



A STUDY ON SOCIAL MEDIA ADVERTISING INFLUENCES ON CAR PURCHASES

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Abstract:

Many car companies have embraced new methods of advertising through social media platforms. This study aims to examine the impact of social media advertising on the performance of car companies, specifically in relation to sales and brand image. Surveys and questionnaires are used as the primary data collection method for analysis. The research gathered data from 97 respondents through structured interviews. Statistical techniques such as ANOVA, five-point Likert scaling, Pearson Correlation, and Standard Multiple Regression Analyses were employed to analyse the collected information. The study assesses the challenges faced by car companies when using social media advertising to reach their target customers. It also provides recommendations and suggestions based on the perceptions of car buyers to help overcome these difficulties. Overall, this research aims to explore how advertising on social media networks like Facebook, Twitter, Instagram, and Snapchat affects the performance of car companies, particularly in terms of increased sales and improved brand image. By understanding the obstacles and considering the perspectives of car buyers, the study offers potential solutions to effectively reach prospective customers through social media advertisements.

Key Words: Advertising, social media, Facebook, Twitter, Instagram, Snapchat, Performance

1. Introduction:

Car dealer companies face a daunting task in discovering innovative methods to increase their customer base. Understanding the motivations that drive individuals becomes especially important, as people are influenced by different factors. The rise of the Internet and Web 2.0 technologies has revolutionized the way car consumer's access and seek out meaningful evaluations. They now have the ability to explore critiques not only from friends and relatives but also from strangers, such as through popular travel blogs. To illustrate, Trip Advisor, a prominent platform, had its branded sites available in 49 markets during the third quarter of 2017. These sites covered a vast range of 7 million accommodations, restaurants, and attractions. With an impressive 570 million reviews and opinions, Trip Advisor attracted over 455 million unique users each month (Trip Advisor, 2017). This example highlights the significant influence of user-generated content on consumer decision-making processes. By leveraging this trend, car dealerships can tap into the power of online reviews and opinions, thus enhancing their marketing strategies and attracting a larger customer base. The utilization of social media for promotional purposes has significantly reduced the advertising expenses of car companies when compared to traditional advertising methods (Lipsman, 2017). This research aims to investigate and examine the impact of social media advertisements, particularly on platforms like Facebook and Instagram, in strengthening the brand image of car companies. The selection of this topic is driven by the fact that many car companies heavily rely on social media advertisements to achieve success and stay competitive in the market. As a result, organizations are striving to enhance their strategies in terms of customer motivation, evaluation, and reward systems.

2. Literature Survey:

Facebook is primarily used for connecting with friends and individuals known in real life, while platforms like Twitter and MySpace have a more limited circle of friends. This unique characteristic of Facebook allows for various advertising opportunities such as promoting events, games, applications, fan pages, and facilitating direct messaging between users (Lin & Utz, 2015). In terms of social media penetration in the Kingdom of Bahrain, statistics from the portal indicate that Facebook had the highest rate at 58.7%, followed by LinkedIn at 16.9%, Twitter at 12.9%, and Instagram at 10% in 2016.

Instagram, a social networking application, gained rapid popularity despite being established in 2010 and later acquired by Facebook in 2012. It has become one of the most influential social networks globally. The primary function of Instagram is to share and edit photos and videos through smartphones. These posts are displayed on users' profiles, and their followers can view and interact with them. The user interface of the application is known for its user-friendliness. Instagram has experienced significant growth, with 800 million monthly active users as of September 2017 (Statista, 2017c)

Snapchat, created in 2011, quickly gained popularity and became one of the most sought-after social media applications worldwide. Similar to Instagram, its main purpose is to share images and videos through

smartphones. However, the distinguishing feature of Snapchat is that these visual content pieces can disappear after a certain time. It poses a significant competition to Facebook and Instagram as it offers similar features and capabilities. In fact, Snapchat rejected a \$3 billion acquisition offer from Facebook in January 2014 (Molloy, 2017).

