



Does social media advertising enhance consumers' purchase intention?

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Abstract

This study investigates the effects of social media advertising features on consumers' purchase intention in the context of Bangladesh. Data was collected from 318 social media users through an online questionnaire survey and analyzed using Partial Least Squares-based Structural Equation Modeling (PLS-SEM). The study found diverse results; specifically, interaction and eWOM have a significantly favorable influence on brand image, while entertainment does not. Likewise, entertainment, interaction, and eWOM are effective in creating brand awareness. An improved purchase intention of consumers is found because of the brand image; however, brand awareness was incapable of improving consumers' purchase intention. Furthermore, the study also estimated an indirect (mediation) analysis and found that brand image has a significant mediating role in the relationships between interaction and consumers' purchase intention, while brand awareness does not. The findings will expand the current knowledge of similar studies, and policy-makers can use it in practice. The implications and future research directions are also outlined.

Keywords: brand awareness, brand image, eWOM, interaction and purchase intention

Introduction

Social media has become increasingly popular worldwide, as billions of people are connected in real-time through it. It finds a place for itself in all aspects of our lives from personal to business deals where marketing and advertising activities are significantly increased in the social media platform to interact with customers as its fans are growing fast (Alalwan, 2018). It has changed traditional methods of searching for information and purchasing brands, which has generated new social and economic consequences as firms and practitioners spend a considerable amount of money, time, and resources in social media advertising (Seo & Park, 2018). However, the increased number of fans and followers is not guaranteed whether they contribute to enhancing consumers' purchase intention required to transform these fans into a customer.



Despite the increasing importance of social media advertising, studies have primarily given attention to improve brand awareness and brand image (Seo & Park, 2018). These studies have mainly focused on social media components' effects on consumer and brand loyalty (Yadav & Rahman, 2018; Godey et al., 2016; Ismail, 2017). However, the contribution of the effects of social media advertising features on consumers' purchase intention in extant literature to date remains unexplored (Kim & Ko, 2012; Alalwan, 2018). Therefore, this study investigates the effects of social media advertising features on consumers' purchase intention in the context of Bangladesh. The rest of the paper presents a literature review followed by a conceptual framework, research methods, findings, conclusions, and recommendations.

Literature Review

Social media advertising features

This study mainly focused on three social media advertising features (i.e., entertainment, interaction, and eWOM) that may contribute to building consumers' purchase intention. Entertainment in media channels refers to its quality of being amusing for media users (Eighmey & McCord, 1998). It is considered a result of fun and enjoyment experienced through social media (Agichtein, Castillo, Donato & Gionis, 2008). Previous studies acknowledged that the entertaining features of social media advertising have a significant influence on building brand image and brand awareness (Seo & Park, 2018; Bilgin, 2018). Interactivity is considered as one of the most critical antecedents in online platforms and social media sites. Social media interaction means exchanging communication contents between brands and customers through social media platforms (Gallaughier & Ransbotham, 2010; Kaplan & Haenlein, 2010). Literature also figured out that interaction plays a significantly positive role in building brand image and brand awareness (Seo & Park, 2018; Bilgin, 2018). Likewise, Alalwan (2018) further claimed a significantly positive link between interaction and consumers' purchase intention.

eWOM refers to the extent to which consumers pass information and upload content in social media (Godey et al., 2016). Consumers can evaluate products through social media advertising and, in turn, enhance e-WOM (Brown, 2011). It generates more substantial credibility, empathy, and more relevance due to consumers' ability to convey a message on brand-related information to their contacts without having restrictions (Kim & Ko, 2012). eWOM is a widely used antecedent in social media literature, and this



produces a strong influence to create a brand image and brand awareness (Godey et al., 2016; Seo & Park, 2018).

Brand image and brand awareness on purchase intention

Purchase intention is a combination of consumers' interest in and the possibility of buying a product. It is also considered a probability that lies in the customers' hands who intend to purchase a particular product (Grewal, Monroe & Krishnan, 1998). However, brand awareness replaces a brand's strong indicators such as name, sign, symbol, and slogan, while the brand image is the brand's position in the consumer's mind beyond these signs. Brand awareness addresses the level of consumer recognition, acceptance, and recall of a brand in any case (Percy & Rossiter, 1992). However, brand image is used as an alert for recalling brands; therefore, the brand image may have real and virtual associations in consumers' minds (Blackwell & Miniard, 2006). Previous studies further claimed that both brand awareness and brand image have a significantly positive effect on consumers' purchase intention (Seo & Park 2018; Bilgin, 2018).

