EFFECTIVENESS OF SOCIAL MEDIA ON PURCHASE INTENTION: WOMEN LED SMES IN NORTHERN PROVINCE OF SRI LANKA

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Abstract

The social media is having the direct influence towers the consumers purchasing intention. This purchasing intention having influenced on buying attitude of the customers especially the small and medium enterprises in noticeably different from others because of their marketing campaign. The aim of the Research paper was to explore the impact of social media effectiveness on consumer purchase intention among women led small and medium enterprises (SMEs) in Northern part of Sri Lanka including Jaffna, Killinochchi, Mullaithivu, Mannar and Vavuniya. Social media effectiveness (trust, Customization, interaction, word of mouth, trend, entertainment and customer engagement) as independent variable and purchase intention as dependent variable. This is deductive approach of quantitative method. Primary data were collected through self-administrated closed ended questionnaires from women led SMEs in Northern Province of Sri Lanka. 400 questionnaires issued to women led SMEs in Northern Province of Sri Lanka and received only 310 filled questionnaires in return. Data were analysis with the help of SPSS (22) statistical tool. Findings of the research conclude that that trust, customization, Interaction, e-Word of mouth, trendiness, entertainment, and customer engagement as important factors impact on purchase intention. Mostly entertainment and customer engagement shows higher correlation on consumer purchase intention. Further studies could be cover entire Sri Lanka as target population.

Keywords: Social Media effectiveness, Purchase Intention and women led SMEs.

1. Introduction

The vast potential of online sales is can be reason for the adoption of this sales system in conventional retail stores. Online has been used by many business organisations to market their products and services. The products and services mainly includes clothing stores, electronic equipment stores, cell phones and food stores. These stores leverage social media ads as a way to enter broader audiences and also boost customer purchasing intentions as they have been effective in delivering their conventional marketing and known in their local communities as building material stores. Retail marketing can be done smoothly by using the means of social media, which is useful in helping the marketing process. The intention to purchase products may arise as a result of the attractiveness of the media advertisement (Akhtar,et al., 2016).

In any social media application the advertisement display arranged in a way to compel the consumer to consume a particular product or service. A well-developed algorithm application will identify each and every user of social media hobbies, preferences and activities. This will increase the marketing intention of the sellers along with the purchase intention of the consumers. The proof of this can be the appearance of the advertisement in our pages of the social media (Voramontri, & Klieb, 2018).

The social media is having the direct influence towers the consumers purchasing intention. This purchasing intention having influenced on buying attitude of the customers. Especially the small and medium enterprises noticeably different from others because of their marketing campaign. The SMEs could interact with its customers directly through the help of the social media. Leibovitz & Robinson (2007) explains that the customer's decision-making process has been the impacted by the social media.

Social media are very important and emerging tool in promotional activity today. Advertisements in social media became an important tool and common tool for current business. There are number of women led SMEs who involve livelihood activities to their sustainability with the support of government and engaged in small and medium level enterprises. They found difficulties in creating Marketing opportunities especially promoting their home-made products to their target audiences. Understanding the advertising strategy and applying the advertising strategy become very difficult role to women led SMEs.

In the other scenario, the changing consumer dynamics mainly usage of phones and also usage of the internet has increased to a penetration of 32%. In addition, by investing amount of money by the companies in the social media has been dramatically increased. Even though the increment in the tax for the usage of data by the Sri Lankan parliament, the consumer's attitude toward data usage never changed. The above message help us to predict the future of the global trend. Still, there are limited studies which conducted under the concept of social media effectiveness on purchase intention: reference to women led SMEs in Northern Province of Sri Lanka.

2. Literature Review

The world has become a global village. Everyone could able to interact via the medium of the social media. Diba et al., (2019) insist the influence of the social media is very vital in this current era. It takes a part in everyone's lifestyle. The same statement has been elaborated by Islam et al., (2021), they insisted that the smart phones makes the growth of the social media in a deferent dimension. By using the smart devisers Billions of people could be able to interact on social networks such as Facebook, Twitter, Wechat and Instagram.

Social media is not only connect the people around the globe but also it has a significant role on customer's decision making process. According to Barger et al., (2016) the social media motivates its users to choose the products. It is taking a vital role in changing the

preferences of the customers. This influences increases during the pandemic season. Blose et al., (2020) the above authors have managed to examine a group of studies which characterize both the internal factors and the external factors. They found that the social media is having an impact on the e-marketing.

