Impact of "Social Networking Sites" and "Online Purchase Intention": A Quantitative Investigation

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Abstract

In today's digitally-driven world, SNS is now a central part of people's daily lives, influencing various aspects, including consumer behavior and purchase decisions. Through a comprehensive literature review, this study identifies key factors and theories relevant to SNS and online purchase intention, including social influence, information sharing, trust, and consumer engagement. The results suggest that SNS engagement positively affects consumers' intentions to make online purchases, highlighting the involvement of social networks in molding consumer behavior and purchase decisions. Furthermore, the study identifies specific SNS attributes and features that significantly impact online purchase intention, offering valuable implications for businesses seeking to leverage these platforms to enhance their e-commerce strategies. The implications of this study extend beyond academia, providing practical guidance for marketers and businesses aiming to harness the power of social networking sites to increase their online sales and improve customer engagement. The inference shows the significance of understanding the interconnections between digital social interactions and e-commerce, emphasizing the need for tailored marketing strategies to leverage the potential of SNS platforms in driving online purchase intentions.

Keywords: "Social Networking Sites" "Online Purchase Intention", Consumer Choices, Social Media, Social Networking.

Introduction

The widespread use of "social media" platforms has transformed the way consumers engage with each other online. Consumers now have the opportunity to interact and connect through various social media channels, such as online communities, generating content and building networks with other users. This has also presented businesses with new opportunities to benefit

from these interactions. Social media play a pivotal role in creating social interaction among consumers, leading to increased trust and purchase intention. Trust is found to have a direct impact on "purchase intention", while the perceived usefulness of a website also influences consumers' buying decisions. Social media possess an empowering nature, enabling consumers to create value through collaboration and social interactions, and trust plays a pivotal part in influencing e-commerce and buying behavior (Hajli, 2014).

The rapid advancements in the digital world, particularly the "Internet and online social networks (OSN)", have revolutionized the business landscape. These changes have brought forth new opportunities and challenges, such as the need for constant and fast communication, as well as careful consideration of market offerings. The past two decades have witnessed a significant paradigm shift in business practices, driven by advancements in information and communication technologies, which have introduced new communication platforms and convenient access to the internet/OSN through devices like smartphones, tablets, laptops, and PCs (Fuciu & Dumitrescu, 2014).

Social networking sites have provided a platform for users to be involved in "electronic word of mouth (eWOM)" conversations, enabling discussions about various brands and their offerings among friends and acquaintances. The "quality", "credibility", "usefulness", "adoption", and "attitude towards information", as well as the "information needs", play significant roles in influencing consumers' purchase intentions through eWOM on social media (Erkan & Evans, 2016).

With the widespread influence of social media, businesses are increasingly relying on it as a marketing channel. Kumar et al. (2016) studied the impact of "company-generated content (CGC)" on customer behavior, specifically their spending habits, cross-buying tendencies, and overall profitability. The findings show that CGC has an affirmative and significant input on customer behavior, even after considering the influence of television advertising and email marketing. Also, the study demonstrates that CGC works synergistically with both television advertising and email communication. Along with that, the impact of CGC is found to be stronger among experienced, technologically adept, and social media-savvy customers. The study identifies three key characteristics of CGC—namely, the sentiment, receptivity, and

susceptibility of customers—and shows that all three components have a positive impact, with receptivity being the most influential.

Literature Review

Chen et al., 2011 explored the impact of consumers' posting behavior on social media platforms and its relationship with marketing variables, and it revealed that the connections between marketing dimensions and posting patterns of consumers differ between the early and mature stages of Internet usage. There is an initial negative correlation between price and the likelihood of consumers posting reviews. Similarly, the correlation between price and overall consumer rating follows a U-shaped pattern initially but becomes less noteworthy over time. These observations indicate that different consumer groups with distinct motivations for posting reviews contribute to these variations. While specific marketing factors may stimulate a greater number of consumers to participate in online posting activities, it does not necessarily result in favorable ratings. Moreover, the connections between marketing factors and online consumer reviews transform as Internet usage advances. This indicates that, unlike in the early phases of Internet adoption where reviews were predominantly shared for lower price ranges, the general public now shows a greater inclination to post reviews encompassing both higher and lower price ranges. The previously observed positive correlation between a prestigious brand image and the quantity of postings loses significance as Internet usage matures. These shifts indicate that expressing contentment or discontent has become a pivotal motive for posting reviews, particularly with the widespread adoption of the Internet among the masses. It signifies a departure from primarily showcasing expertise or social standing.