Conceptual Framework

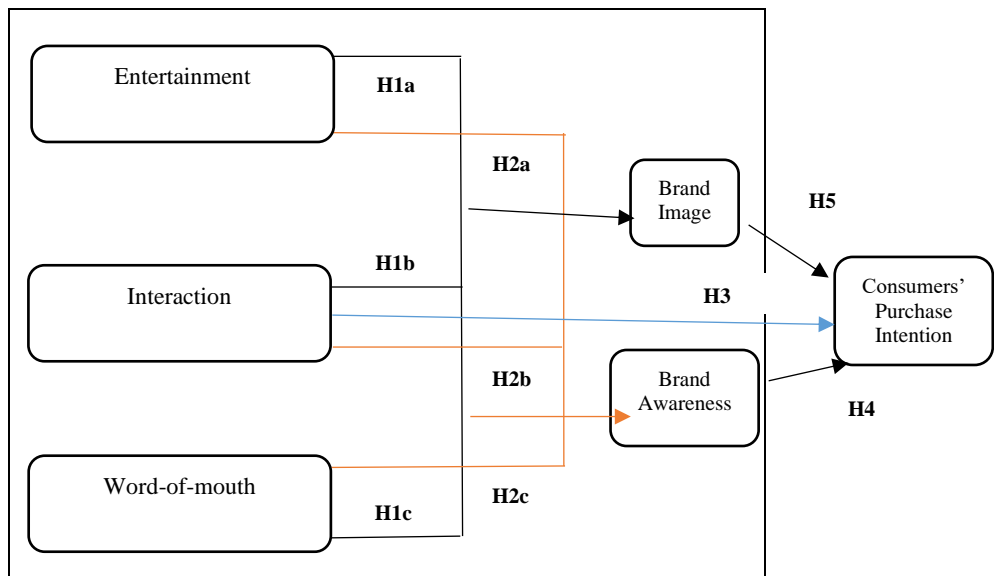


Fig 1. Conceptual Framework



Hypotheses of the study

- H₁: Social media advertising features ([a] Entertainment, [b] Interaction, and [c] e-WOM) have a significantly positive influence on brand image.
- H₂: Social media advertising features ([a] Entertainment, [b] Interaction, and [c] e-WOM) have a significantly positive influence on brand awareness.
- H₃: Interaction has a significantly positive influence on consumers' purchase intention.
- H₄: Brand awareness has a significantly positive influence on consumers' purchase intention.
- H₅: Brand image has a significantly positive influence on consumers' purchase intention.
- H_{6a}: Brand awareness significantly mediates the relationships between interaction and consumers' purchase intention.
- H_{6b}: Brand image significantly mediates the relationships between interaction and consumers' purchase intention.

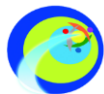
Methodology

A quantitative survey was carried out by collecting data to test the significance of the conceptual framework's proposed relations. The measurement items on the used constructs were adopted from previous related studies (Alalwan, 2018; Kim & Ko, 2012; Seo & Park, 2018). A six-point Likert type scale ranging from strongly disagree (1) to strongly agree (6) is used to analyse each measurement item. The data collection was carried out from consumers of the social media users online and received 318 usable responses, and performed Partial Least Squares-Structural Equation Modelling (PLS-SEM). This was done by performing factor loading, composite reliability, average variance extracted, and Fornell and Larcker's (1981) and Heterotrait-Monotrait (HTMT) criterion using different suggested threshold values. The bootstrapping and blindfolding procedures were further performed to test the significance of the model. The effect size of the estimated relation and the structural model's predictive relevance was also performed in this study (Hair, Hult, Ringle & Sarstedt, 2017; Ringle, Wende, & Becker, 2015).

Results and Discussions

Measurement Model

The factor loading, composite reliability (CR), and average variance extracted (AVE) were performed to establish the convergent validity (Fornell&Larcker,



1981) (also see Table 1). The test results exceeded different threshold values; thus, the convergent validity met all three requisites.

Table 1. Assessment of Item Reliability

Construct	Item	Loadings	CR	AVE
Entertainment	ENT1	0.85	0.87	0.77
	ENT2	0.90		
	INT1	0.69		
	INT2	0.79		
Interaction	INT3	0.78	0.86	0.56
	INT4	0.74		
	INT5	0.74		
eWord-of-Mouth	WOM1	0.87	0.85	0.73
	WOM2	0.85		
Brand Image	BRI1	0.70	0.84	0.57
	BRI3	0.77		
Brand Awareness	BRA1	0.89	0.86	0.67
	BRA2	0.88		
	BRA3	0.68		
Consumers' Purchase Intention	CPI2	0.86	0.90	0.75
	CPI3	0.89		
	CPI4	0.85		

The item BRI2 and CPI1 were deleted for the low score. CR= Composite reliability, AVE= Average variance extracted. Discriminant validity was further assessed by using the test suggested by Fornell and Larcker's (1981), and HTMT criterion (also see Table 2 and 3). The HTMT method indicates that the threshold value of below 0.90 between two study constructs is acceptable to establish discriminant validity. The HTMT_{.90} means that the result is below the recommended critical value of 0.90 for each group-specific model estimation. Thus, it also met the tests of discriminant validity.

