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A study on the effects of social media advertisement on consumer's attitude and customer response

Hussain, Hadia and Murtaza, Murtaza and Ajmal, Areeb and Ahmed, Afreen and Khan, Muhammad Ovais Khalid

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“A study on the effects of social media advertisement on consumer’s attitude and customer response”

A Research Report submitted

By

Murtaza (6344)

Areeb Ajmal (7041)

Hadiqa Hussain (8173)

Afreen Ahmed (6084)

M Ovais Khalid Khan (5769)

To

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Accepted by the faculty

FACULTY OF BUSINESS ADMINISTRATION

Dr. Syed Ali Raza
Advisor

Dr. Syed Ali Raza
Director Academic

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Abstract

Given that Social Media Advertising put significant impact on Consumer's attitude and shapes Customer's buying behavior, so the managers of manufacturing industries of Pakistan should use the social media platform for their marketing activities. Concisely, we've got validated that Social media is becoming highly significant also as convenient for the businesses and helping them in using it as a tool for marketing, external promotions, customer management, and as an inside channel for employee communications. The study was involved with survey and analysis was conducted based on a total of 500 responses whereas most of the respondents were students who had experience in business sector and linked industry. The analysis used structural equation modeling to test the research model and hypothesis. The findings imply that Social Media Advertisement had significant impact on Consumer Attitude and Customer Response in business success, so the managers of manufacturing/business industries of Pakistan should use the social media platform for their marketing activities. As far as delimitations are concerned, this research focused on Social Media Advertising effects on consumer's attitude and shapes customer buying behavior irrespective of other marketing tools. However, the data was collected from limited number of respondents, the study may contain biasness/unfairness because the results are self-reported and respondents may have answered inaccurately which may make the results less convincing.

Keywords: *Social Media Advertising, Consumer Attitude, Customer buying behavior, marketing tools.*

CHAPTER # 1

INTRODUCTION

1.1 Background of the study:

Social media advertisement is the new form of advertisement that are develop to generate customer attitude towards their product, social media advertisement is emerging as they provide opportunities for organization to generate customer's engagement. The study also focuses towards the key factors involves in social media advertisement that includes informativeness, entertainment, credibility, irritation, personalization and incentives. In 1997 the first social media site was a website known as six degrees, this website allow user to generate an account and then friend the other user, further internet modified in new era of blogging this would help the people to communicate with each other, the term changed to "weblog".

Social media advertisement is often known as social networking advertising site, social media advertisement is one of the most efficient marketing technique used by marketers to generate customer's importance, these advertisements are effective and cheap way to engage the customer towards your product and services. These advertisements are place on social websites to generate maximum awareness about your product and services. Moreover, social media marketing can elaborate as a new form of internet market in which content is placed on social media websites to achieve your marketing objectives. Furthermore, to generate customer attention towards your product the content you have placed should contain encouraging factors that could gain customers attention.

Entertainment is considered to be one of the factors that could gain customers attention, as social media is used by 80% of the youth, the advertisement placed should contain entertainment or enjoyment that could engage then, entertainment is one of the highly effective factors in

encouraging a customer towards your product, this would also help them to recall your product. Social media advertisement has always been powerful medium to gain customer importance.

Another key factor that could engage the customer towards your social media advertisement can be informativeness you delivered in your content, as information plays a vital role in attaining customers the information you have delivered in your content should contain the attributes of product that could make the customer to buy the product.

Irritation is one of the factor that could change the customer attitude, moreover it is a cause of negative word of mouth, if the content contains annoying, insulting, offensive and manipulating techniques the customers are not going to like that advertisement, this causes irritation to the customer, also makes customer to change their attitude towards the product.

Credibility is also the factor that could change the customer attitude, credibility consists of whether the content you have placed in your advertisement is trustworthy or not, it is identified that credibility has as positive relationship with the customer attitude, as the credibility is maintained creates trust in the mind of customers and make them to purchase your product.

Personalization refers to the customer oriented marketing strategy that aims to deliver a right content to the right person at the right time, to maximize immediate and future business opportunity. The strength of this strategy is that it requires a minimum amount of effort by the customer, who relies mostly on the marketers to identify his or her needs. The central aspect of personalization provides a stark contrast with customization, which occurs when the consumer specifies the elements of his or her preferred social media advertisement. One of the advantages of advertising in online social media advertisement is that advertising message can be sent to specific target on the basic on their disclosed interest.

Advertisement with an incentive provides specific financial rewards to individual who agree to receive an advertisement. Incentive encompasses many monetary benefits like discount, gifts and coupons, and non-monetary benefits including intrinsic value such as level ups, status awards. Some consumers have interest in obtaining monetary benefits from marketing program. The consumers focus on those messages which include some financial benefits or incentives on the message and make sure of every opportunity to get the benefits of the message. Customers are interested in intangible benefits and give more attention to an advertising message for financial advantages.

Advertising value may serve as an index of consumer satisfactions with the communication products of organizations. It was also defined as a subjective evaluation of the relative worth or utility of advertising to consumers. It revealed consumers' satisfaction with the advertised products. The perceive value of advertising helps forming positive opinion about different characteristics of advertisement. Advertising value model has been one of the most effective and widely used theories for understanding and determining consumer attitudes and perception towards advertising.

Attitude towards WOM was also a most important factor which reflected that how consumer attitude is changed by social media advertisement. It is being discovered that WOM is the most useful source of information in making purchase related decisions. WOM reveals a positive relation between buying and making decisions.

Purchase intention was another factor which plays a vital role in buying of products. It also indicates how customer is attracted via social media advertisement. It provides an insight into the entrepreneurs about the prospective clients thinking on genuine purchase.