In the topic of influence Suprapto et al., (2019) come to a conclusion that Instagram advertising and purchase intention has no significantly influenced. But the Instagram advertising might influence on purchase intention of the customer. This is because on the perception of the customer makes the Instagram advertising has a significant influence. Therefore, in this research customers perception override the other variables.

On the words of Akhtar,et al., (2016) customers will make their marketing decision on the base of information. This information mainly being accessed by the customers via the internet. In here the internet is being looked as the proactive marketing tool. By using the internet the customers could gain more product related information. The appearance of the social media and devices reasons for the extraordinary usage level of internet. It also clarifies that technological advances such as the introduction of the android phones and net surfing facility reason for the increment of the social media, which is responsible for developing a modern marketing age.

Purchasing decision will be made on the basis of various factors. As an individual willing to purchase a vehicle, the purchasing decision will depend on many factors such as cost, brand, trust, technological development, structure or the social acceptance level. The above statement stated in the word (Bhalla et al., 2018).The findings show that environmental issues and consumer interest in technology are a primary factor for the perception of buying electric vehicles and cost, brand, trust, technological development, structure or the social acceptance are the factors that give adoption blow back.

According to Mazeed, & Kodumagulla, (2018) external environment is having a big impact on customers buying behaviour. Especially a customers purchasing intention will be determined by other factors such as social, personal, economic or financial, cultural, demographic, psychological and cultural. Internet marketing, social media marketing and digital marketing are buzz terms that have a crucial impact on consumer behaviour and subsequent purchasing decisions.

Voramontri, & Klieb, (2018) found that social media had the greatest effect on the first and second phases of the purchasing behavior process (information quest and alternative search), but was not very helpful in enhancing the purchasing decision or post-purchase assessment. Compared to those who have opted for some other source of information, users of social media like and appreciate the decision-making process. During their decision-making process, consumers of social media feel happy and optimistic, and the abundance of information has had no negative effects on customer loyalty. There are still old forms of shopping, and people still enjoy shopping in physical stores in this digital era.

Six factors influencing consumer buying intentions were described by Renu et al., (2020), such as electronic word of mouth, engagement, entertainment, reward, trust and satisfaction, which have a positive impact on consumer buying intentions through social media, while trust has the greatest impact and satisfaction has the lowest impact on consumer buying intentions. Marketers can connect and serve their clients via social networks in a more personal way than mass media marketing does. By offering incentives, entertainment, customer review and satisfaction to understand consumer purchasing behavior, advertisers may make use of social media.

Shareef et al., (2017) Social media advertising could help marketers achieve a variety of marketing goals, such as building consumer awareness, building customer understanding, influencing customer attitudes, and encouraging consumers to actually buy goods. The closer study of the main body of literature leads to the observation of the crucial role of intrinsic and extrinsic motivation in social media advertisement consumer responses.

Social media advertising expenditure as share of digital advertising spending worldwide from 2013 to 2017 report State that paid around USD 32.3 billion for desktop and mobile social media advertising in social media ads in 2016. Alalwan et al., (2017) found that in terms of the successful use and design of social media advertising strategies, Jordanian organizations face a major challenge.

Solomon et al., (2017) argued that social media advertisement is a form of internet advertising, but because it is Web 2.0, in engaging with social media advertising, clients could have different expectations and experiences. This is also due to the nature of social media advertising, as they encourage consumers to connect with targeted ads more (i.e., re-share, tweet, post, and learn). Jung (2017) empirically argued that, if customers perceive a degree of relevance in the targeted ad, they are more likely to pay significant interest in such an ad, and that customers are more likely to ignore social media ads if they perceive a degree of privacy concern. Kian et al., (2017) found that Consumer perceptions of ease of use, consumer perceptions of utility, social factors, confidence, and consumer perceptions of enjoyment on social media websites have an impact on consumer buying intentions. In their purchasing intentions on social media websites, there is also a disparity between Malaysian consumers with different demographic features.

Shu-Chuan Chu et al., (2019) demonstrate that social media luxury brand marketing and customer engagement; social media advertisement views, behaviors and behavioral responses; and state-of-the-art luxury branding and fashion advertising. Taylor & Costello (2017) indicated that users with higher brand awareness levels had more favorable social media advertisement views and behaviors than social media users with lower brand awareness rates.

