IMPACT OF SOCIAL MEDIA ADVERTISING ON CONSUMER PURCHASE INTENTION: THE CASE OF THE SMARTPHONE MARKET IN ANURADHAPURA DISTRICT OF SRI LANKA

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INTRODUCTION

Recently, the smartphone market in Sri Lanka has expanded rapidly. Smartphones have played a critical role in returning people to normalcy, particularly in a situation with the COVID-19 pandemic sweeping the country. For smartphone brands, consumers' purchase intentions are influenced by many reasons. One of the main reasons for this is the advertising. There are limited research studies on the impact of social media advertising on consumers' purchase intention in the context of the Sri Lankan smartphone market. Especially after the spread of the COVID-19 pandemic situation.

The principal aim of this study is to explore the impact of social media advertising on consumer purchase intention within the smartphone market (with particular reference to the smartphone market in Anuradhapura District). The outcome of this research will offer vital insight for advertising firms, marketing managers, and the general public to reduce advertising costs, enhance sales income, and better understand social media-driven advertisements of smartphone brands. One of the main limitations of this research is the geographical scope of this study, which is limited to the Anuradhapura District.

Social media advertising is a broad phrase that encompasses all kinds of advertising on social networking sites, whether not express or implicit (Rahman & Rashid, 2018). Consumers' propensity to buy a specific product or service is called "purchase intention" (Yeo et al., 2020). Informativeness refers to a company's ability to provide adequate information about its products or services to customers in order for them to make better purchasing decisions (Warsame et al., 2021). In addition, extant studies found a positive relationship between the informativeness of social media advertising and purchase intention (Warsame et al., 2021). Entertainment fulfills a user's desires for distraction, virtual, and emotional pleasure, and it has been demonstrated to have a substantial positive relationship with advertising value (Ameen & Mustafi, 2020). Interactivity is an information-related process that occurs in a person's mind during the interaction when the person assimilates the meanings and interpretations of symbols (Ariel, 2015). Interactivity positively impacts purchase intent (McMillan & Hwang, 2002).

In general, a consumer's sense of the truth and trust in advertising is referred to as advertising credibility (Nabila & Achyar, 2019). Past studies show a clear correlation between social media and credibility (Milaković et al., 2020).

According to past studies, given the popularity of these sites, EWOM-based social network marketing has emerged as a critical component of brand communication strategies, with a significant impact on consumer decision-making (Daugherty, 2009).

METHODOLOGY

The research is quantitative cross-sectional research grounded on a deductive approach. Data was collected through a structured online questionnaire from 384 (based on the Morgan table) respondents selected through a convenient sample technique. The data were analyzed using the SPSS software, and descriptive, correlation and regression analyses were performed.

The conceptual framework for the study is depicted in the diagram below, which the researcher established after examining relevant literature in the field.

A conceptual framework can be considered as the study's backbone. It is refining a construct or concept by assigning a conceptual definition. The conceptual framework is used to show the relationship between the variables in the research. This framework guides the research.
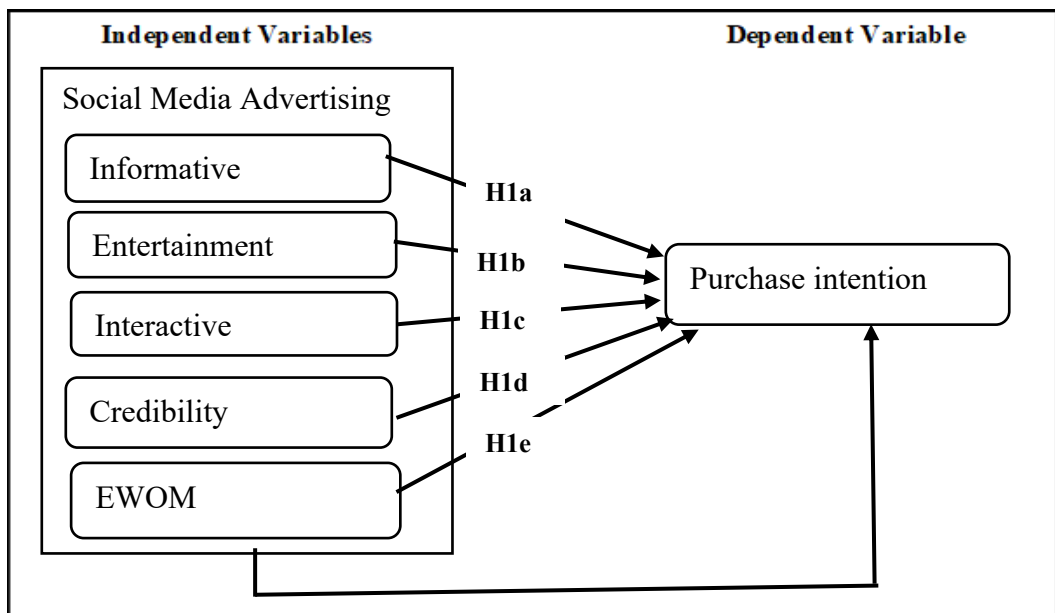