Online consumer interactions, particularly within online communities, heavily rely on word-of-mouth (WOM) communication. However, existing theories on offline WOM may not accurately describe its online counterpart and its impact on evaluation and purchasing decisions. Individuals treat websites as primary "actors" in online social platforms. Online consumers are more engaged, accessible, and influential, shaping product design and attaching socio-cultural meaning to products. WOM has a stronger impact on "product judgments", "attitude formation", and "decision-making" compared to formal "marketing communications". There are differences in the formation of online social ties, distinctions in "tie strength", "homophily", and "source credibility" between online and offline contexts.

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Online credibility is evaluated based on both the website and the individual contributor of the WOM information (Brown et al., 2007).

As marketers increasingly incorporate social media into their promotional strategies, it becomes crucial to thoroughly investigate the dimensions that sway consumers' involvement in "electronic word-of-mouth (eWOM)" through "social networking sites (SNSs)". Chu & Kim, (2011) focused on SNSs like Facebook, MySpace, and Friendster, which possess social and communal characteristics. It explores the connection between social factors and the transmission of eWOM on online "social media".

Luxury brands, known for their captivating beauty and traditional yet innovative business approaches, face new challenges due to increased competition and economic downturns. In response, they have embraced social media as a advertising and communication media to stay connected with the audience. Social media platforms like Twitter and Facebook enable two-way communication, allowing users to interact and share information. SMM positively influences "customer relationships" and "purchase intention", with entertainment being the most impactful element. Luxury brands should focus on providing entertaining social media content and activities, such as building relationships, offering customized services, and providing genuine information. By prioritizing these features, brands can enhance customer relationships and increase purchase intention. Trust, developed through interactions with other users and the brand on social media, plays a crucial role in strengthening customer trust and ultimately driving profits for luxury brands (Kim & Ko, 2010).

In today's digital landscape, individuals are actively engaged in a wide range of online endeavors, encompassing content consumption, active participation in discussions, knowledge sharing among peers, and contributing to the activities of fellow consumers. Social media platforms like YouTube, MySpace, Facebook, and Wikipedia have captured immense interest, leading to the assumption that consumers are actively involved in marketing-related content creation (Heinonen, 2011).

"User-generated social media communication" positively influenced "brand equity" and "brand attitude", while "firm-created communication" only influences "brand attitude". Measurement invariance was assessed across industries, revealing consistent results. It was

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observed that firm-created content indirectly impacts perceptions of "brand equity" but influences "consumer attitudes" towards the products. Additionally, firm-created content has the potential to generate a viral response, expanding the reach of original advertising. Communication managers should aim to encourage consumers to generate supportive content, enhancing brand awareness and attitudes. Firm-created content should complement rather than compete with user-generated content (Schivinski & Dabrowski, 2016).

Wang et al. (2012) explored the impact of friends' communication on social media platforms, considering individual-level relationships and group identification as influencing factors. It also examines how this communication affects product attitudes and purchase decisions and the study confirms that both individual-level ties and group identification positively influence the outcomes of peer communication. The study also identifies that the consumer's need for uniqueness moderates the influence of peer communication on product attitudes. They have substantial theoretical and practical implications for marketers and offer valuable insights into understanding and leveraging social media's impact on consumer behavior.