Indrupati and Henari (2011) conducted a descriptive research study using questionnaires distributed to over 150 entrepreneurs in Bahrain, UAE, and Kuwait. The study revealed that 87% of the respondents agreed that social media positively contributes to their companies, and 98% believed that social networking sites benefit all entrepreneurs. According to the 7th Arab social media report, the primary language of communication among social media users is Arabic. Additionally, there is an increasing number of older users engaging in social media platforms. The findings from the 5th Arab social media report indicate that the main drivers for utilizing social media in business include promoting business growth, enhancing company image, utilizing social media as a marketing tool, exploring job opportunities, becoming more consumer-centric, training employees, improving internal office relations, enhancing service operations, driving entrepreneurship, embracing innovation and new technologies, facilitating globalization, and allocating significant budgets for marketing and advertising purposes.

3. Problem Statement:

The purpose of this study is to explore the influences of social media advertising on car purchases. As social media platforms continue to gain popularity and serve as influential communication channels, car companies have increasingly embraced social media advertising as a means to reach and engage potential customers. However, the specific effects and impact of social media advertising on actual car purchase decisions remain relatively unexplored.

The problem statement revolves around understanding how social media advertising influences consumers' decision-making processes when it comes to purchasing cars. The study aims to address the following key questions:

- To what extent does social media advertising affect consumers' awareness of car brands and models?
- How does social media advertising influence consumers' perceptions of car quality, features, and value?
- What role does social media advertising play in shaping consumers' preferences and considerations during the car purchase process?
- Are there any demographic or psychographic factors that moderate the influence of social media advertising on car purchases?
- What are the implications for car companies in terms of optimizing their social media advertising strategies to drive car sales?

By investigating these research questions, the study aims to contribute to the understanding of the impact of social media advertising on car purchases, providing valuable insights for car companies to effectively leverage social media platforms in their marketing efforts.

4. Hypothesis:

- H01: The study assumes that there is no significant relationship between the purchase intention of clients for cars using social media and brand image.
- H02: The study assumes that there is no significant relationship between the purchase intention of clients for cars using social media and social media advertising.
- H03: The study assumes that there is no significant relationship between the purchase intention of clients for cars using social media and brand equity.

5. Research Aims / Objectives:

The objective of this study is to investigate the impact of advertising through social media on car companies and their services, as well as to understand the direction of new media changes in advertising. Additionally, the research aims to address the following factors:

- Recognizing how social media advertising can enhance communication between car companies and customers through multi-way communication channels.
- Identifying customer perceptions and attitudes towards social media advertising strategies to develop a strong brand image for car companies.
- To differentiate the actions that consumers take, whether positive or negative, when engaging in advertising on social media platforms.
- To examine the influence of Instagram advertising on users and their propensity to seek additional information from a brand.

6. Significance of the Study:

The significance of the study on social media advertising influences on car purchases lies in its potential contributions to both academia and the automotive industry. Here are some key points highlighting the importance of the study:

- **Academic Contribution:** The study will contribute to the existing body of knowledge in the field of marketing, specifically in the context of social media advertising and its impact on consumer behaviour. It will provide valuable insights into the role of social media in influencing car purchases, thereby expanding the understanding of digital marketing strategies.
- **Practical Implications for Car Companies:** Understanding the influences of social media advertising on car purchases can have significant practical implications for car companies. The findings of the study can help car companies tailor their marketing strategies to effectively utilize social media platforms, leading to improved brand visibility, increased customer engagement, and ultimately, higher car sales.
- **Marketing Strategy Development:** The study will inform car companies about the importance of incorporating social media advertising in their marketing strategies. By comprehending the specific influences of social media on car purchases, companies can allocate their resources more efficiently and target their advertising efforts to reach the right audience through the appropriate social media platforms.
- **Consumer Insights:** The research will provide valuable insights into consumer behaviour and preferences regarding social media advertising in the automotive industry. By understanding the factors that influence consumers' decision-making processes, car companies can better align their advertising messages and content with the needs and desires of their target audience.
- **Competitive Advantage:** In today's digital era, staying ahead of the competition requires a thorough understanding of the effectiveness of different advertising channels. By gaining insights into the influence of social media advertising on car purchases, companies can gain a competitive edge by leveraging these platforms effectively and efficiently.