Several factors are playing important role in changing the customer attitude towards social media advertisement, Informativeness, credibility, entertainment, personalization and incentive content placed in advertisement creates a positive impact over the consumer mind and provoke him in purchasing intention and positive word of mouth. Whereas irritation is concern that would create negative impact over attitude towards social media advertisement.

1.2 Problem statement:

Earlier many researchers have been conducted to analyze the consumer attitude and behavior towards social media advertising value placed on social media, different countries are working to engage customer towards their product, social media advertisement have provided a platform to engage their customers. Buffet,(2015) examined consumer attitude towards social media advertising value through social media. Finding suggested that social media advertising value have positive influence over attitude towards social media advertisement and is helpful in engaging the customer towards the product.

Social media advertisement are involved in engaging wide range of customers on internet and are providing huge opportunities for business enterprises, one of the main issue is organizations are unable to identify consumer attitude and generate customer attention towards their product, moreover it is important to identify the attitude towards social media advertisement and its impact on word of mouth and purchase intentions more carefully. There are few researches conducted in context of Pakistan, thus there is a need of research to explore the factor that could influence the consumer attitude toward social media advertisement. Moreover the Informativeness, entertainment, credibility, incentives, irritation and personalization are having influence over social media advertising value, which impacts consumer attitude towards social

media advertisement which later influences customer's word of mouth and purchase intention. Mainly this research would be helpful in fulfilment of these problems and would help the organizations to engage consumer towards their products.

1.3 Research objectives:

To identify the consumer attitude towards social media advertisement and its influence through word of mouth and purchase intention in brand or product recognition, and to understand the relation between attitude towards WOM and purchase intention.

1.4 Research Question:

- 1: What is the attitude of users of social media towards advertisement?
- 2: To which extent users feel change in their behavior after encountering ads on their home page?

1.5 Significance of the study:

This research would be helpful in understanding the consumer's attitude towards social media advertisement, considering advertisements containing content including (Informativeness, entertainment, credibility, irritation, personalization and incentives) and their impact on word of mouth and purchase intention, this will provide benefit to the marketer to understand the customer need, how to attract customer towards social media advertisement. This study would also provide an upper edge to the organizations over their competitors; lastly this study would provide valuable insights to online industry.

1.6 Limitations and delimitations:

1.6.1 Limitations

The limitation of this research paper is that we directed our survey within Karachi, so the result may be change on the off chance that we take surveys from another city of Pakistan in light of the fact that might be the outlook and view of other city individuals may vary from the individuals of Karachi. Secondly limitation of our research is that we take surveys and responses in the form of questionnaire from 500 individuals possibly so result might be fluctuate in the event and third limitation is we just used 3 tests in this research which are Reliability Analysis, factor Analysis and Regression Analysis to identify and conclude our result, we can use more different tests to show signs of improvement and get better results.

1.6.2 Delimitations

As far as the delimitation are concerned, this research just focused on few variables irrespective of many those have impact on social media advertisement, secondly the data were conducted by general public through online questionnaire may be the study may contain biasness because the results and respondents may have misquoted answers which may make the result less convincing.

1.7 Organization of the study

The first chapter comprises introduction and four other chapters are as follow. In chapter two, the literature review has been discussed where the researcher's theoretical framework, hypothesis testing and conceptual framework has done. Chapter three includes the methodology which contains all the major details of our research from its purpose to

statistical technique. Chapter four shows the complete data analysis of our research showing the statistical representation of our work and chapter five contains our conclusion and recommendations. Furthermore, there are references and survey which were conducted from the target audience.

CHAPTER # 2

LITERATURE REVIEW

2.1 LITERATURE REVIEW

Informativity is described as 'the ability to inform users about alternative products that enable them to make the highest value choices. Informativeness is a perceptual system assessed by self-reported objects' (Rotzoll, Haefner & Sandage, 1990). All things considered, the level of Informativeness that occurs in social media ads could inspire consumers to have a good buying attitude and could therefore increase their purchase intention. Some marketing promotional researchers (Chu, 2011; Kim and KO, 2012; Logan et al., 2012; Lu et al., 2005) rhetorically acknowledged that the quality and reputation of any advertisement would rely on the advertising statement's claim and counterargument. Behavioral theory of learning (Bloch and Marsha, 1983; Ertmer and Newby, 1993; Nord and Peter, 1980) demonstrated that customers were learning from the meaning of the argument. The cognitive theory of learning (Nicosia, 1966) also confirmed that consumers are always motivated by personal ability to analyze advertising data. The split brain hypothesis (Kumar, 2009, p. 163; Oliver, 2015) has postulated that consumers are essentially using two parts of the brain to interpret and imagine; however, the information in the message is the indicator in both cases to motivate customers to receive greater value from the advertising. Researchers have established that any form of advertising, whether conventional or digital, needs informativeness to establish customer awareness, interest, and positive perception of advertising (Hayes and King, 2014; Logan et al., 2012; Pietro and Pantano, 2012).

H1: Informativeness has a positive impact in social media advertising value.

'The degree to which the buyers see the cases about the brand/item promoted in the ad to be honest and conceivable' How much the purchasers see the cases about the brand/thing elevated in the advertisement to be completely forthright and possible' MacKenzie and Lutz (1989)

described advertisement trustworthiness as 'how much the buyers see the declares' about the brand/thing advanced in the promotion frankly and reliable'. Publicizing authenticity can decidedly influence the temper of buyer and their lead (Jin and Villegas, 2007). Concerning web based life advancements, Chu and Kim (2011) itemized that the substance by means of online systems administration media promotions is viewed as trustworthy and solid on account of the introduction of comments from existing social affiliations. As a result, online life notification are regularly considered as a sound wellspring of thing information (moreover Mangold and Faulds, 2009). The proof proposes that the promotions via web-based networking media locales ought to be valid, useful, engaging and impetuses joined to it.