Taylor & Costello (2017) indicated that consumers with a higher level of brand awareness had more beneficial social media advertisement views and behaviors than social media users with a lower level of brand awareness. Phua et al., (2017) found that Instagram users are more likely than Facebook, Snapchat, and Twitter users to be in trend and less

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inhibited. Sohail &Al-Jabri (2017) found that social media often allows luxury brands to promote customer interaction by using public relations, celebrities and influencers. A increasing body of research has looked at social media ads and marketing in general, considering the power of social media and its effect on luxury brand marketing. Factors have also been studied that affect customer attitudes towards social media marketing and their effect on the use of social media. Demonstrate that user behavior is a primary determinant of social media use in social media marketing.

Five key aspects of fashion advertising research have been identified by Taylor & Costello (2017), including efficiency problems, model use, segmentation of fashion advertising, fashion social media advertising, and contentious fashion advertising. Gilliland (2018) states that through its imaginative social media campaigns, Chanel has been identified as the most influential social luxury brand. Gautam, & Sharma, (2017) In the relationship between social media marketing and consumer purchasing intentions, the positive effect of social media marketing and customer relationships on consumer purchasing intentions has also verified the full mediation of customer relationships. It is also strongly suggested that luxury fashion brand advertisers participate in social media marketing campaigns to provide their consumers with value.

Laksamana, (2018) Social media marketing contributes to buying intent and loyalty to the brand. Brand loyalty is also motivated by the intention of the purchase. ALJarrah, (2018) Highlights The numerous buying adaptation factors (customer acquisition, customer retention, and customer expansion) and buying purpose factors (customer satisfaction, customer loyalty, and profitability) and how the cloud ecosystem is influenced by their presence. Grizane,& Jurgelane (2017) Social media as an exchange and collaboration across the World Wide Web focused on text, picture and video, which differs from conventional media by providing an opportunity for social discussion. Kian et al., (2017). The buying intentions are a basic evaluation of the individual who is willing to undertake a particular online buying behavior.
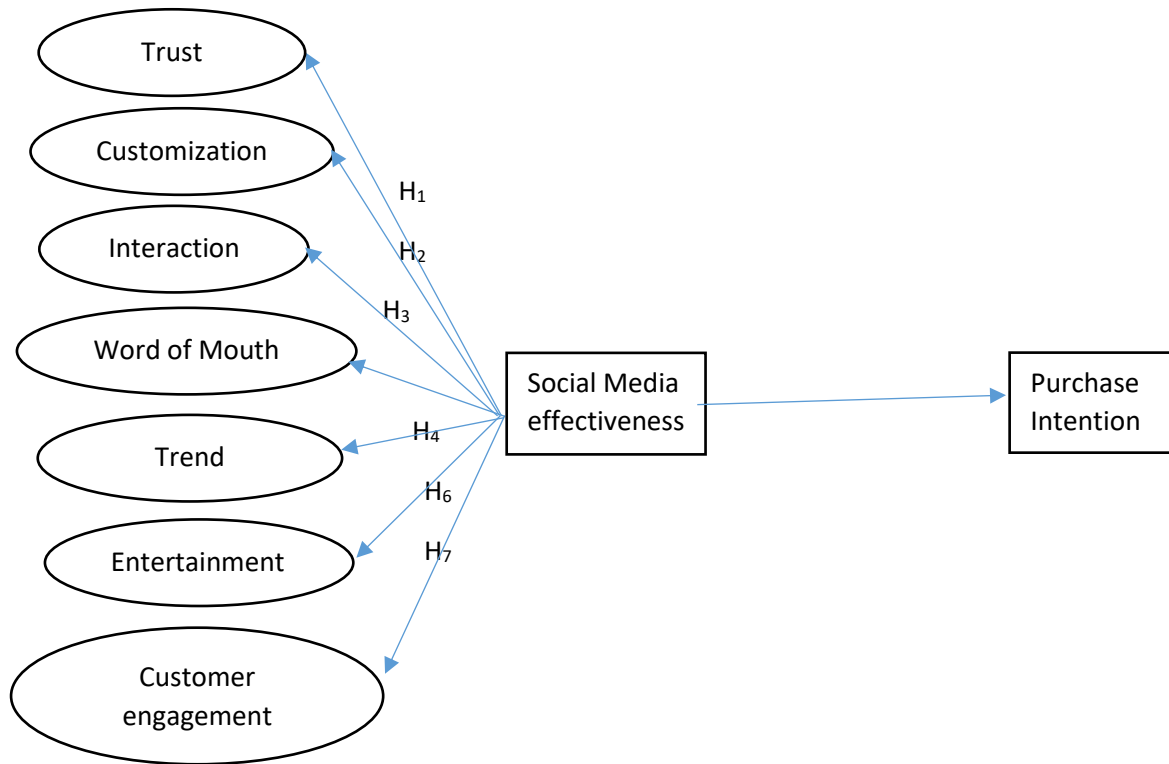
2.1 Conceptual framework

