

# 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

**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**

# 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 |

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

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

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

# 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 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

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

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

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

# 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.