



INFLUENCE OF SOCIAL MEDIA ADS ON CONSUMER'S PURCHASE INTENTION

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ABSTRACT - The Social media is changing traditional marketing communication. Consumers are increasingly using social media to search for information and turning away from traditional media such as television, magazines, radio. Companies, therefore, need to create effective online advertising strategies to capitalize on current market segment by incorporating effective features in online advertising, especially in social media. This study offers theoretical contributions and conceptual model to existing research on Social Media Ads and Consumer's purchase Intention. This study highlights the characteristics of online ads and its influence on intention to purchase. While prior studies have investigated different features of online ads towards attitude and consumer's buying behavior, this study provides a new set of consumer's response towards Social Media ads with respect to Purchase Intention.

Index Terms—Advertisements (Ads), Consumers, Purchase Intention, Social Media,

INTRODUCTION

Social Media Reviews are one of the key areas that have emerged from social media. Customer reviews are widely available for products and services, generating great value for both consumers and companies. In fact, consumers are actively encouraged by firms to rate and review products and services online. These

activities produce electronic word of mouth. This word of mouth, produced through social media, helps consumers in their purchasing decisions. Research shows that customer reviews have grown quickly on the internet.

Online advertising is one kind of digital advertisement that has become an effective means of marketing communication because Internet access is widespread. It is the newest and fastest growing way to advertise. The internet now provides everything from links on sites, to banner ads on sites, to small ads on sites, to pay per click advertising. Internet advertisements are unique in the way that consumers visit the advertisements, when compared to Traditional Print and TV media, where advertisements are placed in front of the viewers. Online advertisements include banner ads, interstitial ads, text ads, pop-up ads and HTML ads and are found to be a dominant media where companies use to market their products and services through Internet. Different types of measures like hits, click-through, frequency of visits to websites and time spent at websites predict consumer behavior in an interactive environment.

This study focuses on understanding the Influences of Social Media advertisements that have the primary goal of enticing customers to buy products and services. It would be valuable to know whether the Influence of Social Media advertisements lead to Purchases of the

advertised products or services.

STATEMENT OF PROBLEM

1. Whether consumer's behavior toward advertising on Social Media has an effect on their purchase intentions?

2. What strategies must be implemented in order to improve the impact of social media ads to attract potential customers?

Therefore it is necessary to make further investigations which elucidate the influence of social media ads on consumer's behavior. The main emphasis in this research is to identify and get insight into the main features of social media ads influencing consumer's intention to buy. An in-depth study of literature was done to identify the features of advertisements influencing purchase intention. Therefore, the relationship of various features and purchase intentions are also worth studying.

OBJECTIVES

1. To study the influence of Social Media Advertisements on Consumer's Purchase Intention.

2. To develop a conceptual model on feature of social media advertisements and purchase intention.

LITERATURE SURVEY

FEATURES OF SOCIAL MEDIA ADS

Online advertising is widely used by companies and advertisers to promote their products and services. Online advertising features, therefore, play a significant role (Adam, 2003; Baltas, 2003; Kumar, 2008; Yoo et al., 2004; Taylor et al., 2008; Wise et al., 2008). According to Rowley (2001), internet's high speed, user-friendliness, low cost and wide accessibility have contributed to its commercialization in the form of online marketing—a new platform for generating attention and awareness among consumers through online advertising. Burke and Edell (1989); Escalas and Rutgers (2003) had proposed Multimedia, Pictures and Content as three features of online advertising that would generate the highest influence on purchase intention. Jang (1998) stated that the

characteristics of Internet advertising include constant availability, low cost, fun, connectivity, internationalization, interaction and two-way communication. Online Advertisements can be classified according to seven characteristics: Unlimited Open-endedness of time and space, two-way communication, possible linkage with databases, free sponsorship and various forms of advertising. Therefore, web advertisements must be visually captivating, share interesting content and be easy to navigate (Brigish, 1993).

Majority of studies have been limited to the impact of online advertising characteristics i.e. format, design, content and frequency on purchase behavior (Campbell and Wright, 2008; Coyle and Thorson, 2001; Moe and Fader, 2004; Stevenson et al., 2000; Johnson et al., 2006). Whereas, Ducoffe (1996) described the special quality of Internet advertising in terms of quick-access to information, customer preference-based information, flexibility to customer preferences and the changing environment, preference and purchase tracking and the capability of forming stronger relationships with customers and in later studies developed the model based on three antecedents of perceived value: entertainment, informativeness and irritation, as factors contributing to consumer's evaluations of advertising values and thus attitude toward advertisements.

Interactivity feature of Social Media Ads

The Internet can facilitate consumers to communicate by providing two-way communication between sources and consumers while most traditional media provide only one-way communication from a source to consumers. Users can enjoy better interactive experience by having freedom in choosing what they want and when they need it on the Internet. Finally, the Internet makes it possible for users to feel synchronicity in communicating with sources by eliminating barriers of physical, spatial, and temporal distance as in the traditional interpersonal communication. Interactivity allows customers to become more involved because they initiate most of the action. Feedback is one of the strengths of Internet sites.

Informative feature of Social Media Ads

Informative means the ability of advertising to inform consumers of product alternatives so that purchases yielding the greatest possible satisfaction can be made. Online advertisements featuring valuable and clear information are more powerful and stable than any other factor in influencing customer behavior. Therefore, marketing managers should consider the importance of quality and quantity of information on online sites while designing their websites for advertising.