Figure 1 Conceptual Framework

According to the literature, the research hypotheses are as follows. Past studies have found that social media marketing efforts significantly impact perceived value, with implications for involvement, satisfaction, continuation, and purchasing intent (Warsame et al., 2021).

Therefore, based on the above literature, this research articulates the following hypothesis:

H₁: There is a significant positive impact of social media advertising on consumer purchase intention.

According to Lee and Hong (2016), informativeness influences customers' responses to social media ads, impacting their propensity to purchase the goods offered by social media advertising (Lee & Hong, 2016). Therefore, based on the above literature, this research articulates the following hypothesis:

H₁ₐ: There is a significant positive impact of social media advertising informativeness on consumer purchase intention.

Reza et al. (2020), looked into the impact of social media advertising elements on purchasing intent and found that entertainment positively impacted customers' purchasing intentions (Reza et al., 2020). Therefore, primarily based on the above, this research articulates the following hypothesis:

H₁ᵦ: There is a significant positive impact of social media advertising entertainment on consumer purchase intention.

According to past studies, customers' online purchasing behaviour is also shaped by interactivity (Alalwan, 2018). Previous research has observed that interactivity improves emblem preference, repurchase intention, and loyalty (Han, 2017).

Therefore, primarily based on the above, this research articulates the following hypothesis:

H₁c: There is a significant positive impact of social media advertising interactivity on consumer purchase intention.

Ads on social media extensively appear as a dependable source of product information (Arora, 2019). Consumers' attitudes toward advertising are positively influenced by the credibility of the advertising message (Haghirian & Madlberger, 2005).

Therefore, primarily based on the above, this research articulates the following hypothesis:

H₁d: There is a significant positive impact of social media advertising credibility on consumer purchase intention.
Wang et al. (2012) found that using social media for electronic word-of-mouth communications favours purchase intentions in two ways. They had a right-away effect on conformance and an oblique effect on product involvement consolidation (Wang et al., 2012).

H₁e: There is a significant positive impact of social media advertising electronic word of mouth on consumer purchase intention.

RESULTS AND DISCUSSION

The demographic characteristics of the study included the gender, age category, education, and income level of the respondents. Of the 384 respondents, 201 had been diagnosed as

females, which amounted to 52.34% of the entire sample, and 183 were males, which amounted to 47.64% of the total sample. A bulk of the respondents in the sample were between the ages of 21 and 40, accounting for 60.16%, with the age group 41–60 accounting for the second most significant percentage. Regarding education, most respondents (35.68%) were undergraduates, followed by advanced level (20.57%), and 18.23% had a graduate degree. Regarding average monthly earnings, 36.20% earned less than Rs.20 000, while the remaining 25.78% earned between Rs.40 000 and Rs.60 000. Regarding smartphone brands, most respondents (35.42%) prefer Samsung, followed by Huawei at 21.35% and Oppo at 10.68 %. The rest of the respondents use various brands. Facebook is the most popular social media platform among the respondents. According to the data, 45.57% of those in the sample responded.

Most of the respondents in the sample (138) spend between 1 and 2 hours daily on social media platforms. Only 1.04% of people never use social media platforms based on advertisements to decide to purchase smartphones, but 39.32% of people frequently use social media platforms to find information about smartphones that lead their purchasing intention towards a smartphone.

Reliability testing was used to establish the structures' internal consistency. It assesses a research study's reliability, accuracy, repeatability, and consistency.

