CAUSAL RELATIONSHIP OF PURCHASE INTENTION THROUGH SOCIAL NETWORKING APPLICATIONS OF GENERATION Y CONSUMERS

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ABSTRACT

Abstract— The purpose of this research was to establish and validate a causal relationship model of purchase intention through social networking applications of generation Y consumers, and to verify the consistency of model with empirical data. The sample consisted of 400 consumers who had bought online before. A questionnaire was designed and used to collect data. A structural equation model analysis was applied for the data analysis. The research results revealed that the causal relationship model of purchase intention through social networking applications of generation Y consumers was consistent with the empirical data. The results of the study can be concluded that online purchase intentions are most influenced by online marketing, followed by technology acceptance and perceived brand value, respectively, which these factors can be used as part of determining marketing strategies.

Keywords— Causal relationship, Purchase intention, Social networking applications

INTRODUCTION

Nowadays, social media has played a role in almost every aspect of life. The world is connected closer together as a result of the advancement of technology such as the Internet, smartphones, tablets and other technologies, thus making it easy to access social media and is prevalent in all groups of people. Due to the convenience and speed of sending information and users can express their opinions or experiences through this channel easily and conveniently. As a result, the online marketplace in Thailand has been growing continuously since 2020. Due to the high increase in social commerce users of 62% during COVID-19, the usage rate of social commerce users is as high as 83%, and the purchase rate is made via mobile phones up to 71 percent and tends to continue to become normal behavior even after the COVID period is over. Because it is a channel that matches the behavior of today's consumers. (Thai Electronic Commerce, 2021)

However, communication in the social commerce channel is an issue that is especially worth watching nowadays. because it is a distribution channel relatively new compared to other E-Commerce distribution channels. In other words, social commerce is a product distribution channel that has special features in communication both between the buyers themselves and between suppliers and buyers. Communication between buyers, buyers often have a chance to be influenced by other social media users who express opinions on various platforms quite a lot, which makes the target market buy more products or may avoid them when encountering negative comments (Pungnirund, 2021; Tepsomnuk, 2021). Even though he has never tried or experienced with that product or service. This means that consumers make purchase decisions based on the influence of others' opinions. When the target customers are aware that the product or service has a large number of users. Many people will feel the need to buy or try that product or service.

Marketing through social media is a marketing system that can provide comprehensive marketing communications to advertise and convey product news to targeted customers. Social media marketing relies on supporting factors including providing entertaining content, interaction, sharing conversations or knowledge between people through online media. Including the popular trend, which is the behavior that consumers are interested in inclined follow the interest of the masses from seeing social media marketing formats such as ads, live broadcasts, reading reviews, or online word-of-mouth. It can be developed into a strength of Social media marketing (Choedon & Lee, 2020).

According to literature reviews and past research, besides social media marketing variables affecting purchase intent, technology acceptance factor and perceived brand equity are also important factors affecting purchase

intent on popular social media applications (Godey et al., 2016; Thadhom, 2016; Jaikhun, 2018; Choedon & Lee, 2020; Tepsomnuk, 2021; Songsom, 2022). Therefore, in this study, the researcher wanted to develop a causal relationship model and analyzing the influence between the 4 main variables above, namely social media marketing, perceived brand equity, technology acceptance and purchase intention. The study was conducted in the context of Generation Y consumers, which corresponded to the environment in the country during the COVID-19 outbreak situation. Most people were working from home and there is more buying behavior through online channels. The research results can be used as a guideline for adjusting marketing strategies for product sellers to be able to create things that meet the needs of target customers more completely.

LITERATURE REVIEWS

Social media marketing is a form of creating marketing tools on the Internet which uses online media to distribute and create marketing value by creating communications and branding to meet the needs. The basics of creating marketing through social media is to create marketing activities including content, images, animations and sound for the main purpose of marketing is to distribute content to consumers. Social media marketing can be considered as a new trend in business that can easily reach the target audience. When referring to the elements of social media marketing, the components of social media marketing include Entertainment, Interaction, Trendiness, Customization, and Electronic word-of-mouth (Godey et al., 2016; Kim & Ko, 2012). Entertainment refers the fun experience gained by touching and participating in social media tools through the use of different content to present each group through social media tools. Interaction means building a relationship in sharing knowledge and conversations during a live broadcast via Facebook. Trendiness refers the belief or idea in a society that is in line with the knowledge of right and wrong or consideration and decide together in a society or a group of people until it becomes a guideline for the way of life of that society. Customization refers to the level of service that satisfies consumers that create the uniqueness of a business based on individuality and brand. Electronic word-of-mouth refers to the transmission and distribution of information through consumer-to-consumer together. A literature review by Ahmed and Zahid (2014) found that social media marketing has a positive direct influence on brand equity and purchase intent. This is consistent with the research of Tepsomnuk (2021) and Thadhom (2016) found that social media marketing has a positive direct influence on brand value and purchase intent.

