

The Impact of Social Media Advertising on Consumer Purchase Intention

Nisankam Sri Pravalika, Dr.S.F. Chandra Sekhar, Siva Sivani Institute of Management, Hyderabad, pravalika2023@ssim.ac.in, chandra@ssim.ac.in

Abstract

Social media marketing has a major role to play in shaping consumer behaviour by affecting their interaction, attitude, and purchase intention. Consumers react to social media ads by responding to various factors like advertisement appeal, credibility, response rate, and exposure frequency. Studies have been cantered on the effect of targeted advertising on consumer interaction and brand recall. From there, the current study will probe the impact of social media promotions on consumer consumption behaviour by scrutinizing influential aspects. The responses were gathered through an online questionnaire from 153 respondents. Influential factors such as ad appeal, credibility, engagement, and frequency of exposure were identified based on exploratory factor analysis (EFA). Confirmatory factor analysis (CFA) equally validated the scale, confirming that the scale's usefulness in expressing the effect of social media ad on consumer decisions. The outcomes of the research contribute to online marketing research based on earlier literature by giving online marketers a theoretical framework upon which they can devise better strategies for their ads. Negotiations and implications highlight the value of interactive, graphic, and personalized advertisements in influencing consumer actions and encouraging people to make an online purchase.

Introduction

The rapid advancement of technology and the growing reliance on digital platforms have revolutionized the way businesses operate and communicate with their target audiences. Social media, once regarded solely as a medium for personal connection, has evolved into a thriving ecosystem for businesses to establish their presence and foster relationships with consumers. Platforms such as Facebook, Instagram, YouTube, LinkedIn, and TikTok have transcended their initial purpose to become marketing powerhouses, leveraging their extensive user bases and data-driven capabilities to deliver impactful advertising campaigns. Social media advertising has emerged as a cornerstone of contemporary marketing strategies, offering brands a unique way to engage consumers, build trust, and drive purchase intentions.

One of the most remarkable features of social media advertising is its ability to deliver personalized content. The shift from mass marketing to targeted advertising has been a game-changer for businesses. Through data collection and advanced algorithms, social media platforms analyze users' preferences, behaviour, and demographics, enabling advertisers to craft tailored campaigns. For instance, e- commerce companies can showcase products that align with a user's browsing history, while travel agencies can target ads based on a consumer's recent searches for holiday destinations. This precision targeting enhances the relevance of ads, significantly increasing the likelihood of consumer engagement and purchase intent.

Moreover, social media advertising fosters unparalleled levels of consumer engagement. Unlike traditional advertising, which often functions as a one-way communication channel, social media allows for dynamic, real-time interactions between brands and consumers. Through likes, shares, comments, and direct messages, consumers actively participate in the advertising experience, contributing to a more immersive and impactful engagement. This participatory nature of social media builds trust and loyalty, as consumers feel more connected to brands that value their input and acknowledge their feedback.

The psychological influence of social media advertising cannot be overlooked. Emotional appeals, such as

inspiring narratives or relatable experiences, are powerful tools that marketers use to captivate their audience. Brands often employ visually striking content or emotionally charged campaigns to evoke strong reactions, creating lasting impressions on consumers. For example, an advertisement highlighting a company's sustainability efforts or a heartfelt testimonial from a satisfied customer can resonate deeply with viewers, encouraging them to associate positive emotions with the brand and, ultimately, influencing their purchase decisions.

Social proof is another critical element in the success of social media advertising. In a world where consumers are increasingly influenced by the opinions of their peers and trusted figures, social proof plays a vital role in shaping perceptions. User-generated content, positive reviews, and influencer endorsements act as validation for potential buyers, reinforcing the credibility of a brand or product. Consumers are more likely to trust recommendations from individuals they follow or admire on social media, making influencer collaborations an essential aspect of many advertising campaigns.

The versatility of social media platforms further enhances the effectiveness of advertising campaigns. From interactive Instagram stories to informative LinkedIn posts, the diverse range of content formats

allows brands to experiment and identify the most engaging approaches for their target audiences. Video content, in particular, has gained significant traction, as platforms like YouTube and TikTok offer brands an opportunity to tell compelling stories within short, visually rich formats. Live streaming, augmented reality experiences, and interactive polls are additional tools that elevate consumer engagement, enabling brands to create memorable and impactful advertising experiences.

<u>Research methodology</u> Objectives of

the Study

- To Explore how demographic factors influence responses to social media ads.
- To Assess how often consumers notice and engage with social media ads.
- To Analyse the overall experience with social media ads and purchase intention.

