised in social media brings to customers’ increase in safe side, interest and quality (Shuqair et al., 2016; Wadmany and Melamed, 2018; Wang and Yang, 2018; Wonyra, 2018).

The study made by Elmasri and Hilal (2015) for the social media e-marketing campaign for the e-government of the Kingdom of Bahrain, shows that Bahraini citizens don’t see any changes provided by e-government through social media. The legislations of government utilizing online networking don’t have settled long-term objective for the correspondence they look with the Bahraini nationals. The utilization of social media advertisement in e-government it varies according to social culture and type of government.

The importance of social media is studied by both foreign and local literature. The foreign literature starts with the definition of social media referring to as online media that gives the possibility to the users to talk, to participate, to share, to network and to bookmark online. Social media is similar to Web 2.0 technology. The number of expenses on social media marketing doubled in the last 5 years. There is a need for potential usage and effectiveness. The meaning of SNS is to give chance to users to open public accounts online and to make relations with others. They are similar to Web 2.0. The most famous SNSs are Facebook, Twitter, Myspace and LinkedIn. The highest numbers of user is having Facebook account that reached to 2 billion in 2017. These SNSs differ slightly with each other in terms of their application, but they have a common purpose to create relationships between people.

The findings of the foreign studies are that advertisement in social media is a new possibility for companies. Since Facebook has the largest number of users, it gives better chances for advertisement. Users have an option to like or to share the advertisement and also to comment on it. Studies show that advertisement on social media is efficient information for the companies. An interesting research by Cvijikj and Michahelles (2013) shows that if the posts are posted during the day, the number of comments is increasing, but not in the peak working hours. Brand image means a set of brands kept in memory by customers. By brand image are expressed the quality of products and services. Brand equity is related to differences in brand awareness that the clients are getting it through marketing for certain product or service. The meaning of brand loyalty is buying certain brand within the range of products.

The findings of the local studies are that electronic word of mouth has a strong influence on customers in Bahrain, because they believe the online advertisements, and they share the information as trusty to others. Another study shows that Bahraini citizens don’t see any changes provided by e-government through social media.

Rucker (2010) concluded that it is vital for companies within the industry to have an open conversation with the public. According to a 2014 CMO Council report 23 percent – or essentially one out of four – car buyers use social media to discuss or communicate a recent purchase experience. 38 percent of consumers report they’ll consult social media next time they purchase a car. Mini’s NOT NORMAL campaign in 2014 won multiple industry awards and allowed the brand to connect with an entirely new audience.
CONCEPTUAL FRAMEWORK

Based on the review and critical appraisal of the literature, the current paper forwards the following framework for future scholars:

Based on this the present study tested the following hypothesis:

H1: there will be a positive relationship between brand image and purchase intention
H2: there will be a positive relationship between social media advertising and purchase intention
H3: There will be a positive relationship between brand equity and purchase intention

SAMPLING

Automobile sector was chosen for the present study whereby, a major car trading company was chosen to target respondents. All the four branches of the company were considered for targeting employees. A total of 250 questionnaires were distributed during the period of January to March 2019 out of which 219 were found correctly filled and hence were used for final analysis. Convenience sampling was used for the study.

DATA ANALYSIS

Structural equation modelling using Smart PLS 2.0 was deployed for the study (Ringle et al., 2005). Several studies have been using structural equation modelling through SMART PLS 2.0 (Ahmed, Majid, Al-Aali & Mozammel, 2019). Therein, two step assessment was done based on the scholarly recommendations which included assessment of measurement model followed by the assessment of structural model (Hair et al., 2013).

MEASUREMENT MODEL

The measurement model examined individual item reliability, convergent reliability and average variance extracted to ensure that the model is correct for final analysis. In this, the study accessed AVE scores and composite reliability. As per Fornell and Larcker (1981), the AVE scores for each construct should be above 0.50 and composite reliability scores to be above 0.70. Results of the measurement model in Table 1 and Figure 5 shows that the study has achieved acceptable scores for both.