Table 2. Square root of the AVE and correlation of coefficient

	Fornell and Larcker Criterion					
	BRA	BRI	ENT	INT	CPI	WOM
BRA	0.82					
BRI	0.67	0.76				
ENT	0.36	0.33	0.88			
INT	0.45	0.56	0.42	0.75		
CPI	0.50	0.59	0.36	0.43	0.87	
WOM	0.45	0.51	0.36	0.45	0.51	0.86

Note: Bold diagonal values represent the square root of the AVE, and the off-diagonal value represents the correlation of coefficient.

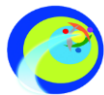


Table 3. HTMT Results

	BRA	BRI	ENT	INT	CPI	WOM
BRA						
BRI	0.89					
ENT	0.48	0.45				
INT	0.57	0.71	0.54			
CPI	0.60	0.74	0.46	0.53		
WOM	0.64	0.73	0.55	0.63	0.70	

Note: Discriminant validity is established at HTMT 0.90

Structural Model

The bootstrapping procedure was used to test the path relations in the structural model utilizing 5000 subsamples that ensure the significance of the path relations between the used constructs (Hair et al., 2017). The results (Table 4) illustrate that the direct effects of INT and WOM on BRI, ENT, INT, and WOM on BRA, and BRI on CPI, and an indirect effect (mediation) of INT on CPI through BRI were positive and significant. Therefore, hypotheses H1b, H1c, H2a, H2b, H2c, H5, and H6b were supported. However, the direct effect of ENT on BRI, INT, and BRA on CPI, and an indirect effect of INT on CPI through BRA were negative and insignificant. Thus, hypotheses H1a, H3, H4, and H6a were not supported.

Next, the structural model's predictive relevance was further evaluated by using the blindfolding procedure (Hair et al., 2017; Ringle et al., 2015). The proportion of variance in the endogenous construct was assessed by using the coefficient of determination (R^2), which was predicted from the independent variables. The structural model also assessed the cross-validated predictive relevance by using the criterion of Stone-Geisser's (Q^2). Besides, the effect sizes (f^2) that specified the extent of the relative effect of a particular independent variable on a dependent variable were substantial (Chin, 2010) (also see detail in Table 4).

Table 4. Results of the Structural Model

Direct Effect	Beta	S.E.	t-value	p-value	Decision	f^2	R^2	VIF	Q^2
H1a: ENT -> BRI	0.06	0.06	1.01	0.16	Not Supported	0.00		1.267	
H1b: INT -> BRI	0.40	0.05	7.54**	0.00	Supported	0.19	0.40	1.379	0.22
H1c: WOM -> BRI	0.31	0.05	5.76**	0.00	Supported	0.12		1.308	
H2a: ENT -> BRA	0.15	0.06	2.61**	0.01	Supported	0.03		1.267	
H2b: INT -> BRA	0.27	0.06	4.63**	0.00	Supported	0.07	0.30	1.379	0.19
H2c: WOM -> BRA	0.28	0.06	4.59**	0.00	Supported	0.08		1.308	
H3: INT -> CPI	0.05	0.06	0.91	0.18	Not Supported	0.00	0.43	1.298	0.30
H4: BRA -> CPI	0.11	0.07	1.57	0.06	Not Supported	0.01		1.920	
H5: BRI -> CPI	0.33	0.06	5.36**	0.00	Supported	0.09		2.227	



Post-hoc (Mediation)	Beta	S.E.	t-value	p-value	Decision
H6a: INT -> BRA -> CPI	0.03	0.02	1.48	0.14	Not Supported
H6b: INT -> BRI -> CPI	0.13	0.03	3.93**	0.00	Supported

**p < 0.01, *p < 0.05, S.E. = Standard error.

Conclusions and Recommendations

This study was attempted to investigate the effects of social media advertising features on customers' purchase intention in the context of Bangladesh. It provides valuable insights into the social media advertising components and the mediating role of brand image and brand awareness on the relationships between interaction and consumers' purchase intention. The study also presented a comprehensive framework to study social media advertising and consumers' purchase intention. This study's outcome can benefit social media practitioners, policy-makers, and the other related stakeholders.

This study has two fundamental limitations that provide opportunities for further studies. Firstly, it examined the effects of social media advertising features as a whole, the other study on the social media advertising features of a specific product would produce more customized results. Secondly, only one social media advertising feature (i.e., interaction) was used as an independent component, where the other two (i.e., entertainment and eWOM) can be tested in future studies.

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