7. Scope and Limitation:

The scope of the study on social media advertising influences on car purchases encompasses several key aspects, including:

- **Social Media Platforms:** The study focuses on the influences of social media advertising on car purchases specifically within popular platforms such as Facebook, Twitter, Instagram, and Snapchat.
- **Car Purchases:** The study examines the impact of social media advertising on consumer behaviour and decision-making processes related to car purchases. It investigates how social media advertising affects consumers' awareness, perceptions, preferences, and intentions to purchase cars.
- **Brand Image:** The study assesses how social media advertising contributes to the development and enhancement of brand image for car companies. It explores how social media advertising strategies can shape consumers' perceptions of car brands, quality, features, and value.
- While the study provides valuable insights into the influences of social media advertising on car purchases, it is important to acknowledge its limitations, which include:
- **Generalizability:** The findings of the study may be specific to the sample and context of the research. The study's results may not be directly applicable to all car companies or diverse consumer demographics.
- **Sample Size and Selection:** The study relies on a specific sample size and selection process, which may limit the generalizability of the findings. The research may not encompass a wide range of consumer perspectives and behaviours.
- **Self-Reported Data:** The study relies on self-reported data collected through surveys and questionnaires, which may be subject to respondent bias or inaccuracies in reporting. It is important to consider potential biases and limitations associated with self-reported data.
- **External Factors:** The study focuses on social media advertising influences on car purchases but does not account for other external factors that may impact consumer behaviour, such as economic conditions, cultural factors, or personal preferences.
- **Time Constraints:** The study's findings may be limited to a specific time period, as consumer behaviours and social media trends can evolve rapidly. Long-term effects or changes in social media platforms and consumer preferences may not be fully captured.

These limitations should be considered when interpreting the findings of the study and applying them to real-world scenarios. Future research can address these limitations to further expand the understanding of social media advertising influences on car purchases.

8. Conceptual Framework:

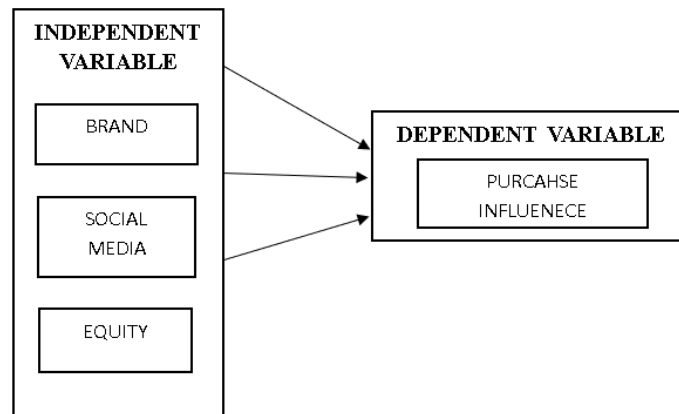


Figure 1: Conceptual Framework

The conceptual framework of this study is built upon the relationship between independent variables and the dependent variable. The independent variables in this study include Brand Image, Brand Equity, and Social Media Advertising. The dependent variable is the influence on Purchase Intention among clients for cars. This relationship is visually depicted in Figure 1.