Table 1 Reliability Analysis

Construct	Cronbach's Alpha	N of Items
Informative	0.762	5
Entertainment	0.809	4
Interactive	0.782	5
Credibility	0.817	4
E-WOM	0.819	4
Purchase Intention	0.777	4
Total Reliability	0.951	26

The data were first tested for reliability using Cronbach's Alpha to assess reliability. According to the reliability analysis results, the alpha value for each independent and dependent variable is more significant than 0.7. Moreover, it should be between 0.7 and 1.0

The value of the component matrix must be greater than 0.5 (Nabila & Achyar, 2019). The Kaiser-Meyer-Olkin (KMO) values obtained are 0.791, 0.795, 0.818, 0.770, and 0.779, respectively. According to the sample adequacy results of Kaiser-Meyer-Olkin (KMO) values,

it is clear that all the values are acceptable because they are greater than 0.5 (Ameen & Mustafi, 2020).

An overall regression model was used in the study to determine the relevance of each independent variable to the dependent variable.

Table 2 Coefficient Results of Multiple Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	.139	.144		.967	.334
	Informative	.208	.055	.184	3.751	.000
1	Entertainment	.117	.045	.122	2.613	.009
	Interactive	.215	.055	.201	3.898	.000
	Credibility	.344	.049	.361	6.985	.000
	EWOM_	.058	.043	.061	1.331	.184

Hypothesis (H1a,H1b,H1c,H1d,H1e)
DV = Purchase intention
$R^2 = 0.679$
F =806.516
P= 0.00

R Square was 0.679 in the regression analysis, and R2 can explain 67.9% of changes in consumer purchasing behavior. Other variables not included in the study can account for the remaining 32.1%. According to the above regression coefficient, the independent variables indicate that these variables positively and significantly influence consumers' purchase intention. The informative regression coefficient demonstrates a positive and significant influence on purchasing intent (β=0.208, p< 0.000). According to the coefficient table, the sig value of informative is 0.000, which is less than 0.05, indicating that informative has a significant impact on consumer purchase intention.

According to the entertainment regression coefficient (β=0.117, P<0.009), it positively and significantly affects consumer purchasing intent. The significance value is 0.009, which is less than 0.05. As a result, entertainment has a substantial impact on customer purchasing intention. The regression coefficient for the interactive was (β=0.215, P=0.000), indicating that it positively impacts consumer purchase intention. The significant value is 0.000, which is less than 0.05. Therefore, there is a significant impact of interaction on consumer purchase intention.

According to the preceding table, the credibility regression coefficient has a significant positive impact on customer loyalty (β=0.344, P<0.000). The level of significance is 0.000, which is less than 0.05. As a result, credibility has a substantial impact on consumer purchasing intention.

The E-wom regression coefficient was (β=0.058, P=0.184), indicating that it positively influences consumer purchase intention. However, this result does not support the (H5) hypothesis because the P-value was more significant than 0.05.

This result of Table 2 supports the hypotheses H1, H1a, H1b, H1c, and H1d of the study. However, this result does not support the (H1e) hypothesis because the P-value is more significant than 0.05.

Table 3 Hypothesis Testing Summary

Hypothesis	correlation		Decision	Regression		Decision
	r	p		B	P	
H_1:	0.824	0.000	Accepted	0.945	0.000	Supported
H_{1a}:	0.730	0.000	Accepted	0.208	0.000	Supported
H_{1b}:	0.701	0.000	Accepted	0.117	0.009	Supported
H_{1c}:	0.743	0.000	Accepted	0.215	0.000	Supported
H_{1d}:	0.784	0.000	Accepted	0.344	0.000	Supported
H_{1e}:	0.665	0.000	Accepted	0.58	0.184	Not Supported

According to the correlation results in Table 3, the dependent variable has a strong positive association with all of the independent variables. Furthermore, because P values are between 0.00 and 0.05, all of the variables' relationships were statistically significant at the 95 percent confidence level. The results of the correlation study were further supported with regression analysis. However, the H1e hypothesis was rejected because the regression p-value was more than 0.05.

CONCLUSIONS AND IMPLICATIONS

This research aimed to look at the impact of social media advertising on consumer purchase intentions in the Sri Lankan smartphone market. Research shows that informative, entertaining, interactive, and credible are all necessary components in social media advertising to increase consumer purchase intention and promote positive electronic word of mouth. The study provides empirical support for the Uses and Gratifications Theory's suitability for social networks, new advertising, and marketing platform. The study provides a deeper understanding of social media marketing and advertising. The research will aid marketing managers in creating, planning, and executing powerful smartphone advertising strategies and programs. This knowledge will benefit businesses as they plan their investments and coordinate their resources to gain customers.

Keywords: Purchase intention, smartphone, social media advertising

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