Hypothesis

H1- Appeal of ads positively contributes to the intention to purchase: Under this hypothesis, it suggests that when the ad is interesting and entertaining, then the purchase will line up.

H2- Effect of Credibility on Purchase Intentions: This hypothesis states if the consumer believes that trust in a brand or its product advertised on social media then his purchasing intent shall be activated because of this reason.

H3- There is a Positive Influence of Engagement on Purchase Intentions: This hypothesis is only to confirm the idea about whether higher the engagement, with ads present on the social media sites then purchaser's intent would also increases.

H4- Exposure Frequency of Advertisements has a positive effect on Purchase Intentions: This hypothesis is attempting to analyze whether exposure of advertisements on social media at greater



Research Design

The research work employs a quantitative research method as the means for investigating the connection between social media advertising and consumers' purchase behaviour. Since the primary method of data collection is based on questionnaires, a set of structured questions was created for standardized data collection from the respondents. The questionnaire also targets several factors in social media advertising such as, perceived communication effectiveness, trust and users' perceptions.

The study mainly employs a structured questionnaire to gather quantifiable and standardised information in a bid to eliminate ambivalence and variety in responses. This method helps to use hypothesis testing for analysing data statistically and also for finding some patterns in it. As such, the research aims at bringing out the details concerning the impacts of different aspects of social media advertising on the buying behaviour of consumers.

Sources of Data

Secondary Source: The literature review for this study was grounded in research articles from reputable academic platforms such as Google Scholar, ResearchGate, and ScienceDirect. These sources offered valuable insights into consumer behavior, the role of social media advertising, and its influence on purchase intentions across various demographics, establishing the theoretical framework for analysing consumer purchase intention.

Primary Source : Primary data was collected through a structured questionnaire administered to social media users across various demographics.

Data Collection

Components of Questionnaire :- There are 3 sections in my questionnaire.

The questions are related to

- 1) Demographics
- 2) Social media Usage & Advertisements
- 3) Purchase Intention and overall experience

Sample Design and Statistical Tools Used

Sample Design : For the purpose of my study, I have used simple random sampling. Sample Size : 153 samples Statistical Tools : Frequencies, Chi-Square and Cross Tabs

Result and Analysis

This study identifies The impact of social media advertising on consumer purchase intention through an indepth analysis of the collected quantitative data

Demographics <u>GENDER</u>

Gender								
		Frequency	Percent	Valid Percent	Cumulative Percent			
Valid	female	88	57.1	57.1	57.1			

Table - 1

male	66	42.9	42.9	100.0
Total	154	100.0	100.0	

Source : Own calculation

Interpretation

Below is the table on gender distribution of 154 participants in which women amount to 57.1%, or 88, whereas men constitute 42.9%, or 66. This therefore means that there are high numbers of females as compared to males within the sample. Since missing data is absolutely nil within the samples, it then means that the percentage tally is that of the entire sample.

The cumulative percentages easily prove that 57.1% are females and, added to males, is all 100%, hence proving that the data covers all the respondents. The distribution, as indicated, has pretty imbalanced samples where the females are overrepresented as opposed to the males.

AGE

			Ag	ge	
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25	105	68.2	68.2	68.2
	26-35	26	16.9	16.9	85.1
	36-45	19	12.3	12.3	97.4
	46 and above	4	2.6	2.6	100.0
	Total	154	100.0	100.0	

Table - 2

Source : Own calculation

Interpretation

The table represents the age distribution of 154 participants. The greatest in number in the sample is the 18-25 age group, 68.2% or 105. Therefore, the sample is relatively younger. The next one is the 26-35 age group that has 16.9% or 26 participants. The number of participants falling within the ages of 36 to 45 years stands at 12.3% or 19 participants. And the rest falls within 46 years old and above, which is the smallest of all categories that falls in 2.6%, or 4 participants



EDUCATIONAL LEVEL

	Educational Level								
		Frequency	Percent	Valid Percent	Cumulative Percent				
Valid	High School	34	22.1	22.1	22.1				
	Bachelor's Degree	61	39.6	39.6	61.7				
	Master's Degree	36	23.4	23.4	85.1				
	Doctorate	9	5.8	5.8	90.9				
	Other	14	9.1	9.1	100.0				
	Total	154	100.0	100.0					

Table - 3

Source : Own calculation

Interpretation

This table displays the education level out of 154 respondents: here, 39.6%, or 61 of respondents, hold a bachelor's degree. So, for this sample, most frequent is this level of educational qualification. Coming next, at 23.4%, or 36, participants holding a Master's degree, and being a holder of just High School makes participants be placed at 22.1% or 34 of individuals. The lowest proportions are a Doctorate at 5.8% of 9 persons and "Other" at 9.1% of 14 persons.

