

The Effect of Social Media on Purchase Intention: An Empirical Evident

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Abstract: This study be done to find out the effect of social media on purchase intention. As we know, nowadays the rapid growth of social media was develop and widely especially on Malaysia. They lead to marketers a new avenue to contact prospect. Though, people was increasing their spend time in social media. Daily routine or settle down all the bill also involve with online payment on internet. Regarding the nature of internet is grow rapidly and making rapid connections possible across long distance because of their speed. The study examines the influencing social media on purchasing intention. Indeed a few variables state that lead to the effective and credibility result. There are trust, risk, value, socialibility and word of mouth. Framework for this research was drawn based on literature review. This study also was tested on five hypotheses on factors that influence customer for buying a product online. This paper provides valuable insight into the measurement of purchase intention. Hence, the research attempt to expose customer to trust on all marketers without restricted by geographical factors. It can be concluded that, the most problem facing by customer is fraud so here, this study will show them what are the really factor to buy the thing on media. Searching for the most effective factors influencing purchase intention of brands in consumer markets, this research involved 150 respondents who were randomly in FEP, UKM in Bangi. This study discusses implications of the findings and research limitations at the end of the paper.

Key words: *Purchase Intention, Social Media, Word of Mouth, Trust, Risk, Value, Socialibility*

1. INTRODUCTION

The online encyclopedia wiki defines social media as media for social interaction, using highly accessible and scalable publishing techniques. Social media use web-based technologies to transform and broadcast media monologues into social media dialogues.

Since 2008, social media has not only become a hot topic in the Internet, but has also raised high concern in the academic community. Along with its development, social media in the Internet penetration rate continues to improve, which ranked among the top ten websites in the world, there are five social media, such as Facebook and Twitter. Global monthly active Facebook users has exceeded 800 million, equivalent to the global scale 12%, Twitter on the number of users has exceeded 500 million, behind only Facebook, became the world's second-largest social networking site. Around the world, social media get involved in people's daily life, from social entertainment features evolved for Internet based applications, business transformation and also profoundly changed people's life style. The

penetration of the social media on the lives of Internet user is extremely powerful.

The effects of social media campaigns on consumers' perception of products and brands as well as the impact on purchase decisions have yet to be better understood [1]. The potential drawbacks of social media activities like the spread of negative word of mouth and information overload causing disturbance and annoyance [2] and the difficulties in measuring an added-value of such efforts have kept many marketing executives sceptical. However, since brands cannot take the risk of being absent in such an influential communication channel, despite the risks and doubts, companies are investing increasingly into their social media activities [3].

This study therefore investigates how social media activities effected the purchase intention among customers. From a theoretical standpoint the results of this study contribute to our understanding of the value-enhancing potential of social media campaigns and demonstrate how the perception of brands is influenced through this new

communication channel. For brand managers this study is of value, as it shows that social media activities do have a positive influence on brands as they support their management.

This new perspective on marketing is also reflected in contemporary understanding of brands. Brands are now viewed as an ongoing social process [4], whereby value is co-created in the interplay and negotiations of various stakeholders.

The social nature of brands [4] and the relevance of relationships in co-creating brand value [5] enhance the importance of social media as a marketing channel. Social media favours relationship and community building as well as it promotes active engagements of consumers. The direct involvement social media enables in respect to the creation of brand value gives consumers ever more power to influence brands and posits challenges for brand managers' efforts to manage their brand. With the increasing relevance of social media platforms in the daily life of consumers, their marketing potential for brands increases as well. Therefore it has to be clarified where and how social media effects brand perceptions and brand related decisions of consumers.

2. LITERATURE REVIEW

Purchase Intention

Purchase intention referred to the subjective judgment by the consumers that is reflected after general evaluation to buy products or services [4-8]. Got three meaning from the statement, which is consumer willingness to consider buying, buying intention in the future, and decision repurchase.

Consumer buying behavior on purchase intention has been raise in marketing for more than 20 years. Consumers will be involve by internal and external environment during purchasing process. They lead to physiological motivation that stimulates their respond and bring them to the retail store to fulfill their need [9].

Word of Mouth

The most influence resources of information transmission is word-of-mouth (WOM). Advances in information technology and the emergence of online social network sites have changed the way information is transmitted. It is easy to access information that has a great impact and effect the consumption decision. Several researchers have agree that e-WOM is more powerful than traditional way advertising [10].

