

# THE IMPACT OF SOCIAL MEDIA INFLUENCERS ON PURCHASE INTENTION TOWARDS E-RETAILING BUSINESS IN THAILAND

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## ABSTRACT

This research aims to 1) to study the patterns of social media factors influencing the purchasing intentions of online retail businesses in Thailand and 2) to analyze patterns of direct influence, indirect influence, and total influence of variables on the purchasing intentions of online retail businesses in Thailand.

The population and the sample group this research uses quantitative research. Data is collected from transport operators amounted to 300 samples. It was analyzed by the Structural Equation Model (SEM). The study found that social media factors and product attitudes influence the purchasing intentions of online retail businesses in Thailand.

The research result showed that as well as the intention to buy were also indirectly influenced by social media through product attitudes. As a result, there is also an increase in total influence. This enables organizations to adopt key variables in strategic mobility to promote shared value creation in the operational process. In particular, social media efficiency was created in different perspectives such as customer perspectives, financial perspectives, and innovation perspectives. They were the mediums that lead to new things such as design and development in delivery to lead to knowledge expansion and sustainable innovation.

**Keywords:** social media, product attitude, purchase intention, e-retailing business

## INTRODUCTION

To do business in the digital age successfully is to learn new things that are happening around you. They include the consumption trend, marketing tools to target a wider audience, combining sales and digital marketing strategies that suit the brand. As well as learning what goes wrong if a brand only has quality products but lacks the means to reach customers online, it can cause e-commerce businesses to miss out on opportunities to effectively reach their goals. For the coming year 2023, e-commerce retail businesses in Asia-Pacific and China are expected to have the largest sales. Compared to other regions of the world due to the growth of new technologies introduced into the business. Expanding bases on the middle class by 85%. The B2B business in Asia-Pacific has been revived, as well as its growth, using social media advertising on Google, Facebook, Instagram and YouTube to expand its customer base to the West. The use of social media is important that affects consumers' shopping habits today. In particular, the use of technology to provide multiple communication channels to connect with a large group of customers (Lim et al., 2017).

According to Denga et al., (2022), digital marketing is a way to reach more customers in the audience and can build trust in the brand. Giantari et al., (2022) also identified digital marketing, particularly the use of social media. It is the driving data-driven marketing such as segmentation of customer data for analysis of purchase behavior. It can be used to plan operations in marketing operations on the spot. It creates prominence, distinction, and appeal, resulting in effective operational impact. It also continuously satisfies customers in both

products and services. Erlangga (2021) studied the impact of digital marketing and social media on product buying intentions, concluding that social media marketing had a significant influence on product decisions. Based on the data presented, the growth of e-commerce is one of the most important trends in the world today. However, understanding what factors are causing internet users to intentionally shop is not available. The researchers are interested in further studying how factors in social media influence consumers' purchasing intentions in the online retail industry, thus leading the researchers to highlight the gaps in research studies on the influence of digital marketing on corporate performance, in particular, online retail businesses. In addition social media platforms can affect the operational efficiency of the business, which can lead to sales growth and customer satisfaction.

## **POPULATION/SAMPLE GROUP**

The population and the sample group this research uses quantitative research. Data is collected from transport operators amounted to 300 samples. It was analyzed by the Structural Equation Model (SEM). The study found that social media factors and product attitudes influence the purchasing intentions of online retail businesses in Thailand.

## **OBJECTIVE**

- 1) To study the patterns of social media factors influencing the purchasing intentions of online retail businesses in Thailand
- 2) To analyze patterns of direct influence, Indirect influence and total influence of variables on the purchasing intentions of online retail businesses in Thailand