H2: There is a significant positive impact of advertising credibility on consumers' perceived value of social media advertising.

Mackenzie and Lutz (1989) described advertisement credibility as 'the extent to which the shoppers perceive the claims about the brand/product marketed in the advertisement to be trustworthy and believable'. Advertising credibility can positively have an impact on the mindset of buyers and their behavior (Jin & Villegas, 2007). Further studies have revealed that it is considered one of the influencing factors to encourage the customer towards the purchase of products. Findings suggest that it is one of the leading factors to create a relation between the customer and the product. However, advertisements that are having higher credibility produce the positive effect on the customer. Further, higher the level of credibility online advertisement leads to more favorable attitude towards the product, which refers to generating the trust between customer and the product. When it comes to social media advertisements, Chu and Kim (2011) suggested that the content on social media advertisements is considered to be reliable and honest due to the show of comments from present social connections. As a

consequence, social media advertisements are typically considered as a credible source of product data (also Mangold & Faulds, 2009). Based on the above literature and scholarly studies, modern research finds out about functions the following hypothesis.

H3: There is a significant positive impact of advertising credibility on consumers' perceived value of social media advertising.

Incentive from advertisement can be defined as the values or gains that benefit consumers when receiving message advertisements. Thus, in case of incentive based advertising, consumers have feasible reason to accept message advertisement previous research recommends different ways to execute this type of advertising such as monetary and non-monetary incentive (e. g extra points or free minutes, coupons and mobile devices). Incentive are values or benefits from which consumers can advantages when receiving sms advertising (Hanley, martinsen 2005). Incentive based advertising provides special financial rewards to individual who agree to receive ads into their mobile devices (pietz and storbacka). Incentive based advertising executed through many approaches. For instances, Tsang et al; (2004) suggest extra points or minutes or any other forms of sales promotion for listening to voice advertisements. Furthermore other writers such as hanley, backer and martinses (2006) have said that free ringtones and airtime were the most popular incentive for college students. Mobile marketing research supports the relationship between incentives and attitudes towards advertising. Incentive are considered to have impact on consumer intention to receive mobile advertising under a great attitude, and consumers are more willing to accept incentive based advertising (Tsang et al.; 2004). Moreover there is a positive relationship between incentive and attitudes towards sms advertising.

H4: There is a significant positive impact of advertising incentives on perceived value of social media advertising

Personalization of the advertisement can make it more informative, less irritating and more entertaining for the consumer. Furthermore, the personalization may create trust in the receiver and can affect the credibility of the ad. According to the Kelly, Kerr, and Drennan 2010; one of the advantages of advertising in online social media advertisement is that advertising message can be sent to specific target on the basis of their disclosed interest and demographics. (Sunder and Marathi 2010) personalized advertising can be defined as advertising that is tailored to an individual characteristics and or interests. Personalization can generate more favorable consumer responses because it increases the personal relevance of an ad (Anand and Shachar). It is therefore possible that users react negatively to personalized advertising on social media advertisement because they may perceive personalization as disruptive or invasive and hence more irrelevant than advertising in other online environments. Personalized advertising through social media advertisement warrants specific academic attention (Taylor, Lewin and Strutton 2011) the purpose of this study is to investigate how advertising personalization impacts consumers' responses (attitude towards the brand and click intention) to advertisement on social media advertising and second purpose is to investigate the role of perceived ad relevance as a mediator between ad personalization on social media advertisement and consumer response. Even though the positive effects of personalization through perceived relevance are relevant and have been confirmed. More specifically, we investigate the role of attitude towards the site on the relationship between ad personalization and consumer responses.

H5: There is a significant positive impact of advertising personalization on perceived value of social media advertising.

Irritation from advertisement occurs when a person feels discomfort in watching advertisement due to some reason. It causes distraction while focusing on a particular task on social media.

Anything annoying about the social media advertisement is irritating; consumers would feel disturbed and would not be persuaded by the advertisement. According to Aaker & Bruzone, 1985; Hasan, 2016; Luo, 2002, there is the chances that irritation may lead to general reduction of social media advertisement's effectiveness and perceived value to the audience. Irritating social media advertisement triggers human anxiety, distracts consumers, attention and experience (Ducoffe, 1996; Luo, 2002). Furthermore other writers such as (Chu, 2011; Hayes and King, 2014; Kim and Ko, 2012; Logan et al., 2012; Pelling and White, 2009; Shareef et al., 2015) have said that if consumers feel Irritation about the message for any reason and they are unwilling to be exposed to be attentive to or receive a positive impression from the advertisement. Taylor et al. (2011) stated that Irritation due to any advertisement can distract consumers from achieving the intended meaning of the statement and can have a negative impact on the value of the advertising. Greyser (1973) reported, in their research, that the content of the advertisement can also irritate the customer. In social media advertising, loss of privacy can also contribute to irritation content of advertising in case of social media advertising (Taylor, Lewin, & Strutton, 2011). Altuna and Konuk (2009), Luna Cortés and Royo Vela (2013), Okazaki (2004), Rau, Liao, and Chen (2013). Advertisement can be rewarding for some viewers and could be irritating and unrewarding for others (Alwitt and Prabhaker, 1992). Ducoffe (1996) found a negative correlation between irritation and the ad value and attitude toward web advertising. in context of social media marketing we hypothesized that:

H6: Irritation is negatively related to attitude toward social media advertisement.