Word of Mouth is the powerful tool to influence people and also can influence their buying behavior. According to Hennig-Thurau et al. [11] define online Word of Mouth as being: “ Any positive or negative statement made by potential, actual, or former customers about the

product or company which is made available to a multitude of people and institutions via the internet”. While as consumers are increasingly using the Internet and social media tools such as Facebook, Twitter, Blog, Flickr, and so on. According to Cheung et al. [3] more and more consumers use Web 2.0 tools such as online discussion forums, consumer review sites, weblogs, and social network sites to exchange product information. Opinion and experience would contribute consumer to write by themselves. They provide that e-WOM give opportunities to customer to read.

Hypotheses 1: *Word of mouth have a positive effect on purchase intention.*

Perceived Risk

Opposing to the maximizing utility principle of purchasing a product, there is a view that consumers will choose the product that they perceive with the lowest risk. Perceived risk was introduced by Bauer to marketing in 1960. According to his initial definition: “Consumer behavior involves risk in the sense that any action of a consumer will produce consequences which he cannot anticipate with anything approximating certainty, and some of which at least are likely to be unpleasant” [12]. It should be noted that Bauer strongly emphasizes that he is concerned only with subjective (perceived) risk and not "real world" (objective) risk. He clearly views perceived risk as not only related to consumers ' pre-decision information acquisition and processing activity but to post-decision processes as well.

There are two dimensions of perceived risk: uncertainty and consequences. Uncertainty is concerned with fact that consumers are not familiar with the functions and properties of the product itself. Consequences are mainly associated with the post-purchase loss that consumers may suffer in terms of time, money and mentality. Hassan et.al [13] argued that perceived risk is multifaceted and can be conceptualized into eight more dimensions which are financial, performance, time-loss, social, psychological, physical, source and privacy risk. Unlike Hassan who put more emphasis on conceptualizing perceived risks and developing measurement scales.

Hypotheses 2: *Perceived risks have a positive relation with purchase intention.*

Socialibility

As indicated by its name, sociability is one of the most significant functions of social media. According to Spannerworks [14], two characteristics i.e. community and connectedness represent the sociability function of social media

best. The emergence of social media quickly allows people to form virtual communities, which consist of people sharing same interests or background. The subsequent effect of these communities is eWOM which is far more influential than offline word-of-mouth.

Previous study shows that people who are authorities or experts in the community arouse more attention and discussions as well as trust among community members. Other researchers consider the online community itself as a social proxy for information distribution among user. The credibility of WOM information is ultimately evaluated by consumers based on their trust in the website. The connectedness characteristic of social media is strongly related to the users' perceptions and the actual usage of the social media platforms. It is a potential source of social capital in which people may realize their network benefits by managing both their strong and weak ties [15]. A study related to online ties or connectedness suggests that product-related risks has moderating effects on the relationship between online tie strengths and perceived diagnosticity. Given the product risks, information provided by strong ties has more trustworthiness and perceived value for consumers than that provided by weak ties [15].

Hypotheses 3: *Social media with higher socialibility are less likely to purchase intention.*

Perceived Value

Perceived value on purchase intention has also been studied empirically by many researchers. Vijayasathy and Jones [16] found that consumer's confidence in evaluating the quality of products and making decisions to purchase products will reduce perceived value. Perceived value has significant influence on consumers'

Hypotheses 5: *Perceived trust have a positive impact on purchase intention.*

purchase intention. Park, Lennon and Stoel [17] reached the similar conclusion that a negative relationship exists between perceived value and apparel purchase intention.

Zeithmal [18] conducted study on perceived value. Consumers will first evaluate how much they are giving out and how much they will gain when they are buying products and services. Based on utility theory, when consumers gain more benefits than they pay for products or services, the probability of their intention to purchase will increase. One of the current views of study on purchase intention is based on consumer perceived value. Empirical findings from different fields concluded that perceived value has a positive effect on purchase intention Shaharudin et al. [19]

Hypotheses 4: *Social media with higher perceived value are less likely to purchase intention.*

Trust

Trust plays a key role in creating satisfied and expected outcomes in online transaction [11, 20-23]. According to the McCole and Palmer [23], online purchasing necessitates online customer trust. Egger [24] argues that sufficient trust needs to exist when placing an order online and when the customer submit his or her financial information and other personal data in undertaking financial transactions. Gefen [25] asserts that the present of trust will increase the consumers' belief that the e-retailers will not engage in opportunistic behaviour. It has been demonstrated in the extant literature that trust beliefs positively influence customer online purchase intention [10, 26-28]. Gefen and Straub [11] conclude that the higher the degrees of consumers' trust, the higher degree of consumers' purchase intentions of consumers.

