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### THE IMPACT OF SOCIAL MEDIA ON CUSTOMERS' PURCHASE DECISIONS IN SAUDI ARABIA: THE CASE OF INSTAGRAM

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#### **ABSTRACT**

The advent of social media, and specifically Instagram, has shifted marketing focus and consequently consumer behaviour. Consumers go through a long process before making any purchase decision. However, the development of social media has changed perspective of consumers purchase decision. This work was done to examine the level of influence Instagram has on consumer's purchase decision in Saudi Arabia. This work was done based on quantitative method. The samples of this work were 100 female students from private and public universities in Saudi Arabia. Survey questionnaire was used for data collection. The results of this work showed that 98% of the respondents use social media, and 70% of the respondents use Instagram the most. Likewise, the result showed that respondents use social media platform due to their credibility, convenience, instant updates and variety of information. Key results showed that 60% of the respondents stated that Instagram had a positive impact on the purchasing decision. Thus, it is concluded that Instagram influences Saudi Arabia's consumer purchase decision.

## 1 INTRODUCTION

Social media played a profound role in modern marketing [1]. The advent of social media has changed the business nature where competition became crucial, and the authority was taken over by consumers. This change has revealed many gaps to be filled and many opportunities to be used. Therefore, a new branch has been revealed under marketing. Digital marketing is the latest marketing trend in which companies use online platforms to build brand awareness, engage with consumers and monitor their "online behavior" closely [2]. Social media has provided companies with the necessary tools to facilitate this process. Therefore, enormous marketing efforts must be invested in digital social media to enable companies to communicate their messages to a huge number of potential customers and consumers.

Instagram is a social media platform founded by Kevin Systrom and Mike Krieger in 2010 [3]. It is a picture-based application that has changed the concept of social media. What makes Instagram a great platform for marketing efforts is the fact that it is more organized, the content can be easily managed, and pictures can catch people's attention, and its simplicity and popularity among people [4]. In addition, due to its low marketing costs and high popularity, Instagram can be considered a tool to test the viability of products / services before their official launch. Companies can know the actual feedback directly from their consumers, which will help them improve the products / services they provide [5].

Online consumer behavior has become an important subject to be studied by marketers in order to know the possible attitudes of consumers towards advertising on online platforms, especially on social media [6]. Consumer behavior can be defined as: the study of consumer psychology and attitudes. According to De Mooji [7], consumer behavior is the study of the process in which consumers choose, buy, use, dispose of products and/or services to satisfy their needs. By knowing this, marketers will be able to enhance their communication strategies by building strong brands to reach the minds and hearts of consumers [7]. Thus, they can get consumers to engage with their brand emotionally and rationally. Furthermore, the advent of social media has influenced both consumer behavior and marketing strategies, as consumers tend to use social media for various purposes, and one of these is the purchase of products [8].

Song and Yoo [9] conducted a research to examine the impact of social media during the purchase decision process. The findings indicate the positive impact of the information posted on social media on the consumer purchasing process. In addition, Schivinski and Dabrowski [10] stated that social media is considered a convenient platform for product and brand searching. This is because majority of respondents favored using social media as an investigative tool to gather information about specific products and brands [10]. According to Hudson et al.

[11] before purchasing, the enormous amount of information found on social media has a strong impact on all phases customers go through. Barger et al. [12] found a positive correlation between the number of companies followed on social media platforms and the number of purchasing decisions made by those followers. Kumar et al.[13] stated that social media is just like the other traditional means of gathering information, as social media is frequently used by millions around the globe, sharing their real-life experiences and opinions about products and brands. That's exactly what makes its various platforms credible and convenient tools for research products and brands [13]. Likewise, Duffett [14] conducted research to investigate the influence of social media advertisements on behavioral attitude and confirmed that advertisements on social media positively affected consumers

Instagram has been growing rapidly over the past five years in terms of the number of commercially oriented accounts from Saudi Arabia [15]. This step has somehow facilitated the process of developing the e-commerce market in Saudi Arabia. Consumers in Saudi responded and accepted that new trend very quickly, which created a new type of local business. Thus, this work was done to analyze the relationship between social media advertising (Instagram) on customer intention and purchase decisions in Saudi Arabia.