Higher value of a social network advertisement can positively enhance favorable consumer attitudes towards an advertisement, if the advertisement connects customer with higher incentive, the commercial will get increased frame of mind. In terms of social media advertising value,

attitudes have been defined as a learned fact to respond in a constantly unfavourable or favourable manner toward advertising in general (MacKenzie & Lutz, 1989). Furthermore Kotler and Armstrong (2008) described attitudes as an individual's feeling and evaluation toward something. (Greyser & Bauer, 1966; Mehta & Purvis, 1995; Ha & MacCann, 2008) said that a person evaluates and interpret an organization's social media advertisement depends on his attitude towards social media advertising. (Metha, 2000) stated that there are important implication behind impact of attitudes which influence attitude towards a particular social media advertising, that later affects attitudes brand advertisement. It was found that by generating social media advertisement value, it has positively impacted on the attitudes of the consumers (hathirian et al 2005). In order to check relationship of social media advertisement value we hypothesized that:

H7: Social media advertising value has a positive impact in shaping consumer attitudes towards an advertisement.

Once a high-quality mindset has been generated for the advertisement, in the thinking of the consumer, the consumer may have interaction in fantastic WOM. A positive attitude towards an advertisement may acquire a state of mentality that engages a person in optimistic WOM. It is been discovered that WOM is the most useful source of information in making purchase related decisions. West brook (1987) reports a consumers is more likely to get engaged in WOM if their interpretation about a social website is marked positive. Fullerton (2003) discovered that emotional attachment or perception of a product has a direct impact on consumers WOM. Perception of a certain brand/product will be reflected in consumer's daily dialogues as a result the brand will make an impact on society before undergoing a trial session. Attitude toward marketing with social media has been recognized as a component in producing superb WOM in

social media (Durukan & Bozaci, 2018). Based on these prior studies, it can be similarly argued that users'/consumers' wonderful mindset towards SNAs positively influence their intention to share facts (WOM) through SNS. A study carried by Rientnaz and Kumar (2002) based upon attitudinal as well as behavior loyalty found the links between willingness of consumer to engage in WOM. They found that longevity of a consumer to stay involved in WOM is when both attitudinal and behavioral loyalty co-exists rather than singular participation of behavioral loyalty. That is a consumer chooses to become loyal to a brand not only because the consumer has emotional affiliations with the brand but also because the brand fulfills the functional needs of a consumer hence the consumer becomes convinced by the brand and continues using it. Hence it is likely to understand that attitude has positive correlation towards WOM.

H8. Attitude towards a social media advertisement will have a positive impact on WOM.

Intention to purchase is the consumer's preference as to which product or company to buy. It is also seen that attitude towards advertisement and brand cognition directly impacts purchasing decisions. It provides an insight into the entrepreneurs about the prospective clients thinking on genuine purchase. Online purchase intention is the assemble that intensifies the customer's intention to purchase online (Salisbury et al.,2001). Wang, Yu, and Wei (2012) while analyzing the impact of peer verbal exchange through social media on product mind-set and purchase intention discovered that product mindset hence generated has a direct influence on buying intention. In the context of location-based advertising, mind-set was once determined to be a significant predictor for purchase intention (Xu, Oh & Teo, 2009). So based on prior research it can be noted that user/consumer's fine attitude towards SNAs positively influences user's/consumer's purchase intention. Teng et al. (2007) revealed that bounteous assessments conveyed that advertisement is surveyed by the impact of advancing setting. Hence researches

contact one or more factor for instance, mood towards promotion and attitude towards the brand association with securing behavior or desire driving towards the brand. Friend correspondence is related to finding out about utilization, for example, brand inclinations, contribution, or buy aims. Customer practices or dispositions will, in general, come about because of learning procured through cooperation's between the shopper and socialization specialists. Shopper inclusion with items persuades responses to promote and publicizing boosts, to such an extent that high contribution buyers are increasingly inspired by and bound to buy an item online (Karmarkar and Tormala (2010); Kim et al. (2009)

H9: Attitude on social media advertisement will have a positive impact on Purchase intention/decision.

2.2 Model Hypothesis

H1: Informativeness has a positive impact on social media advertising value.

H2: There is a positive impact of entertainment factor on social media advertisement.

H3: There is a significant positive impact of advertising credibility on consumers' perceived value on social media advertising.

H4: There is a significant positive impact of advertising incentives on perceived value of social media advertising.

H5: There is a significant positive impact of advertising personalization on perceived value of social media advertising.