<table>
<thead>
<tr>
<th>Construct</th>
<th>AVE</th>
<th>Composite Reliability</th>
<th>R²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Media Brand Image</td>
<td>0.6645</td>
<td>0.8878</td>
<td></td>
</tr>
<tr>
<td>SMBI1</td>
<td>0.8064</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMBI2</td>
<td>0.8454</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMBI3</td>
<td>0.8229</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMBI4</td>
<td>0.7847</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Media Advertising</td>
<td>0.7601</td>
<td>0.9266</td>
<td></td>
</tr>
<tr>
<td>SMAD1</td>
<td>0.7955</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMAD2</td>
<td>0.9052</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMAD3</td>
<td>0.9158</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMAD4</td>
<td>0.8657</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Media Based Brand Equity</td>
<td>0.7659</td>
<td>0.9075</td>
<td></td>
</tr>
<tr>
<td>SMBE1</td>
<td>0.8654</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMBE2</td>
<td>0.8994</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMBE3</td>
<td>0.8601</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase Intention</td>
<td>0.6216</td>
<td>0.8894</td>
<td>0.3545</td>
</tr>
</tbody>
</table>
Following this the study also assessed discriminant validity whereby as per Fornell and Larcker (1981), the square root values of the AVE scores should be examined. The table 2 expresses that the constructs have significant discriminant validity.

Table 2: Discriminant Validity

<table>
<thead>
<tr>
<th></th>
<th>SM Adv</th>
<th>SM BE</th>
<th>SM BI</th>
</tr>
</thead>
<tbody>
<tr>
<td>PI</td>
<td>0.7884</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SM Adv</td>
<td>0.4885</td>
<td>0.8718</td>
<td></td>
</tr>
<tr>
<td>SM BE</td>
<td>0.5394</td>
<td>0.5901</td>
<td>0.8752</td>
</tr>
<tr>
<td>SM BI</td>
<td>0.4960</td>
<td>0.4959</td>
<td>0.6969</td>
</tr>
</tbody>
</table>

STRUCTURAL MODEL

Following the effective examination of measurement model, the study moved to stage two to assess the significance of the hypothesized relationships. Table 3 and figure 6 have reported significant relationship between social media brand image and purchase intentions thus supporting hypothesis 1. Accordingly, the study also reported significant positive relationship between social media advertisement and brand image thus landing support to hypothesis two. towards the end, the structural equation modelling also reported significant positive results between social media based brand equity and purchase intentions, conclusively supporting hypothesis three.

SUMMARY OF RESULTS

Table 3: Summary of Results:

<table>
<thead>
<tr>
<th>Relationship</th>
<th>Beta</th>
<th>Std Error</th>
<th>T Value</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>SM Adv -&gt; PI</td>
<td>0.2357</td>
<td>0.0622</td>
<td>3.7847</td>
<td>Supported</td>
</tr>
<tr>
<td>SM BE -&gt; PI</td>
<td>0.2646</td>
<td>0.0699</td>
<td>3.7828</td>
<td>Supported</td>
</tr>
<tr>
<td>SM BI -&gt; PI</td>
<td>0.1946</td>
<td>0.0647</td>
<td>3.0058</td>
<td>Supported</td>
</tr>
</tbody>
</table>
DISCUSSION

The results have confirmed that social media has a significant impact on boosting individual purchase intentions. In particular, the present study has asserted that social media advertising can attract target audience and, in a way, persuade them to boost their willingness to purchase, as per the finds of hypothesis 1. Accordingly, the study has confirmed that brand with high brand equity can make a major impact on their customers’ purchase intentions as per hypothesis two results. Lastly, the study has also forwarded significant results for the social media-based brand image and purchase intentions. The results have thus confirmed that social media has a great role to play for businesses in the current era. Through using social media platforms, businesses can effectively boost their sales figures.

This also indicates that businesses need to work on developing strategies to have a dedicated team or unit to work on social media elements for better financial prospects. The study also suggests implications for the management working in the automobile industry to work on capitalizing the availability of social media to reach out to more people through enhancing their advertising, brand equity and brand image. Since the present study worked on automobile sector, organizations from other sectors need to research further to see how social media can be viable for them.

CONCLUSION

The present study has effectively concluded a significant positive relationship of social media and its different prospects that could facilitate in marketing towards boosting purchase intentions. The study in particular has confirmed the notable role of social media advertisement, brand image and brand equity towards boosting purchase intentions of customers in the automobile industry in Bahrain.

REFERENCES