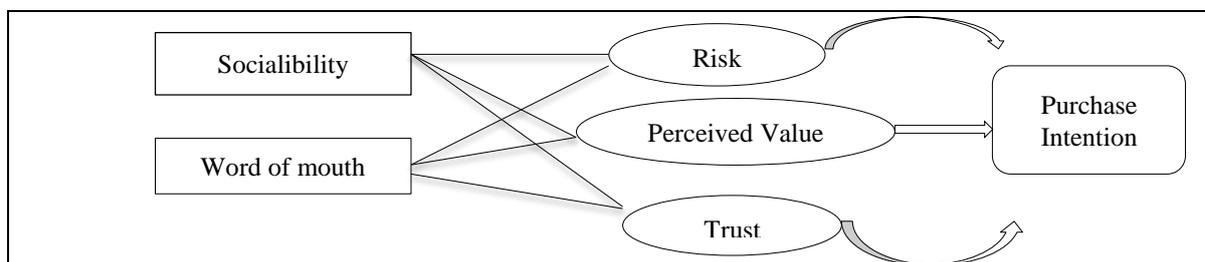


Figure 1: Research Model

3. RESEARCH METHODOLOGY

The study was concerning on student FEP located at UKM, Bangi, Malaysia. The reason for choosing this Faculty is, easy for get the respondent. In addition, as a teenager age average 19-26 mostly

have the device as a tool for social activity such as Facebook, Instagram, Twitter and so on.

As mentioned earlier, the focus of the field survey was FEP, UKM Bangi, Malaysia. From the sampling frame, only a total of 150 are listed with already have account more than 3 media social. They to be selected as part of research

samples. As such, all of them were chosen as the research samples. Survey instrument packages consisting of introduction and questionnaire of the research sample. The respondent identified was actively in media social user. 200 questionnaires was distributed among the students. Approximately two weeks after the final questionnaire disburse. However, a few questionnaires were discarded due to incomplete responses and finally 150 completed questionnaires were used for analysis.

Table 1: Demographic profile and descriptive statistics

	Frequency	Percent (%)
Gender		
Male	65	47.1
Female	73	52.9
Age		
19-21	48	34.8
22-24	68	49.3
25-27	19	13.8
28-32	3	2.2
Others	0	0
Year		
1	15	10.9
2	11	8
3	88	63.8
4	20	14.5
5	2	1.4
Others	2	1.4

The measurement methods used in this study were drawn from literature. For all concepts, we asked respondents to rate their level of agreement with statements using 5-point scales (5 = strongly agree and 1 = strongly disagree). Word of mouth was constructed the study of Huei-Hsia et. al. [29]. Socialibility was develop by Mayank Dhaundiya Joseph Coughlan [30] and the three item purchase intention, trust and value adoption from Liwei Chen, April, 2014.

The data were analysed using multiple linear regression analysis following the guidelines

Table 3: Hypotheses result findings

Hypotheses	Findings
H1: Word of mouth have a positive effect on purchase intention.	Supported
H2: Perceived risks have a positive relation with purchase intention.	Supported
H3: Social media with higher socialibility are less likely to purchase intention.	Supported
H4: Social media with higher perceived value are less likely to purchase intention.	Supported
H5: Perceived trust have a positive impact on purchase intention.	Supported

Perceived risk are not significantly associated with increases use intention with 0.019

established by Hair et al. [31]. The purpose of regression analysis is to relate a dependent variable to a set of independent variables [32] and find out the ability of each independent variable to explain the dependent variable. Multiple Regression analysis is an appropriate analytical technique for the research question of this study that seeks to find out the relationship between purchase intention (dependent variable) and electronic word of mouth (e-WOM). This study involves a relatively large sample (150 respondent).

Cronbach alpha is the basic formula for determining the reliability based on internal consistency [33]. The alpha values for word of mouth reliability co-efficient of 0.895 as shown. This value far exceeds the minimum standard of 0.7 set by Nunnally [34]. The value of word of mouth 0.895 generates a strong indication. The Cronbach Alpha found in this study is 0.831 for purchase intention.