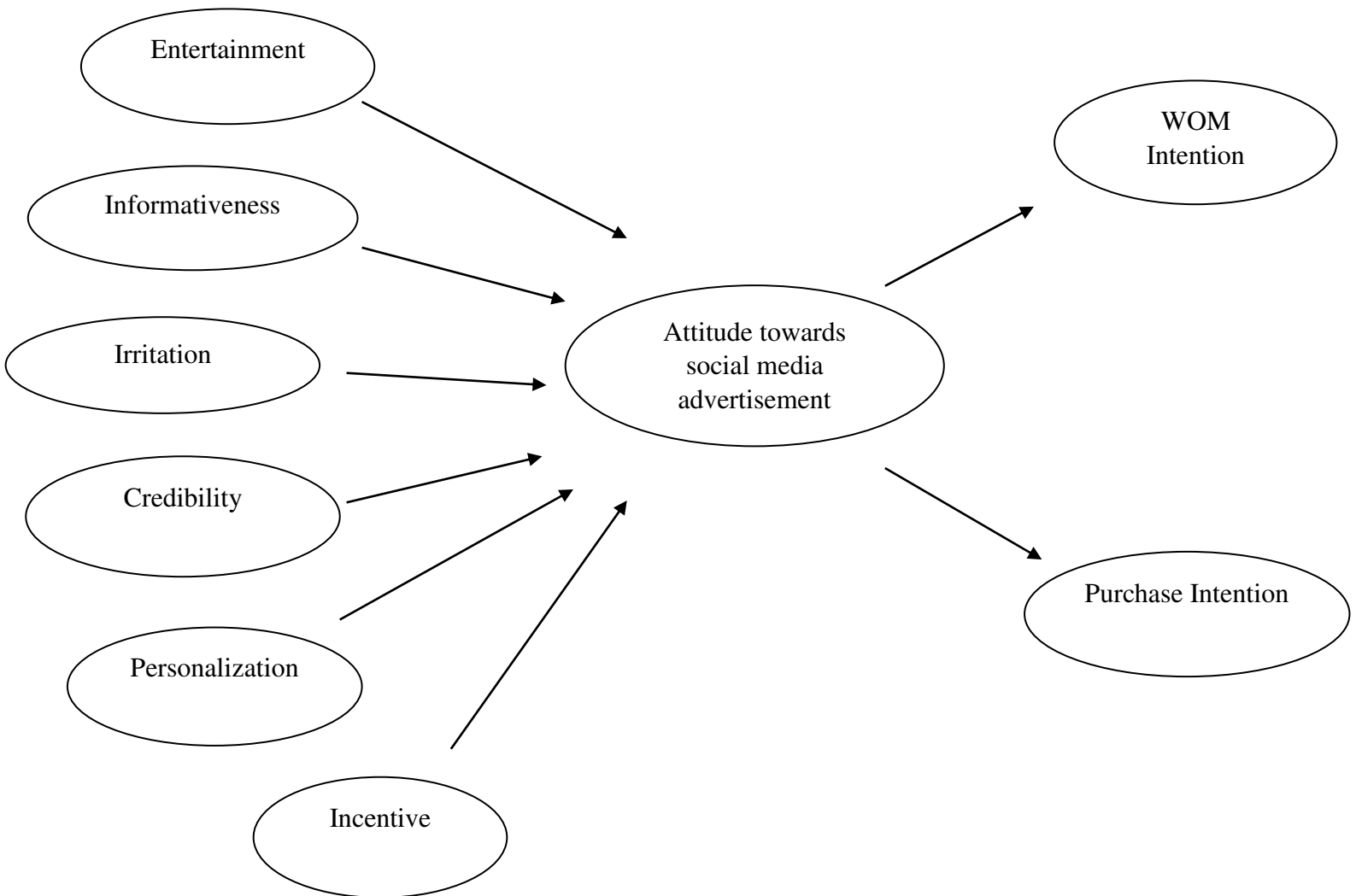
H6: There is a critical negative effect of Advertising Irritation on customers.

H7: Advertising value has a positive impact in shaping consumer attitudes towards an advertisement.

H8. Attitude towards a social media advertisement will have a positive impact on WOM.

H9: Attitude on social media advertisement will have a positive impact on Purchase intention/decision

2.3 Conceptual Model



CHAPTER # 3

METHODOLOGY

This chapter demonstrates the core concepts of our study, which indicates the framework of our research mainly research approach, design and purpose. Furthermore, it also contains related information regarding statistical techniques implemented in the study. Moreover, it highlights methodology regarding data collection and analysis.

3.1 Research approach:

Quantitative approach is implemented in this research; it helps to examine the relationship between variables keeping in view the theories used in it. It is based on the structured questionnaires having number data that can be analyzed using statistical technique (Raza et al., 2020; Qazi et al., 2020).

3.2 Research purpose:

The research purpose in this research is explanatory as it explains the previous study. The following research is based on the objective to identify the influence of the social media advertising over attitude towards social media advertising as well as the influence of word of mouth and purchase intention after viewing social media advertisement. Our research has focused on prior theory to identify the impact on Pakistani consumers thus it is explanatory (Ali & Raza, 2017).

3.3 Research design:

The following research consists of quantitative research design with correlation technique. Correlation research design can be further explained as a study in which a researcher measure two variables, understand the statistical relationship among them with no effect from any extra variables (Raza et al., 2020).

3.4 Sampling technique:

The sampling technique can be elaborated as the method or technique through which you gather the data. The study aims to identify the factor that could have an influence over customer while watching social media advertisement. The technique used to analyze the study is non probability convenience technique (Ali et al., 2018).

3.5 Target audience:

The study aims to target that consumer; who are aware of online industry in Pakistan to analyze the factors that could have a significant impact over customer attitude towards social media advertisement. The internet uses frequency was also considering as an important factor while selecting data of respondents, mainly study consists of respondents having a frequency of internet users daily.

3.6 Sample size:

The sample size is based on the recommended sample size i.e., a poor sample size to be 50, the good sample size to be 300, the very good sample size to be 500, and an excellent sample size of 1000 for factor analysis (Raza & Hanif, 2013; Qazi et al., 2020; Raza et al., 2020). Hence, we collected the data from 500 respondents.

3.7 Statistical technique:

The study uses the statistical package for the social sciences (SPSS) and partial least square (PLS) software. The test applies to the data includes regression analysis, reliability analysis and factor analysis. Regression analysis estimates the relationship between a dependent variable and

independent variable. Reliability analysis explains the fact that a scale should consistently reflect the construct it is measuring,

CHAPTER # 4

DATA ANALYSIS

4.1. Data Analysis

For analyzing the research model PLS-SEM partial least squares method to structural equation modeling was chosen. Data were examined by using the smart PLS 3.1.6 (Ringle, Wende, & Becker, 2015; Raza et al., 2020; Raza et al., 2019).