## **LITERATURE**

### **Purchase Intention**

Parasuraman (1990) states that intentional buying is an expression of opting for the service is the first choice, for example, consumers who buy underwear in department stores often plan of time. The relationship between intentionality in the expression of behaviors are influenced by these 3 factors, particularly the perception of controlling one's behavior in the showing any behavior. This is a recognition of how difficult or easy to express a behavior. If a person perceives that they have the ability to express their behavior in that situation and can control it to achieve the desired result. A person is more likely to exhibit that behavior, i.e., attitude, subjective norms, and perceived behavior control. This concept can be described as linked to social motivations that want to establish notability differently from the group. If the attitudes of this group of consumers are characterized, unique and want to live a life that is superior to the rest of the group, which can control the order. Online or transactions can be made over the Internet. They are seeking new channels of consumption by purchasing more goods and services online. Lim et al., (2017) indicates the level of education, income level, occupation level, marriage status and family size have a positive effect on your willingness to shop online. In addition, the impact of past experiences using the Internet (e.g., how often the Internet is used; The use of e-mail or chat rooms or experiences from online banking, e-trading, and e-learning. They are associated with the intention to order products online. Income and occupational levels are therefore indicative of social class as well.

### **Social Media**

Marjerison et al., (2020) said that retail businesses are affected by social media. Retail businesses adjustments in marketing communications include: 1) The use of social media in content management. Mainly, social media is used to manage marketing content in relation to

the provision of information about products, promoting and encouraging as many purchases as possible. This is followed by promotions, online events, brand image creation, and retaliation for negative content. 2) Use of social media to manage the online community for the purpose of acquiring customers, communicating with customers, offering products, providing support services, advice, and providing information to customers, soliciting and guiding customers to purchase products, collection of marketing information, building good relationships with customers, and customer retention. As a result, retail businesses benefit from the use of social media in various fields. They are quickly responded, in a timely manner to answer questions, questions and recommendations conveniently, cost savings and branding costs, create recognition, easily reach customers or groups of customers. It can reduce time constraints, distance to meet customers, and sales. Olson et al., (2021) studied the digital marketing management strategies, entrepreneurs need to prioritize operations and determine which forms of digital marketing strategies organizations should consider investing in efficiently and effectively. Therefore, in addition to social media, content-oriented marketing is an important activity that marketers choose to implement in their marketing strategies, and by choosing the right variety of tools, they will be more successful.

### **Product Attitude**

Attitude refers to a person's thoughts towards something. Learn from experience and your surroundings has 3 components. The first part is understanding, i.e. knowledge, perception and belief, the second is the feeling, and the last is the behavior part. It is the marketer's job to build a brand and market it to achieve an image and positive attitude among the consumers who are the main target audience (Kamins & Marks, 1987). Product Attitude refers to the combination of feelings of thought. A person's beliefs, opinions, knowledge, and feelings towards a particular thing. A particular situation, which comes out in the form of a valuation that can be accepted or rejected, and these feelings tend to cause a particular behavior. It consists of physical needs, incentives, values such as family, social, political, economic and educational aspects, and finally, purchasing power aspects such as consumer financial condition and shopping at that point in time, individuals may have different purchasing power depending on their status, age, or availability. McClure & Seock (2020) showed that creating a positive attitude has a huge impact on branding because the consumer's attitude towards the brand is the true image and identity of the brand. Creating or adjusting your attitude towards a brand requires dedication and time. If we can change the consumer's attitude towards the brand to a positive attitude, then we can change it. It can turn them into customers or become our best spokespersons and influencers.

## **METHODOLOGY**

The population is online retail operators in Thailand. To determine sample size with a ratio of 20 times to the number of factors (Lomax & Schumacker, 2012, Hair et al., 2010), the researchers collected a total sample of 300 samples, which was sufficient to meet the benchmark.

**A research tool** is a questionnaire created by five levels of rating scale (Likert, 1972) when developing questions from the relevant literature review, and then using 30 questionnaires to test the confidence value of the  $\alpha$ -coefficient Cronbach instrument, the resulting value of 0.967, which is greater than 0.70 or more, is considered highly convincing (Cronbach, 1990).

**Data analysis** considers standard regression weights (estimates) to be statistically significant for all factors ( $|t| \geq 1.96$ ) or C.R. (Critical Ratio) and  $R^2 \geq 0.2$  (Lauro & Vinzi, 2004). Structural Equation Modeling (SEM) is then performed using the method of estimating

the Maximum Likelihood (ML) and examining the harmonization of measurement patterns with Goodness of Fit Measures by benchmark (Hair et al., 2010).