H1: Social media marketing has a positive direct influence on brand equity.

H2: Social media marketing has a positive direct influence on purchase intent.

Perceived brand equity (Brand Equity) Brand equity is the value that can be perceived by consumers, users, and purchasers. It strengthens the brand's importance and influences positive consumer behavior. Consumers perceive that brand value will have a positive effect on the product (Keller, 2013). Brand equity is therefore an important marketing tool in building a strong brand and it is a guideline for formulating strategies to create brand value to make products differentiate and have unique characteristics that meet the needs of consumers. Building brand equity is also an important marketing strategy for building relationships (Aaker, 2010). Consumer perception of brand value consists of 4 components include Brand Awareness, Perceived Brand Quality, Brand association, and Brand loyalty (Aaker, 1991). Brand Awareness means that the target group of consumers can remember any brand and can connect the relationship between product categories and those brands. Perceived brand quality means that consumers perceive the overall quality of the product to the target group of consumers. Brand association refers to the ability of target consumers to associate a brand with images, activities or symbols of the brand. Brand loyalty means commitment, confidence, favor, mania and the loyalty that consumers have to any brand whereby consumers will use the same brand repeatedly or forever. From the research literature review of Choedon and Lee (2020) found that brand equity has a positive direct influence on purchase intent, which is consistent with the research of Songsom (2022), which found that brand equity has a positive direct influence on purchase intent. Based on such information, it can be used to formulate research assumptions as follows:

H3: Perceived Brand equity has a positive direct influence on purchase intent.

Technology Acceptance is the use of accepted technology which brings benefits to individuals or various changes related to behavior, attitudes and easier use of technology. Adopting technology involves learning how to use applications such as buying goods and services online and sharing information through social media. According to the research literature review of Thadhom (2016), it was found that the acceptance of technology in terms of perception of usefulness in use and perception of ease of use has a positive direct influence on purchase

intent. This is consistent with the research of Jaikhun (2018), which found that the acceptance of technology in terms of perceived usefulness and perceived ease of use has a positive direct influence on purchase intent. From the above information, it can be used to formulate the research assumptions as follows:

H4: Technology acceptance has a positive direct influence on purchase intent.

METHODS

This study was quantitative research and the population used in this study is the group of Generation Y consumers who intent to purchase through social networking applications in Thailand which the number of populations were unknown. Therefore, the researcher used the unknown population formula to determine the sample size at the 95% confidence level and 1% error. Then the number of samples in this study was 400 representing the total population of the buyers and selected by accidental sampling method. Questionnaire with 5 Likert's scale was a tool to collect quantitative data (Level 5 is the most agree and 1 means least agree)**.** Item-objective congruency index (IOC) from 3 experts was employed to check the validity of the questionnaire. The reliability of the scale was tested by the Cronbach's Alpha coefficient of all variables which was greater than 0.7, so it showed that this questionnaire was reliable. The questionnaire had divided into 5 parts consisted of 20 questions on Social media marketing, followed by 16 questions on Perceived brand equity, 16 questions on Acceptance of technology, and 15 questions on the Purchase intention through social networking applications, respectively.

Descriptive statistics were used for statistical analysis while inferential statistics provided an analysis of confirmatory factor (CFA) and structural equation modeling (SEM) to test the harmony of the research model with empirical data. Based on a research model that was consistent with empirical data, path analysis was conducted and T-test was used to analyze the hypothesis at a confidence level of 95%.

RESULTS

Personal data of buyers through the electronic marketplace in Thailand. Most of the respondents were females between the ages of 31-40 years old, single, and had a bachelor's degree. Most of the samples were employees of the private companies with monthly income around 30,001 - 50,000 baht. Behavior of using the Internet and social media applications an average of 1-2 hours per day, representing 38.25 percent, with an average live sales page tracking 3-4 days a week, representing 40.75 percent. Types of the most purchased goods are clothing and cosmetics., representing 42.25 percent. The average cost per time is between 500-1,500 baht, representing 40.25 percent.

The results of the content validity check, the IOC value was 0.90, the confidence level of the indicator (Cronbach's alpha) was 0.895, and the structural validity of latent variables from the Composite Reliability (CR) assessment was between $0.85 – 0.94$ that the measures of latent variables are highly reliable because they are higher than 0.7. As well an Average Variance Extract (AVE) between $0.63 – 0.85$, which is greater than .50, indicating that most components explain the variance of highly variable in composition (Hair et al., 2010).

