



# SOCIAL MEDIA AND PURCHASE INTENTION

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# Research Articles

Our group found relevant articles to our research topic:

- **“The Advertising Industry Has a Problem, People Hate Ads” by New York Times**
- **“SWOT analysis to help with Branding and Marketing”**
- **“Top Digital Ad Industry Opportunities and Threats in 2019”**
- **“The Effects of Poor Communication in Business” by Anne Kinsey**
- **“The Effect of Social Media on Firm Performance.” by Tajvidi, Rana and Azhdar Karami.**

# Research Objective

**The purpose of our group's study is to identify core features of social media ads that can affect the purchase intention of a product in a social media ad.**

# HYPOTHESIS

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**H1: RELEVANCY OF A SOCIAL MEDIA AD WILL AFFECT PURCHASE INTENTION**

**H2: POSITIVE EMOTIONAL REACTIONS FROM A SOCIAL MEDIA AD WILL AFFECT PURCHASE INTENTION**

**H3: FREQUENCY OF A SOCIAL MEDIA AD WILL AFFECT PURCHASE INTENTION**

**H4: CHANNELS OF A SOCIAL MEDIA AD WILL AFFECT PURCHASE INTENTION**

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# METHODS



# Data Collection: Relevancy

Question 1	The social media ad was relevant to my interest.	1-Strongly Agree... 7-Strongly Disagree
Question 2	The social media ad was relevant to my search history.	1-Strongly Agree... 7-Strongly Disagree
Question 3	The social media ad was relevant to my previous purchasing behavior.	1-Strongly Agree... 7-Strongly Disagree

# Data Collection: Positive Associations

Question 1	The social media ad made me happy.	1-Strongly Agree... 7-Strongly Disagree
Question 2	The social media ad evoked positive emotions.	1-Strongly Agree... 7-Strongly Disagree
Question 3	The social media ad generated positive emotions.	1-Strongly Agree... 7-Strongly Disagree

# Data Collection: Frequency

Question 1	I have seen the social media ad often.	1-Strongly Agree... 7-Strongly Disagree
Question 2	I have been exposed to the social media ad multiple times.	1-Strongly Agree... 7-Strongly Disagree
Question 3	I have frequently seen the social media ad.	1-Strongly Agree... 7-Strongly Disagree



# Data Collection: Channel Distribution

Question 1	The social media ad was accurately placed on social media sites I use frequently.	1-Strongly Agree... 7-Strongly Disagree
Question 2	The social media ad was placed on a social media site that was easily accessible.	1-Strongly Agree... 7-Strongly Disagree
Question 3	The social media ad has been distributed on multiple social media sites.	1-Strongly Agree... 7-Strongly Disagree

# Data Collection: Purchase Intention

Question 1	I want to buy the product in the social media ad in the future.	1-Strongly Agree... 7-Strongly Disagree
Question 2	I intend to purchase the product in the social media ad in the near future.	1-Strongly Agree... 7-Strongly Disagree
Question 3	It is likely that I will purchase the product in the social media ad in the near future.	1-Strongly Agree... 7-Strongly Disagree

# RELIABILITY

## COMPOSITE RELIABILITY

MEASUREMENT ITEMS	COMPOSITE RELIABILITY
RELEVANCY	0.89
EMOTION	0.91
FREQUENCY	0.89
CHANNEL DISTRIBUTION	0.86
PURCHASE INTENTION	0.93

# Validity

## Factor Loadings

Relevancy 1	.834
Relevancy 2	.865
Relevancy 3	.861

Frequency 1	.849
Frequency 2	.848
Frequency 3	.862

Emotion 1	.865
Emotion 2	.903
Emotion 3	.876

Purchase Intention 1	.888
Purchase Intention 2	.910
Purchase Intention 3	.906

Channel Distribution 1	.813
Channel Distribution 2	.832
Channel Distribution 3	.823

# Validity

- Convergent Validity:
  - AVE Relevancy = .73
  - AVE Emotion = .78
  - AVE Frequency = .73
  - AVE Channel Distribution = .68
  - AVE Purchase Intention = .81

Threshold:  $\geq .5$

# Discriminant Validity

	RELE	EMO	FREQ	CHAN	PI
RELE	0.73				
EMO	0.444889	0.78			
FREQ	0.512656	0.273529	0.73		
CHAN	0.439569	0.316969	0.412164	0.68	
PI	0.511225	0.576081	0.394384	0.273529	0.81

# Results

- Relevancy
  - Beta = .267
  - P-Value = .000
- Positive Associations
  - Beta = .509
  - P-Value = .000
- Frequency
  - Beta = .221
  - P-Value = .000
- Channel Distribution
  - Beta = .089
  - P-Value = .062
- All factors aside from channel distribution are supported because their p-values are less than .05

# Discussion

Emotion holds the greatest amount of power on a consumer's purchase intention; advertisements that evoke positive emotions are the most effective for calling consumers to action.

Consumers typically ignore advertisements that they have no personal connection with- relatable ads have a tendency to drive purchase intention in a positive direction

Consumers tend to buy products that make them feel good about themselves- they are more receptive to ads that lower their cognitive dissonance and avoid products that give them negative associations

Relevancy and frequency are also significant factors, but they do not hold as much weight on purchase intention as emotion.

A social media channel is not a prevalent factor when a consumer is going through the decision making process when buying a product



# Implications

- Business practitioners should highly consider emotional appeals when developing ad messages on social media.
- Business practitioners should invest time and resources into consumer behavior research.
- Rather than focusing on the channel, spend more time planning and creating the message.