### RESEARCH RESULT

The results of the analysis of structural equation patterns by examining the relationship between variables, the standard element weight value. Determined by statistical significance ( $|t| \geq 1.96$ ) or C.R. (Critical Ratio) and  $R^2$  values should not be lower than 0.2 (Lauro & Vinzi, 2004). The table 1 illustrated the results of examining the harmonization between the measurement model and Goodness of Fit Measures use accepted benchmarks. Table 2 found that Structural equation models are in harmony with model fit. The test values are as follows: Chi-square ( $\chi^2$ ) = 29.798, df = 21, p = .096, CMIN/DF(  $\chi^2$  /df) = 1.419, GFI=.978, CFI=.996, AGFI=.953, RMR=.013 and RMSEA= .037. The results of the analysis passed the benchmark, thus concluding that social media and product attitude was influenced the buying intentions of online retail businesses in Thailand.

**Table 1. Correlation analysis of Structural equation models**

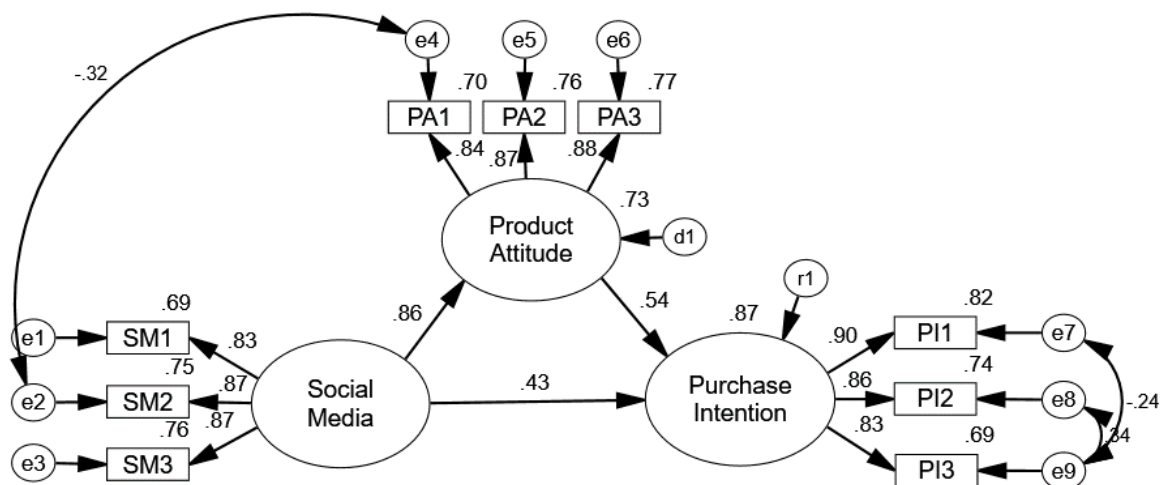
Variable Correlation		Standard Regression Weights	S.E.	R <sup>2</sup>	C.R.	p
Product Attitude	<-- - Social Media	.857	.051	.734	15.79 2	***
Purchase Intention	<-- - Social Media	.426	.082	.874	5.147	***
Purchase Intention	<-- - Product Attitude	.544	.088		6.498	***
PI2	<-- - Purchase Intention	.859	.047	.739	20.70 9	***
PI1	<-- - Purchase Intention	.904		.817		
PI3	<-- - Purchase Intention	.829	.057	.687	17.25 1	***
SM3	<-- - Social Media	.874		.764		
SM2	<-- - Social Media	.869	.049	.754	19.98 1	***
SM1	<-- - Social Media	.833	.052	.694	18.66 8	***
PA2	<-- - Product Attitude	.872	.049	.761	20.43 6	***
PA3	<-- - Product Attitude	.875		.766		
PA1	<-- - Product Attitude	.836	.048	.698	18.84 3	***

Note: Statistical significance level \*\*\* p < .01

**Table 2 Harmonization Analysis**

Related Statistics	Symbol	Criterion	After	Results
Chi-square	$\chi^2$	Ns(p>.05)	29.798(p=.096)	Pass
Relative Chi-square	$\chi^2/df$	< 2.000	1.419	Pass
Goodness of Fit Index	GFI	>.90	.978	Pass
Comparative Fit Index	CFI	>.95	.996	Pass
Normal Fit Index	NFI	>.90	.988	Pass
Adjusted Goodness of Fit Index	AGFI	>.90	.953	Pass
Standardized Root Mean Square Residual	Standardized RMR	<.05	.013	Pass
Root Mean Square Error of Approximation	RMSEA	<.05	.037	Pass