4.1.1 Demographic Profile

Table 1: Respondents profile

<i>Demographic items</i>	<i>Frequency</i>	<i>Percentile</i>
Gender		
male	218	43.5
female	283	56.5
Age		
18-23	276	55.1
24-29	162	32.3
30-35	45	9
above 35	18	3.6
Education		
under graduate	303	60.5
graduate	145	28.9
post graduate	44	8.8
PhD	9	1.8
Frequency		
1-4 per day	211	42.1
more than 4 per day	135	26.9
1 per 3-4 days	85	17.0
1 per week	70	14.0
Usage of Social Media		
1-3 hours	242	48.3
4-6 hours	187	37.3
7-9 hours	49	9.8
More than 10 hours	23	4.6
Preferences		
Instagram	208	41.5
Facebook	156	31.1
YouTube	71	14.2
LinkedIn	51	10.2
Twitter	15	3.0
Bought product after seeing on SNS		
Yes	403	80.4
No	98	19.6

The demographic table above shows that more of our respondents were female, we were having 53.5% of the female and the remaining 43.5% were male.

As seen from the demographic characteristics the 55.1% respondents were having 18-23 years of age, 32.3% were having 24-29 years of age, 9% were having above 30-35 years of ages, and 3.6% were having above 35 years of age.

The demographic characteristics table shows that the 60.8% respondents were Under Graduate, 28.9% respondents were Graduate, 8.8% respondents were Post Graduate, and 1.8% respondents were PhD.

The demographics table shows that frequency on SNS 42.1% respondent appears 1-4 per day, 26.9% respondents more than 4 per day, 17.0% respondents 1 per 3-4 days, and 14.0% respondents 1 per week.

The demographic survey table also reflects that 48.3% respondent spends time on social media site around 1-3 hours, 37.3% respondents spends 4-6 hours, 9.8% respondents spends 7-9 hours, and 4.6% respondents spends more than 10 hours on Social Media Sites.

As seen from demographic table 41.5% respondent prefer Instagram, 31.1% respondents prefer Facebook, 14.1% respondents prefer YouTube, 10.1% respondents prefer LinkedIn, and just 3.0% respondent prefer Twitter.

It can also be seen in demographic table that 80.4% bought product after seeing advertisement on SNS and 19.6% does not buy from SNS.

4.1.2 Table 2: Reliability Statistics

Table 2: Reliability Statistics		
Construct	Cronbach's α	Items
ADV	0.587	4
ATT	0.699	4
CRED	0.729	4
ENT	0.726	4
INC	0.677	4
INFO	0.679	4
IRRI	0.681	4
PER	0.693	4
PI	0.683	4
WOM	0.698	4

Interpretation:

Table 2 shows reliability analysis of all variables. As indicated by Uma Sekaran (2003), the closer the unwavering quality coefficient, Cronbach's Alpha gets to 1.0, the better the dependability. As indicated by Tabachnick and Fidell, (2007) the estimations of Cronbach's Alpha ought to be all the more then 0.55. Also, as per Nunnally (1978) Cronbach's α qualities ought to be more noteworthy than 0.7.

The main variable Advertisement has 4 items and the estimation of alpha of these things is 0.587. In the subsequent variable Attitude has 4 items and the estimation of alpha is 0.699. In the third factor Credibility has 4 items and the estimation of alpha is 0.729. In the fourth factor Entertainment has 4 items and the estimation of alpha is 0.726. In the fifth factor Incentive has 4 items and the estimation of alpha is 0.677. In the Sixth factor Information has 4 items and the estimation of alpha is 0.679. In the Seventh factor Irritation has 4 items and the estimation of alpha is 0.681. In the Eighth factor Personalization has 4 items and the estimation of alpha is 0.693. In the ninth factor Purchase Intention has 4 items and the estimation of alpha is 0.683. In

Interpretation

If value lies in the range of 0.01 to 0.3 it means the relationship between variable is weak. Moreover, if it lies in the range of 0.31 to 0.7 then it is a moderate relationship between variable and if it is a greater than 0.7 so it represent a high correlation. According to advertisement its shows greater than 0.7 then it is a high correlation but attitude², creadibility³, entertainment³, incentive², informativeness³, irritation¹, personalization³, purchase intention² and ³, word of mouth² and ³ variable shows below 0.7 which means moderate relationship.

4.1.4 Regression Analysis

In statistical modeling, regression analysis is a set of statistical processes for estimating the relationships between a dependent variable (often called the 'outcome variable') and one or more independent variables (often called 'predictors', 'covariates', or 'features').

Table-4 Regression Analysis

Hypothesis	Regression Path	Effect type	BCoefficients	P Values	Remarks
H1	ADV -> ATT	Direct effect	0.325	0.000	Supported
H2	ATT -> PI	Direct effect	0.588	0.000	Supported
H3	ATT -> WOM	Direct effect	0.550	0.000	Supported
H4	CRED -> ATT	Direct effect	0.110	0.077	Supported
H5	ENT -> ATT	Direct effect	0.091	0.081	Supported
H6	INC -> ATT	Direct effect	0.119	0.042	Supported
H7	INFO -> ATT	Direct effect	0.238	0.000	Supported
H8	IRRI -> ATT	Direct effect	0.032	0.103	Not Supported
H9	PER -> ATT	Direct effect	0.234	0.129	Not Supported

4.2 Discussion

The result of regression analysis is reported in table 4. The result of the first hypothesis shows that there is a positive and significant relationship between Advertisement and Attitude as ($\beta=0.325$, $p<0.01$). The study which supported that relationship includes Eighmey and McCord (1998), Brackett and Carr (2001) and Bevan-Dye (2013); for advertising similar results have been found with the studies conducted by Haghirian et al. (2005), The result implies that the Advertisement is one of the main factor to increase or change consumers attitude towards brand. It has been observed that people are more aware about the brand by social media advertisement. And, since it's the era of Electronic/Social Media where people discuss about every single thing; therefore, when people have awareness about a particular brand their attitude would also be shaped by social media Advertisement.