Figure 1: Conceptual Frame of the Study

2.2 Hypotheses description

This research study hypotheses as follows;

H₁: There is a significant relationship between trust and purchase intention among SMEs in Northern Province, Sri Lanka

H₂: There is a significant relationship between customization and purchase intention among SMEs in Northern Province, Sri Lanka

H₃: There is a significant relationship between interaction and purchase intention among SMEs in Northern Province, Sri Lanka

H₄: There is a significant relationship between word of mouth and purchase intention among SMEs in Northern Province, Sri Lanka

H₅: There is a significant relationship between trend and purchase intention among SMEs in Northern Province, Sri Lanka

H6: There is a significant relationship between entertainment and purchase intention among SMEs in Northern Province, Sri Lanka

H7: There is a significant relationship between customer engagement and purchase intention among SMEs in Northern Province, Sri Lanka

3. Methodology

The aim of this research is to demonstrate the effectiveness of social media ads on the intent to buy. This study finds it very important to collect a large amount of data in order to get the correct outcome. Therefore, quantitative data collection methods better fit this analysis.

A population consists of an aggregate of all the elements that share a similar collection of features that make up the universe for marketing research issues. Convenience sampling method has been adopted for selecting respondents. In this research, researchers used convenience sampling. Generally, Convenience sampling refers to the non-probability process by which a scientist collects statistical data from the population. The population selection has been made on the basis of statistical data. Instead of collecting a more accurate array of population data, the researcher simply gathers data from people nearby. This sampling method enables the researcher to gather data even when faced with obstacles. By analyzing the data, they can extrapolate trends and compensate for a lack of data. In line with above facts, this study used convenient sampling technique. By means of questionnaires, primary data will be obtained. Questionnaires will be given separately to the researchers. Each completed questionnaire is immediately examined and entered for data review. 400 questionnaires issued and received only 310 filled questionnaires in return. In this research, the data analysis approach consists of both descriptive statistical analysis and inferential statistical analysis, as well as measurement scale reliability and validity checking. For the analysis of data, the Statistical Package for Social Science (SPSS) version 22 was used. First of all, names will be allocated to all variables and coded for machine entry. Secondly, in order to allow computer data entry, all the answers will be coded. Only constructive wording scales are available in both questionnaires. Correlation analyses, multi-regression analyses and factor analysis would be used to minimize the variables.

The measurement instrument used for the data collection was a structured questionnaire, which consists of eight constructs to measure the study variables namely; Trust, customization, interaction, Word of Mouth, trendiness, entertainment, customer engagement and purchase intentions.

4. Data Analysis

Descriptive analysis, Reliability analysis, correlation analysis has described in data analysis section in order to achieve the objectives of the study.

Table 01: Descriptive analysis

No	Variable	Levels	Number	Percentage
01	Age	Below 20	12	3.8
		21-30	175	56.4
		31-40	68	21.9
		41-50	45	14.5
		51 and above	10	3.1
02	Gender	Male	163	52.5
		Female	147	47.5
03	Marital Status	Unmarried	206	66.4
		Married	104	33.6
04	Occupation	Self-Employment	92	29.6
		State sector employee	128	41.2
		Private sector employee	40	12.9
		Professional employee	18	5.8
		Others	32	10.3
05	Monthly House hold income	Below 10000	26	8.3
		10000- 20000	42	13.5
		21000-50000	198	63.8
		51000-75000	37	11.9
		75000-100000	16	5.1
		100000 and above	9	2.9

It is evident that from the table 1 that out of 310 respondents 56.4 % of the respondents were of the age group of 21 to 30 years, 3.8 % of below 20 years, 21.9 % of 31 to 40 years, 14.5 % of 41 to 50 years and 3.1 % above 51 years.