Resource: Jöreskog & Sörbom (1989), Hair et al. (2010), Lomax & Schumacker (2012)



**Chi-square ( $\chi^2$ ) = 29.798, df = 21, p = .096, CMIN/DF ( $\chi^2/df$ ) = 1.419, GFI=.978, CFI=.996, AGFI=.953, RMR=.013 and RMSEA= .037**

**Figure 1 Final Model**

**Hypothetical test results**

Testing hypotheses and factor influence values, it considers the t-test (C.R.), the p-Value, and the valuation of the influence between predictive factors on purchase intention. The results of the hypothesis test and the analysis of the direct, indirect and total effects of the factors represented in the standard regression coefficient (coef.) of each path model according to each research hypothesis, in which the results of the analysis found all the values, the t-test values were significant, and therefore concluded to support all hypotheses, as shown in Table 3.

**Table 3: Hypothetical test results**

Hypothesis	coef.	t-test	Total Effect	Direct Effect	Indirect Effect	Interpretation
H1: social media influences product attitude	.857** *	15.79 2	.857	.857	000	Supported
H2: social media influences purchase intention	.426** *	5.147	.892	.426	.466	Supported
H3: product attitude influences purchase intention	.544** *	6.498	.544	.544	000	Supported

Note: Statistical significance levels\*\*\* p < .01

According to figure 1 and table 3, the analysis revealed that patterns of social media factors influence the purchasing intentions of online retail businesses in Thailand and the influence of variables on purchasing intentions. Positively affected by social media (coef.= .426) along with positively affected by product attitude (coef.= .544) statistically significant. In addition, the purchasing intention of online retail businesses in Thailand is indirectly influenced by social media (coef.= .466) through product attitude. This has resulted in an increase in total influence (coef.= .892), with the variable rate of purchasing intention factors of online retail businesses in Thailand being able to explain. 87 percent ( $R^2=.87$ ).

## CONCLUSION AND DISCUSSION

A study of the patterns of social media factors influencing the purchasing intentions of online retail businesses in Thailand. The study found that social media factors and product attitudes affect the purchasing intentions of online retail businesses in Thailand. This enables organizations to adopt key variables in strategic mobility to promote shared value creation in the operational process. In particular, social media efficiency is created in different perspectives such as customer perspectives, financial perspectives, and innovation perspectives, which are the mediums that lead to new things such as design and development in delivery to lead to knowledge expansion and sustainable innovation. It is consistent with Giantari et al., (2022) stating that digital marketing, especially the use of social media, is not a good idea. Driving data-driven marketing such as segmentation of customer data for analysis of purchase behavior. It can be used to plan operations in marketing operations on the spot. It creates prominence, distinction, and appeal, resulting in effective operational impact. Continuously satisfy customers in both products and services. The same goes for Erlangga (2021), studying the impact of digital marketing and social media on product buying intentions, concluding that social media marketing has a significant influence on product purchase decisions. Therefore, entrepreneurs should consider modern marketing factors that include the parallel adoption of long-term customer relationship technology, and McClure & Seock (2020). He said that creating a positive attitude has a big impact on branding because the consumer's attitude towards the brand is the brand's true image and identity and the consumer's willingness to shop.

## SUGGESTIONS

A study of the influence of social media on the buying intentions of online retail businesses in Thailand was developed by the researchers through a review of the literature and developed a research framework and collected both quantitative and qualitative empirical data and analyzed, tested hypotheses. The results of the research can be used in marketing planning,

select marketing tools to meet targets, and increase competitiveness. Organizations can consider developing new knowledge in the field of social media, improve communication channels with a variety of customers by using social media to be creative in the content presented. Consistency in tracking information should be relevant to the target customer and the application of content marketing, especially effective information presentation. Entrepreneurs should increase their skills and knowledge to build on their research findings to develop the use of technology or strategies to attract consumer appeal. The content must be easy to understand and align with the business.

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