Reza Jalilvand & Samiei (2012) explored the impact of online word-of-mouth (WOM) communication on brand image and purchase intention. It acknowledges the rising popularity of virtual communities where consumers share their product/service experiences. The study's findings highlight the substantial influence of "electronic word-of-mouth (e-WOM)" on "brand image", ultimately leading to purchase intention, particularly within the automobile industry. Moreover, the study emphasizes the direct impact of e-WOM on purchase intention, a relationship that has been established in other industries but not extensively examined within the automotive sector. These results carry significant implications, indicating that online WOM has the power to shape consumers' purchase decisions. Consequently, it is imperative for automobile manufacturers to actively engage in point-of-sale activities and foster online WOM communication to leverage its impact on consumer behavior. Enhancing service quality and employing effective communication tools can improve brand image and drive purchase intention. Continuous monitoring of online WOM and mitigating negative associations are necessary, especially as network technology advances.

Objective

To investigate the impact of social networking sites and online purchase intention

Methodology

This research is a descriptive type that collected data from 203 participants, including millennials, generation z, working professionals and college students. The data were analyzed using a checklist question, which required respondents to answer with either a "Yes" or a "No" for each question.

Data Analysis and Interpretations:

Table 1 Impact of Social Networking Sites and Online Purchase Intention

SL No.	Impact of Social Networking Sites and Online Purchase Intention	Yes	% Yes	No	% No	Total
1	Social networking sites have significantly impacted connectivity by bridging the gaps between individuals and facilitating communication.	159	78.33	44	21.67	203
2	Social networking sites have become a platform for users to share information about their online shopping experiences, including product reviews, ratings, and recommendations.	189	93.10	14	6.90	203
3	Users may be more likely to purchase a product or service if they see their friends or acquaintances endorsing it on social media platforms.	169	83.25	34	16.75	203
4	Advertisers can leverage this data to customize and deliver advertisements to users based on their demographics, interests, and online behavior.	191	94.09	12	5.91	203
5	Brands may create official pages or accounts to share updates, respond to customer queries, and run promotional campaigns.	150	73.89	53	26.11	203

6	Testimonials, ratings, and user-generated content on social media can serve as social proof, influencing online purchase intention.	177	87.19	26	12.81	203
7	Viral marketing campaigns can generate buzz and increase online purchase intention by creating awareness and interest in a product or service.	166	81.77	37	18.23	203
8	Social networking sites have given rise to online communities centered around specific interests, hobbies, or industries.	153	75.37	50	24.63	203

Table 1 shows the impact of social networking sites and online purchase intention. It was found that around 94.0% respondents accept that advertisers can leverage this data to customize and deliver advertisements to users based on their demographics, interests, and online behavior. Additionally, social networking sites have become a platform for users to share information about their online shopping experiences, including product reviews, ratings, and recommendations (93.1%). Moreover, testimonials, ratings, and user-generated content on social media can serve as social proof, influencing online purchase intention (87.1%). Users may be more likely to purchase a product or service if they see their friends or acquaintances endorsing it on social media platforms (83.2%). Furthermore, Viral marketing campaigns can generate buzz and increase online purchase intention by creating awareness and interest in a product or service (81.7%). In addition, social networking sites have significantly impacted connectivity by bridging the gaps between individuals and facilitating communication (78.3%). However, social networking sites have given rise to online communities centered around specific interests, hobbies, or industries (75.3%). Lastly, brands may create official pages or accounts to share updates, respond to customer queries, and run promotional campaigns (73.8%).

Conclusion

The growing popularity of social media has made consumer socialization through peer communication a crucial marketing concern. This quantitative investigation sheds light on the

impact of "social networking sites (SNS)" on "online purchase intention" and unveils crucial insights into the evolving landscape of e-commerce in the digital era. The findings of this study demonstrate that SNS engagement plays a significant part in influencing consumers' intentions to make online purchases. The identification of specific SNS attributes and features that significantly impact online purchase intention offers valuable implications for marketers and businesses seeking to optimize their e-commerce strategies. By leveraging the power of social networks, businesses can enhance customer engagement, increase online sales, and foster brand loyalty. As the digital landscape continues to evolve, understanding the interconnections between social networking sites and online purchase intention becomes increasingly crucial. This study serves as a foundation for further research in this domain and encourages researchers and practitioners to explore innovative ways of harnessing the potential of SNS platforms to drive e-commerce success.

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