Majority of the respondents were male with 52.5 % and female respondents were less percentage of 47.5%. The majority of the respondents were unmarried (66.4%), as the percentage of married was 33.6%. the furthermore occupational variables showed the percentage of self-employment, State sector employment, Private sector employment, professional workers and others were 29.6% , 41.2%,12.9%5.8% and 10.3% respectively. Also it found that the respondents came from different income backgrounds: a major part of them (68.3%) earned between LKR 21000 to LKR 50000 monthly and but below LKR 10000 were 3 .8%

No.	Name of the Construct	Mean	Standard Deviation	Cronbach' Alpha
01	Trust	3.4285	0.71347	0.725
02	Customization	3.5367	0.70364	0.731
03	Interaction	3.6962	0.73584	0.715
04	Word of Mouth	3.5674	0.72548	0.736
05	Trend	3.7685	0.71953	0.724
06	Entertainment	3.6952	0.80125	0.814
07	Customer engagement	3.5278	0.79582	0.803
08	Purchase intention	3.5863	0.73645	0.786

Table 2: Reliability analysis

Considering table 02, The study's conceptions have mean values ranging from 3.6962 to 3.7685 and standard deviations between 0.70364 and 079582. Additionally, there was proof of significant correlation coefficients between the study's constructs. Nunnally and Bernstein's recommendations for the criterion (Cronbach's alpha value > 0.70) were followed to test the reliability of the measurement scales (1994). Given that all of the Cronbach's alpha values in Table 2 are between 0.715 and 0.814, it is clear that the measuring scales utilized in the study satiated the requirements for reliability. As a result, the proposed study model was verified.

4.1 Correlation Analysis

The correlation analysis will be used to calculate the association between two data sets, which was independent of the measuring unit.

Table 3: Correlation Analysis

	TRU	CUS	INT	WOM	TRE	ENT	CE	PI
Trust	1							
Customization	0.321*	1						
Interaction	0.286*	0.512*	1					
e-WOM	0.375*	0.368*	0.354*	1				
Trendiness	0.372*	0.423*	0.396*	0.489*	1			
Entertainment	0.365*	0.323*	0.286*	0.462*	0.359*	1		
Customer Engagement	0.342*	0.423*	0.378*	0.473*	0.435*	0.612*	1	
Purchase Intention	0.411*	0.456*	0.385*	0.452*	0.475*	0.592*	0.526*	1

Notes: * Significant at 1% level of significance

TRU: trust, CUS: customization, INT: Interaction, WOM: e-Word of mouth, TRE: trendiness, ENT: entertainment, CE: customer engagement and PI: Purchase intention

Based on the table 03, the independent variables as trust, customization, Interaction, e-Word of mouth, trendiness, entertainment, and customer engagement has significantly correlated with the dependent variable purchase intentions at 1% level of significance. Further found strong evidences in the analysis that all the entertainment (0.592*) and customer engagement (0.526*) were significantly greater than trust (0.411*), customization (0.456*), interaction (0.385*), e-word of mouth (0.452*) and trendiness (0.475*) on the dependent variable purchase intention.

5. Conclusion

The primary goal was to look into how social media marketing directly affected consumers' intent to buy. A secondary goal was to look into how trust, customization, interaction, e-word of mouth, trendiness, entertainment, and customer engagement directly affected consumers' intent to buy. The study's findings showed that the effectiveness of social media in influencing purchases was favorable and significant.

6. Implications of the study

Currently Today's researchers are working to understand consumer purchasing intentions across a range of product categories. When it comes to common goods, social media marketing initiatives including trust, customization, interaction, online word-of-mouth, trendiness, entertainment, and customer engagement are having an impact on consumers' intents to make purchases. Additionally, consumer entertainment and engagement behaviors have a significant impact on consumers' purchase intentions. To predict purchase intentions, social media marketing activities (trust, personalization, interaction, e-word of mouth, trendiness, entertainment, and consumer involvement) are used individually. To better identify consumers' buying intents, they must mix their social media marketing efforts with an emphasis on customer relationships (entertainment and customer engagement). To better understand consumers' purchasing intents, they must mix their social media marketing efforts with an emphasis on customer relationships (entertainment and customer engagement).

7. Limitation and future Research

The findings of this study are also subject to various restrictions. The study's first restriction relates to the data that were used for analysis. The study's findings are based on first-hand information, which could cause measurement error. Closed-ended questions were what participants in this study were asked to react to. Additionally, the study model was put to the test using primary data that was gathered from a restricted geographic area in Sri Lanka's north. These restrictions prevent conclusions from the study from being generalized to larger geographic areas. To verify the results of this study, other research of similar kind should be undertaken.

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