The result of the second hypothesis shows that there is a positive and significant relationship between Attitude and Purchase Intention as ($\beta=0.588$, $p<0.01$). The study which supported its relationship is carried out by Goldsmith et al. (2000), The result is in line with the theory of purchase intention where purchase intention usually related with consumers' behavior, perception and their attitude (Chaniotakis et al, 2010).

The result of the third hypothesis shows that there is a significant and positive relationship between Attitude and WOM as ($\beta=0.550$, $p<0.01$). The study which supported that relationship includes Mikalef, Giannakos and Pateli (2013).The study also reveal that, once the positive attitude towards the Social Network Sites is build, the SNS users are likely to engage in positive e-WOM using the SNS platform. It provides a very interactive platform unlike other traditional modes of communication like television and newspaper. Users can easily communicate their views about any particular product or brand with other users instantly by click on SNS.

The result of the fourth hypothesis shows that there is a positive relationship but not significant relation between Credibility and attitude as ($\beta=0.110$, $p < 0.05$). The study which supported that relationship includes Brackett and Carr (2001), Haghirian et al. (2005), Kim and Han (2014), Tsang et al. (2004) and Sinkovics et al. (2012). The study shows that credibility is also important factor where trustworthiness, expertise and attractiveness are main factors in influencing consumers' perception and shape consumers attitude towards buying particular product or services.

The result of fifth hypothesis shows that there is a positive relation between entertainment and attitude as ($\beta=0.091$, $p < 0.05$). The study which supported this relation is carried by Kotler and Keller (2006) as mentioned "an attitude is a person's enduring favourable or unfavorable evaluations, intrinsic emotional feelings and action tendencies towards object or idea". This statement is also supported by Mitchell and Olson (1981) who affirmed that entertaining advertising will put the audience in a good mood and thus, it has a positive impact on consumers' attitudes toward entertaining advertisement and even toward those promoted brands.

The result of sixth hypothesis shows that there is positive relationship between incentive and attitude as ($\beta= 0.119$, $p < 0.05$). The studies which supported this result includes (Kim and Han, 2014), (Shi, Cheung, & Prendergast 2005). The result implies as the consumers focus on those messages which include some financial benefits or incentives on the messages and make sure that maximum opportunity is to get that benefit of the. Previous studies proposed that price discounts are extremely effective in inciting results of product and services.

The result of seventh hypothesis shows that there is a positive and significant relationship between Information and Attitude as ($\beta=0.238$, $p < 0.01$). The study which supported this relation includes (Varshney, 2003), Aitken et al., (2008). The result has proven that Informativeness and

Gen Y's attitudes have a strong positive relationship. Thus, information is considered a very valuable incentive in mobile marketing because the users react very positively to advertisements, if advertisements meet all of the qualitative features, then only consumers will react positively towards brand product and services.

The result of eight hypothesis shows there is negative and insignificant relationship between Irritation and attitude towards SMA as ($\beta=0.032$, $p<0.05$). The study which supported this negative relation includes Varnali et al. (2012) and Yang et al. (2013). The result implies as no relation or dependency found between irritation and attitude, irritation does affect consumers when there is interruption between advertisements between informative videos or conversation other than that irritation does not change consumer's attitude, that's why previous studies denied this hypothesis.

The last hypothesis also shows negative relation between Personalization and Attitude towards SMA as ($\beta=0.234$, $p<0.05$). the studies which supported this negative relation includes Xu et al. (2008), Ünal et al. (2011) and Kim and Han (2014). However, the result is surprising that personalization has not been found as a significant predictor of SMA. According to this study, the sample taken as the Generation Y does not feel that the social media advertisements are tailored according to their needs, thereby failing to generate advertising value. These results can also be found in previous studies in the context of social networking sites where personalization has been found insignificant for predicting attitude towards SMA.

So, our study compiles to understand the six important factors of social media advertisements for the new generation, which will help the brand managers and marketers to understand the art of designing advertisements of social media sites, which will further favorably impact consumer's attitude. The evidence suggests that the advertisements on social media sites should be

entertaining, more credible and informative, also incentives attached to it. As advertisements are mainly recognized by consumers and are annoyed which negatively affects the value of advertisements, so in order to minimize the negative impact, marketers can address this issue by giving them an option, to decide whether they want to receive advertisements or not, to reduce the irritation.

Chapter # 5

Conclusion

5.1 Conclusion:

The purpose behind this research was to inspect the influence of the social media advertising over attitude towards social media advertising as well as the influence of word of mouth and purchase intention after viewing social media advertisement in Karachi. A total of 500 questionnaires were found usable from social media users in Pakistan, Structural Equation Modeling (PLS-SEM) was used to evaluate the relations. Moreover, we identified that has a positive impact on social media advertising value; There is a positive impact of entertainment factor on social media advertisement, There is a significant positive impact of advertising credibility on consumers' perceived value on social media advertising, There is a significant positive impact of advertising incentives on perceived value of social media advertising, There is a significant positive impact of advertising personalization on perceived value of social media advertising, There is a critical negative effect of Advertising Irritation on customers, Advertising value has a positive impact in shaping consumer attitudes towards an advertisement, Attitude towards a social media advertisement will have a positive impact on WOM and Attitude on social media advertisement will have a positive impact on Purchase intention/decision.