Entertainment feature of Social Media Ads

Entertainment means the ability to full-fill an audience’s needs for escapism, diversion, aesthetic enjoyment, or emotional enjoyment. Authors demonstrated that an affective factor, such as entertainment, could play a significant role in influencing attitudes towards online advertising.

Credibility feature of Social Media Ads

Yoo and MacInnis (2005) suggested that positive feelings toward an online advertisement enhance the advertisement’s credibility, while negative feelings result in negative evaluations of the advertisement. Brackett and Carr (2001) further validate Ducoffe’s model and extend the model to include credibility and consumer demographics. Credibility is shown to be directly related to both advertising value and attitude towards advertising. Demographic variables such as college major, age, and gender are shown to effect only attitudes towards advertising.

PURCHASE INTENTION

Purchase intentions can be define as an individual’s conscious plan to make an effort to purchase a brand. Purchase intention is an important index for evaluation consumer behavior. It represents the degree or possibility the consumer would be willing to purchase. Purchase intention can measure the possibility of a consumer to buy a product, and the higher the purchase intention, the higher a consumer’s willingness to buy a product. Consumers are more likely to have a stronger intention to purchase a product when they react favorably to an advertisement about that product (Haley and Baldinger, 2000: Mackenzie and Lutz, 1989).

Purchase intention indicates the marketers what consumer would buy. Intention is the buyer’s forecast of which product they will buy. Raney et al., 2003 and Brown and Stayman, 1992 described Purchase Intentions as a key indicator of the success of online advertisements. While it indicates that this attitude relates positively to purchase intentions, the factors that mediate the relationship between attitudes and intentions are unclear. Many researches considered the attitude toward the advertising had the significant effect on consumer’s purchase intention.

Summary table of features, descriptions and sources

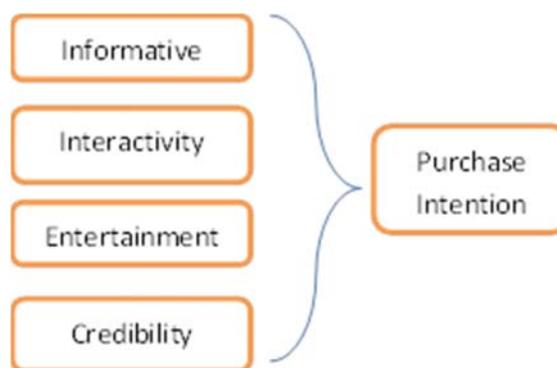
| Features of Social Media ads | Descriptions | Sources |
|------------------------------|--|---|
| Informative | According to authors, information quality is one of the most important factors for effective website design. It is noted that unreliable, inaccurate and insufficient information can lead to the deterioration of online customer trust. Due to highly informative nature of online advertisement, valuable and clear information, they are more powerful and stable than any other factor in influencing customer behaviour. Therefore, marketing managers should consider the importance of quality and quantity of information on online sites while designing their | Ducoffe, 1996; Schlosser 1999; Wen, 2009; Reichheld and Scheffter, 2000; Yang, 2003 |

| | | |
|---------------|---|---|
| | websites for advertising. | |
| Interactivity | Authors identified interactivity as a unique characteristic that influences attitudes toward online advertising and noted that the interactive nature of online influences could strengthen the relationship between the consumer and the organization. | Peng, 2004; Coyle and Thorson, 2001; Campbell and Wright, 2008; Ind and Riondi no, 2001 |
| Entertainment | Authors demonstrated that an affective factor, such as entertainment, could play a significant role in influencing attitudes towards online advertising. | Ducoffe, 1996; Raney, 2003. |
| Credibility | Authors suggested that positive feelings toward an online advertisement enhance the advertisement's credibility, while negative feelings result in negative evaluations of the advertisement. | Yoo and MacInnis, 2005; Brackett and Carr, 2001; Ducoffe, 1995. |

of studies have been limited to the impact of online advertising characteristics based on content, quality, pictures, animation and types of ads. While it indicates that attitude of consumers relates positively to purchase intentions, the factors that mediate the relationship between attitudes and intentions to buy are unclear. However, according to previous literature, Informative, Interactivity, Entertainment and Credibility are the common features of social media advertisements that influence consumers purchase intention.

THEORETICAL FRAMEWORK

An empirical investigation can be done by reviewing this model to quantify the relationship between Social Media Ads and Consumer's Purchase Intention mediated by Informative, Interactivity, Entertainment and Credibility.



IMPLICATION

Results showed that these responses play a very important role but an uneven influence on consumer behavior towards online ads. However this study may serve as inspiration for future studies on features of Social Media Ads that influence Consumer's Purchase Intention.

Marketing managers should consider the importance of quality and quantity of information, greater interactivity on online sites while designing their websites for advertising. This further implies that advertisers can intelligently use these features to increase sales.

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CONCLUSION

Various types of online advertisements are available on the Internet. Although online advertising is an effective tool to reach larger audiences, it is important that advertisers incorporate features to make it more effective. According to Tsang and Tse (2005), online advertising is effective if it is able to generate an immediate response from consumers. Majority

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