Percentages add up to indicate 61.7% of participants having a bachelor's degree and 90.9% having completed up to master's degree. There are quite evident that most respondents have undergone some form of higher education. The remainder of 9.1% includes doctors or is otherwise unclassified under the category of "Other" and, therefore, again well represents divergent educational qualifications among chosen respondents.

CROSSTABULATION

Gender * Composite score of Social Media Usage & Advertisements

Table - 4

		Composite score	of Social Media Usag	e Advertisements	,
				Very Likely	
		Unlikely Social	Somewhat Likely	Social Media	
		Media Usage &	Social Media Usage	Usage &	
		Advertisements	& Advertisements	Advertisements	Total
female	Count	53	25	10	88
	female	female Count	Unlikely Social Media Usage & Advertisements	Unlikely Social Somewhat Likely Media Usage & Social Media Usage Advertisements & Advertisements	Media Usage & Social Media Usage Usage & Advertisements & Advertisements Advertisements

		% within D1 Gender	60.2%	28.4%	11.4%	100.0%
	male	Count	30	29	6	65
		% within D1 Gender	46.2%	44.6%	9.2%	100.0%
Total		Count	83	54	16	153
		% within D1	54.2%	35.3%	10.5%	100.0%
		Gender				

Interpretation

A cross-tabulation between gender and engagement with social media usage & advertisement reveals that the female gender is more likely at 60.2% "Unlikely to engage with social media ads" as compared to males at 46.2%, which showed a relatively balanced spread in "Somewhat Likely" at 44.6%.

Females have less chance to get involved, and male percentages are higher to get "Somewhat Likely" to get involved in social media ads. Generally, it is being observed that males have comparatively less desensitization towards advertisements on social media sites; females have a much higher rate of desensitization. Consequently, there is a need to plan the advertisements keeping approaches for both Genders by being more alert towards the male gender to attract better engagement.

CROSSTABULATION

Gender * composite score of Purchase Intention Overall Experience

			Composite score of Purchase Intention Overall Experience			
			Unlikely to Purchase & Poor Experience	Somewhat Likely to Purchase & Average Experience	Very Likely to Purchase & Excellent Experience	Total
D1Gender	female	Count	53	25	10	88
		% within D1Gender	60.2%	28.4%	11.4%	100.0%
	male	Count	30	29	6	65

Table - 5

	% within D1Gender	46.2%	44.6%	9.2%	100.0%
Total	Count % within	83	54 35.3%	16 10.5%	153 100.0%
	D1Gender				

Interpretation

From the general experience crosstabulation analysis that focuses on gender and purchase intention, 60.2% of females would end up in the "Unlikely to Purchase & Poor Experience" as opposed to males, who comprise 46.2%. On the contrary, males are somewhat neutral on this as the percent of males in "Somewhat Likely to Purchase & Average Experience" is at 44.6%. The females would mostly hold a low purchase intention for the product.

11.4% are those who said they are "Very Likely to Purchase & Excellent Experience" compared to 9.2% among males, which could imply that though there may be a greater number of females responding that they are not going to buy, the female likely to purchase is stronger on the purchase intent scale when she has a good experience.

Generally, men tend to be more mid-of-the-line or neutral toward buying intentions. Females tend to be on the side of lower purchase intentions despite the positive experience.

FINDINGS AND CONCLUSION

Gender and Social Media Use

A higher percentage of women 60.2%, "Unlikely to engage" with the use of social media ads in contrast to men, a percentage of 46.2%. On the other hand, almost half, 44.6% are "Somewhat Likely".

Chi-Square cannot decide whether there is a relationship of gender with the level of engagement; the Pearson Chi-Square is 4.310 and the p-value is 0.116.

Most of the female respondents are "Unlikely to Purchase" accounting 60.2% while males account 46.2%. Both male and female in term of intention to buy level approximately at par; so that male and female did not show positive nor negative attitude towards purchasing.

Chi-square test is in non-significant value at p-value of Pearson Chi-Square = 4.310 and p-value was 0.116

Age and Social Media Activities

Of 18-25 years of age, 61.0% falls in "Unlikely to engage, and in the age range 46 years and above the tendency is more pronounced at "Very Likely to engage."

Age and Likely to Buy

The Chi-Square test is very highly significant, and this is obtained from the Pearson Chi-Square =15.771 and p-value.015.

The "Unlikely to Purchase" category is dominated by the age groups 18-25 and 26-35 and the older ones of 36-45 and 46+ have a relatively better purchase intent.