9. Research Methodology:

The subject of this study focuses exclusively on car trading companies. The study employs the stratified sampling technique, which involves dividing the overall population into smaller, distinct groups or strata. This sampling approach ensures that representative samples are obtained from each stratum for a comprehensive analysis of the car trading industry. Target population is Chennai people. The ideal sample size is 97. The primary data collection tool used in this study is a questionnaire. To ensure its effectiveness and identify any potential errors or issues, a pilot testing of the questionnaire was conducted with five randomly selected individuals. The collected data was then analysed using various statistical techniques, including ANOVA analysis, the five-point Likert scale, and Standard Multiple Regression Analyses. These analytical methods allow for a comprehensive examination of the research variables and their relationships.

10. Results and Discussion:

Out of the total 97 questionnaires distributed to potential respondents, the data reveals that 55 individuals (56.7%) were male, while 42 individuals (43.3%) were female. In terms of age distribution, the majority of participants, comprising 49 respondents (50.5%), fell within the age range of "21-25". The data also indicates that Instagram was the most frequently used social media platform among the respondents, with 41 individuals (42.3%) reporting its usage. Additionally, 26 respondents (26.8%) reported having accounts on three different social media sites. When it comes to the time spent on social media, the majority of respondents, totalling 33 individuals (34%), reported spending "1 to 3 hours a day" engaging with social media platforms. The Shapiro-Wilk test statistics were conducted to test the normality assumption based on the three null hypotheses in the study.

For the first null hypothesis, which states that "There is no significant relationship between purchase intention of clients for cars using social media and brand image," the data analysis revealed that the majority of p-values were above 0.05. Therefore, the null hypothesis is retained, indicating that the data follows a normal distribution.

Similarly, for the second null hypothesis, stating that "There is no significant relationship between purchase intention of clients for cars using social media and social media advertising," the analysis showed that most of the p-values were above 0.05. Thus, the null hypothesis is kept, indicating that the data is normally distributed.

Lastly, for the third null hypothesis, which suggests that "There is no significant relationship between purchase intention of clients for cars using social media and brand equity," the data analysis indicated that the majority of p-values were above 0.05. Consequently, the null hypothesis is retained, suggesting that the data follows a normal distribution.

Therefore, based on the results of the Shapiro-Wilk test, it can be concluded that the data used in the study is normally distributed.

Table 1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.289a	.084	-.086	.58567

Table 1 presents the model summary, showing that the R Square and adjusted R Square values are 8.4% (.084) and -8.6% (-.086), respectively. These results indicate that the independent variables included in the

model can explain only a small portion, approximately 8.4%, of the variance in car purchase intention among clients using social media. This suggests that the model has limited predictive power, as the percentage of explained variance is close to zero.

Table 2: ANOVA

	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2.537	15	.169	.493	.938b
	Residual	27.783	81	.343		
	Total	30.320	96			

Table 2 presents the ANOVA analysis results. With significance value of 0.938, which is higher than 0.05, it indicates that the R Square value is almost zero. This implies that the independent variables (predictors) included in the analysis are unable to account for a significant amount of variance in car purchase intention among clients using social media.

11. Conclusion:

The findings of the regression analysis reveal that the variables of brand image, social media advertising, and brand equity do not exert a significant influence on the purchase intention of clients, based on the current study. However, this topic remains open for further research, and it is recommended to explore different variables beyond those examined in this study to gain a more comprehensive understanding of their impact on purchase intention in the context of social media advertising.

In conclusion, the study findings indicate that social media advertising has a significant influence on the purchase intention of car products and services, as agreed upon by 41 respondents. The majority of social media users in the study fall within the 21-25 age range, suggesting that younger individuals are more inclined to use social media when making brand choices. This emphasizes the significant role played by social media among the respondents, as all of them have at least one social media account. Additionally, the research has provided car dealers with valuable insights into their customers' social media usage, enabling them to shape their advertising strategies accordingly.

A recommendation for car dealers is to revise their social media and webpage advertisement strategies and explore alternative approaches to effectively influence potential clients and increase car purchases. It is advisable to consider and implement various advertisement strategies on social media platforms to reach a wider audience and enhance their impact. This subject remains open for further research, encouraging other researchers to explore different variables and adapt to the evolving trends of the business world.

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