The causal relationship testing of model for purchase Intention through social networking applications of Generation Y consumers was found to be congruent with the empirical data at a good level as shown in Figure 1. The Goodness-of-Fit Index (GFI) was determined to be χ^2 was 250.38 with the degree of freedom (*df*) was 185, χ^2/df was 1.353, the probability value (*p* value) was 0.249, the root mean square of approximation (RMSEA) was 0.024, the standardized root mean square residual (SRMR) was 0.029, the goodness-of-fit index (GFI) was 0.941, and the adjusted goodness-of-fit index (AGFI) was 0.910.

As a result of the hypothesis testing, it was found that all 4 hypotheses were accepted and could be concluded that social media marketing has a positive direct influence on perceived brand equity and online purchase intention with the coefficient of direct influence was 0.52 and 0.65 respectively at the statistical significance level .05. In addition, the research also found that perceived brand equity and technology acceptance had a positive direct influence on online purchase intention with direct influence coefficients of 0.48 and 0.55 respectively at the statistical significance level .05.

CONCLUSION AND FUTURE WORK

Conclusion and discussion

The results found that social media marketing has a positive direct influence on perceived brand equity and online purchase intention of the purchase Intention through social networking applications of Generation Y consumers, which was consistent with the work of Songsom (2022) about causal relationship model of factors affecting purchase intention through Facebook online live streaming which found that the social media marketing affected brand equity and purchase intention with an effect size of 0.76 and 0.82 at a significant level of 0.05. As well the study of Tepsomnuk (2021) about a causal relationship model of purchasing decision through s-commerce system of consumers in Bangkok, found that social media marketing had a significantly positive and direct influence on the confidence in terms of purchasing products, and social media marketing also had an indirectly positive influence on decision on the trust variable of purchasing. It can be discussed that online marketing through various applications today, such as Facebook, Instagram, TikTok, etc., can be a stimulus for sellers, resulting in consumers entertainment, interaction, trendiness, customization, and electronic word-of-mouth which affects consumption behavior and purchase decision-making process (Kotler & Armstrong, 2017).

According to the results of the research, online marketing in term of interaction and entertainment are the factors that have the greatest influence. Therefore, online marketing is an external stimulus that makes customers interested in knowing the value of the brand and results in the intention to buy the product, respectively. In addition, brand value has a positive direct influence on online purchase intent. Choedon and Lee (2020), which can be discussed as perceived brand equity is not only about having a good reputation. But it also needs to allow consumers to be aware of the connection of that brand, so that customers can make a purchase decision. This is in line with the research findings that brand association are the most influential. Therefore, online marketing that includes live broadcasts and communications about the brand or reviews of other customers who have experience buying or using that product, these factors will affect the perception of brand value and result in the intention to buy the product.

Moreover, the research also found that perceived brand equity and technology acceptance had a positive direct influence on online purchase intention with direct influence coefficients of 0.48 and 0.55 respectively at the statistical significance level .05. It can be discussed that technology acceptance of online shopping applications has a positive direct influence on online shopping intention. The findings are consistent with the research of Thadhom (2016) and Jaikhun (2018), which can discuss whether consumers accept technology of online shopping applications affects consumers' purchase intentions through online channels. The results of the research revealed that the technology acceptance in term of perceived benefits, perceived ease of use, and attitude towards using had influenced purchase intentions. This is due to the functionality and benefits that can be gained from the process of ordering, payment and delivery of the product will directly influence consumers' purchase intentions through online channels.

Recommendations and future work

The results of the study can be concluded that online purchase intentions are most influenced by online marketing, followed by technology acceptance and brand value, respectively, which these factors can be used as part of determining marketing strategies. So that consumers are interested in coming to see information about products and promotions or participate in live activities and the word of mouth, which will widen the customer base. In addition, the use of applications should be developed so that consumers can benefit from the use and ease of use. This is because Generation Y consumers are technologically savvy and need information before making a purchase decision. Recommendations should be improved the implementation of a system that covers how to ordering, payment, delivery, and return or warranty procedures that will allow customers to accept technology to buy products through applications on Social media. In addition, sellers should build customer confidence by creating brand values that allow consumers to perceive the quality of the product, can be linked to the seller's brand and loyalty to the brand. Because these factors are important factors that influence the decision to buy products through social media applications, which affect sales and long-term income of entrepreneurs.

Suggestions for further research, researchers should study other factors such as marketing mix, online shopping experience, and integrated marketing communication, etc., that will affect purchase intention, and should conduct comparative research between demographic variables or should study in other population groups or other areas to get wider and more comprehensive information and compare the differences of each group or area.

ACKNOWLEDGMENTS

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