Chi-Square test: The relation is statically significant with the Pearson Chi-Square value 15.771 and p- value 0.015.

Level of Education and Social Media Engagement

Literary Group will focus on the limited extent of involvement and for the master's level, percentage is "Unlikely to participate" at the top of 68.6%,

Education Level with Chi-Square Test indicates excellent and for that, it remains at par as its significance value is < 0.001 along with the Pearson Chi-Square value at 39.430

Education Level with Buy or Intend to Buy

The higher education levels tend to have low probabilities of buying. For instance, 68.6% of the students of the master's degree fall in the class "unlikely to buy."

It is observed that it possesses a very high association of different educational levels with the probability of buying Pearson Chi-Square value = 39.430 p < 0.001.

Occupation and Social Media contact

The lowest chances of exposure have been observed among the students who average at 60.5% who are not likely and in the working class, there is a potential for contacting

Chi-Square test results are indicating that occupation is not necessary to expose as it is means that Pearson Chi-Square = 14.676 (p = 0.066).

Occupation and Buying Intentions

The buying intention rate is very low in students as compared to the chances of buying amongst the employees after the positive experience.

The Chi-square test results shown that, for instance, the involved variables here are that income group with the purchasing intention, through Pearson Chi-Square 14.676 p-value 0.066.

Low-Class people are very eager to get themselves a little more included towards social media ads these days and who have above ₹80,000 earning people had no interest at all 77.8% not likely.

High association with the income group; Pearson Chi-Square value = 13.877 (p = 0.031).

Income Group and Buying Desire

The average interest in buying after exposure of advertisement by the respondents whose income level had been provided also falls with the increase in the income level.

The correlation of the purchasing intention and the income level does exist as concluded from the Chi-Square result since the value was less than 0.05 hence quite significant for use in the statistical sense.

CONCLUSION

These results are pretty helpful in explaining how gender, age, education, occupation, and income are strong influencers of a consumer's engagement with social media advertisements and even their purchase intentions. This would be quite critical to marketers since they would determine the best pattern through which their advertising strategy would enable them to optimize and maximize consumer interaction with

their content.

Gender: Although men have more engagement with social media ads than women, the same women also have a lesser purchase intention towards negative interaction

Age: The older participants are highly engaged with ads and have more purchasing intent than the young counterpart who disengages.

Education: More educated participants are found to be associated with lower engagement levels in social media advertising and also lower purchasing intents.

Profession: This is the attribute that affects engagement but does not significantly affect the purchase; Students are the least interested ones in both.

ncomes: The level of income is also one great determinant that determines whether the subject will engage in adverts or there is an intention of buying after seeing adverts, hence with increment in incomes, the possibility of getting engaged must reduce.

Basically, it refers to demographic factors like marketers that are involved while designing a strategy of advertisements on the social media platforms so that consumers may get better interactivities in buying the products at best possible purchasing behaviour in an effective way.

Hence, content should be framed or formulated based on the grounds of gender, age group, education background, occupation, and income for deriving improved results from marketing in the most competitive world of this digital arena.

References

- The effect of social media advertising and promotion on online purchase intention
- <u>The impact of social media advertising on purchase intention</u>: the mediation role of consumer <u>brand engagement</u>
- Effects of social media advertising on consumers' online purchase intentions
- The impact of social media on consumer buying intention
- Effect of socialmedia influencer marketing on consumers' purchase intention and the mediating role of credibility
- The **impact** of **social media marketing** medium toward **purchase intention** and brand loyalty among generation Y
- THE EFFECT OF CONSUMER PERCEPTIONS ON THEIR ATTITUDE, BEHAVIOR AND PURCHASE INTENTION IN SOCIAL MEDIA ADVERTISING.
- The **impact** of user interactions in **social media** on brand awareness and **purchase intention**: the case of <u>MINI on Facebook</u>
- Social media and purchase intention: Findings for future empirical directions
- Impact of Personalized Social Media Advertisements on Consumer Purchase Intention.
- The **impact** of young celebrity endorsements in **social media advertisements** and brand <u>image</u> towards the **purchase intention** of young **consumers**
- Social Media Advertising: The Role of the Social Media Platform and the Advertised Brand in Attitude Formation and Purchase Intention.
- Advertising value constructs' implication on purchase intention: social media advertising
- The effect of social media influencers' credibility on consumer's purchase intentions



through attitude toward advertisement

- **Impact** of **social media advertising** on **consumer buying** behavior in Indian E-commerce industry
- Exploring consumers' purchase intention to social media advertising: The role of advertising clicks
- Social media made me buy it: the impact of social media on consumer purchase behavior