In addition, 45 percent of respondents said they used e-mail for their WOM, 40 percent relied on company websites, and 30 percent used other media (e.g. Facebook.com) for e-WOM communication. Electronic WOM also had a strong positive effect on purchase intention. These results suggest that compared to other promotional media.

Table 2: Cronbach's coefficient for constructs

Factors	Cronbach Alpha
WOM (6 items)	0.895
Risk (4 items)	0.799
Value (3 items)	0.817
Socialibility (4 items)	0.884
Trust (4 items)	0.834

4. FINDINGS AND LIMITATIONS

The purpose of this study is to identify the major factors influencing purchase intention on FEP student Universiti Kebangsaan Malaysia. The study has conducted different linear regression based on the different variables used.

value. Beta is 0.203 and with t 2.370. This means that by keeping all other variables constant, by an

increase of unit in risk, intent to purchase products or services social media is likely to increase. Purchase Intention based on perceived risk to the maximizing utility principle of purchasing a product, there is a view that consumers will choose the product that they perceive with the lowest risk. Faqih [35] empirically tested the relations between perceived risk and behavioral intention and found out that perceived risk negatively influences the behavioral intention to use online shopping for purchase in Jordan.

The variables trust are not significantly associated with increases use of intention with 0.012. The beta is 0.203 and t is 2.540. The results of hypotheses regarding trust on other variables indicates that trust has a positive and significant influence on consumer's perceived value on social media. Trust also shows a positive influence on purchase intention. Trust plays a key role in determining both a consumer's behavioral intentions and actual behavior [25]. Social media and the emergence can help customers to reduce their risk and increase social trust. In fact, the more trust perceived by consumers, the more likely their intention to buy. Therefore, trust is likely to affect intention to transact [21].

Word of mouth have a significant relation with perceive value which is 0.015 meanwhile word of mouth have not significant relationship with trust 0.617 and risk 0.120. For beta value is 0.186, trust 0.037 and risk 0.136. The result shown that the t value for trust is 0.501, perceived value is 2.463 and risk 1.566. In addition, 45 percent of respondents said they used e-mail for their WOM, 40 percent relied on company websites, and 30 percent used other media (e.g. Facebook.com) for WOM communication. WOM also had a strong positive effect on purchase intention. These results suggest that compared to other promotional media.

Socialibility have a significant relationship with perceived value. Beta .325, t-4.077, p-value .000. The result indicates that perceived Socialibility have a significant relationship among perceived trust. Beta .274, t-3.509, p-value .001. Socialibility is a significant predictor of perceived risk. Beta .325, t- 3.540, p-value .001. Social media sociability positively influences consumer's trust in social media. The sociability function of social media has a positive influence on consumer's trust in a specific social media platform.

Higher levels of perceived value are associated with increased intentions with 0.000. The beta value is 0.400 and t 4.554. Based on the theory of consumer behavior, consumers will choose the products and services that maximize

their perceived value. The last previous studied that consumer's perceived value positively influences consumer's purchase intention. The higher perceived value consumers have by using social media, the higher the probability consumers will have in purchasing products or services through social media platforms.

The limitations of this study provide directions for further research. First, random samples should be taken from various groups of people other than undergraduate college students to perform the same tests which would offer greater external validity to the results. This study also employed a single element scale to measure consumers' intention to purchase products online. Thus, the findings must be interpreted with caution and cannot be conclusively used to generalize to all the variable. Like other empirical studies, this study is not without its limitations. The study can be strengthened by increasing the sample size and including participants in other geographical areas. With an increased sample size, a more detailed empirical analysis among the independent variables and the variables that have multiple categories can be performed. Potential correlations between some of the independent variables (e.g. gender, race, education) need to be reported in future study. The sample consists of students at a FEP in UKM, Bangi, Malaysia. Thus, this is representative of a University only and is not generalizable. Future research areas may consider sample from another University or country.

5. CONCLUSION

Many of them have felt not encouraged to voice out their feedbacks and to pass along their comments to peers, friends, or family members via social media. In responding to the purchase validation tool [5], the reason why social media has added value to today's marketing is by bridging up the post purchase word of mouth with the consideration stage of the consumer decision process, which has extended purchase funnel. In the perspective of marketers, this pitfall may serve as a bottleneck in association with marketing via social media, thus, marketers should identify the reason of these particular negative feelings among consumers and initiate consumers to participate in the conversations. To conclude, these findings indicate directions for futures. Overall, individuals purchase intention at social media can be explained by attitude toward social media and subjective norm.

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