Result shows that the relationship between IV and DV is positive and significant which means consumer's attitude towards social media advertisement, considering advertisements containing content including (informativeness, entertainment, credibility, irritation, personalization and incentives) and their impact on word of mouth and purchase intention, this will provide benefit to the marketer to understand the customer need, how to attract customer towards social media advertisement. This study would also provide an upper edge to the organizations over their competitors; lastly this study would provide valuable insights to online industry.

5.2 Managerial Implications

On the basis of the findings which were obtained as a result of the research, the recommendations listed below can be offered to the businesses which aim to introduce effective and good quality advertisements and also affect the purchasing decision process of the consumers:

Businesses should appear on social media and share their information and campaigns on social media tools. Before presenting an advertisement about a product/service on social media, participation of consumers to this decision should be provided and after presentation, during the process, the effectiveness of the advertisement should be measured. Businesses should evaluate consumers' perceptions on advertising, keeping in mind that they are influenced by several factors such as Informativeness, Entertainment, good for the economy, and value corruption. In the social media environment at which competition intensifies increasingly, businesses should design visually attractive advertisements so as to impress their target groups and direct them on their own accord. Online shopping becomes widespread every passing day where reliability is still an important factor for consumers. For this reason, businesses should be careful about the reliability and persuasiveness factor in their advertisements. Businesses should efficiently evaluate the consumers' purchasing decision process on social media. They should follow the ever-changing conditions in order to satisfy the expectancies and needs of the online consumers whilst planning their advertisement campaigns.

5.3 Recommendations for Future Research

Based on the academic value of this study, some recommendations for the future research are Presented below:

A study which collects data from both public and private university students will enable generalization of the results. Furthermore, a comparative study can be performed by including university students studying abroad. Future research may use different scales and the results obtained may be compared with the ones obtained in this study. In this study, a model is developed by means of the questionnaire method and using this model in the experimental studies in the future is thought to contribute to the literature. Applying the study to various consumer groups that have different socio-demographic characteristics is regarded necessary in order to enhance the subject of the research. Apart from the consumer perceptions about social media advertisements, there are demographic variables which are assumed to affect attitude, behavior, and purchasing intention. Therefore, measuring these variables will enlighten the research topic further. Rapid growth in social media usage leads to the creation of a new environment for advertisement, and by means of these advertisements, it becomes easier to reach the consumers. From this point of view, social media advertisements have an important place for both businesses which aim to go the extra mile and consumers who intend to reach the right products and services. Businesses can reach their target groups quickly and with low cost, and consumers can reach required goods and services in a cheaper and quicker way through social media. Social media users are always exposed to advertisement overload. If businesses become familiarized with target groups' attitudes and behaviors and understand their ever-changing

expectations and necessities, they will be able to design attractive advertisements which will, in turn, direct consumers' purchasing. Interpreting consumers' attitudes and behaviors correctly and developing proper strategies are the inevitable necessities for the success of the advertisements. The principal focal points of this study are the social media advertisements and online consumer behaviors that are overemphasized by the businesses which aim to be successful in a fierce competition environment. As it is understood from the results of the study, advertisements on social media affect consumer behaviors. Ultimately, this study is expected to constitute as an additional source of future studies.

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Appendix

Questionnaires

Effects of Social Media Advertisement

ADVERTISEMENT

- The social media advertisement ad is unique
- The social media advertisement ad is really out of ordinary
- The social media advertisement ad is intriguing
- The social media advertisement ad is surprising

ATTITUDE

- I would describe my overall attitude toward social media advertising very favorably
- I consider social media advertising very essential
- social media advertisement have personal meanings to me
- I prefer buying goods and services through social media advertisement

INFORMATIVENESS

- Display ads on social media advertisement are a valuable source of product/service information.
- Display ads on social media advertisement are a convenient source of product/service information.
- Display ads on social media advertisement help keep me up to date.
- Information earned by social media advertisement is very helpful.

ENTERTAINMENT

- Display ads on social media advertisement are fun to watch or read
- Display ads on social media advertisement are clever and quite entertaining
- Display ads on social media advertisement do not just sell—they also entertain me.
- Display ads on social media advertisement are often amusing.

PERSONALIZATION

- I feel that mobile advertising displays personalized message to me
- I feel that mobile advertising is personalized for my usage
- Contents in mobile advertising are personalized
- I use personalized social media advertising for purchasing as a reference

INCENTIVES

- I feel that I am getting a good deal
- I always buy more products due to the offers of sales promotion
- I can save the searching cost by the sales promotion
- I am always satisfied when I get rewards by social media advertisements.

IRRITATION

- Advertisement between videos is annoying
- I feel freak out with too much of advertisement on social media
- Social media advertisement is usually deceptive
- Social media advertisement provokes me

CREDIBILITY

- I use personalized mobile advertising as a reference for purchasing

- I trust mobile advertising
- The content provided by mobile advertising is credible
- Social media advertisement is usually believable.

WOM

- I usually talk positively about social media sites to my friends/ colleagues
- I recommend social media sites to my groups
- WOM has great influence on purchasing decisions
- WOM had a significant influence on choice about buying the service

PURCHASE INTENTION

- It is very likely that I will buy the product/service.
- I will purchase the product/service next time I need the product/service
- I will definitely try the product/service
- I will recommend the product/service to my friends

DEMOGRAPHICS

Age

- 18-23
- 24-29
- 30--35
- Above 35

Gender

- Male
- Female

Educational Program

- Under Graduate
- Graduate
- Post Graduate
- PhD

Usage of social media sites

- 1-3 hours
- 4-6 hours
- 7-9 hours
- More than 10 hours

Preference of social media sites

- Facebook
- YouTube
- LinkedIn
- Twitter

Bought a product after seeing it on social media

- Yes
- No

Frequency of reading or viewing an advertisement on social media sites

- More than 4 per day
- 1 per 3–4 days
- 1 per week