## **2 METHODOLOGY**

Quantitative research method has been used in this work. For this work, the number of samples was 100 students from Effat University and King Abdulaziz University (KAU). The students were selected randomly. These two universities were selected for the following reasons. These universities represent the private and public sectors. It has diversity of backgrounds and ethnics. It also has different social classes and purchasing power. This research has only focused on female college students in Jeddah as sample of research. This was done as the female student has a higher tendency for online shopping and purchasing. Data collection was done using survey questionnaire. Data has been analyzed in terms of basic statistics and is presented in graphical form.

## **3 RESULT AND DISCUSSION**

### **3.1 Demographic Characteristics**

Based on Figure 1, 55 % of the respondents were in the age group between 20 to 21 years, 29 % were in the age group between 22 to 23 years old. 9% of the respondents were in the age group between 18 to 19 years and 7% were aged of 24 years old and above.

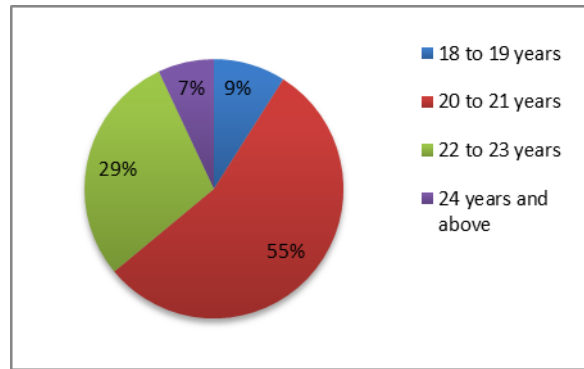


Figure 1: Age of respondents

Based on Figure 2, 80 % of the respondents were have an average income between 1000 to 1500 SR. 10 % of the respondents have an average income between 1500 to 2000 SR. 8 % of the respondents have an average income between 2000 to 2500 SR and 2 % have income above 2500 SR.

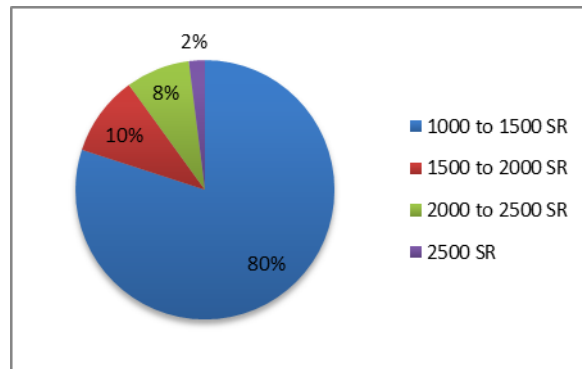


Figure 2: Monthly income

### 3.2 Questionnaire Analysis

The respondents were subjected question related their purchase intention using Instagram. Hence, the outcomes question statements are discussed in this section. Based on Figure 3, the respondents were asked ‘Do you use social media?’. Based on Figure 3, 98 % of the respondents stated that they always use social media and the remaining 2 % stated that they rarely use it.

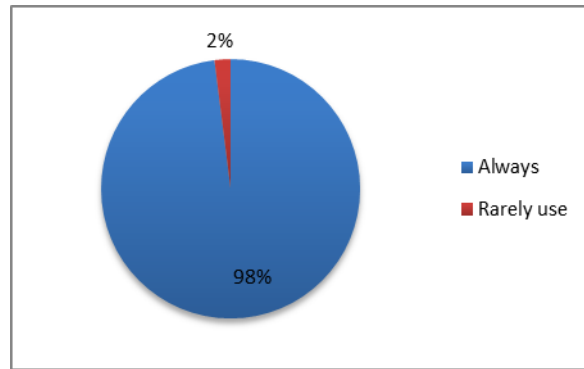


Figure 3: Usage of social media

Based on Figure 4, the respondents were asked ‘Which social media do you used the most?’. Based on Figure 4, 70 % of the respondents stated that they use Instagram the most, 20 % use Twitter the most and 10 % use Facebook the most.

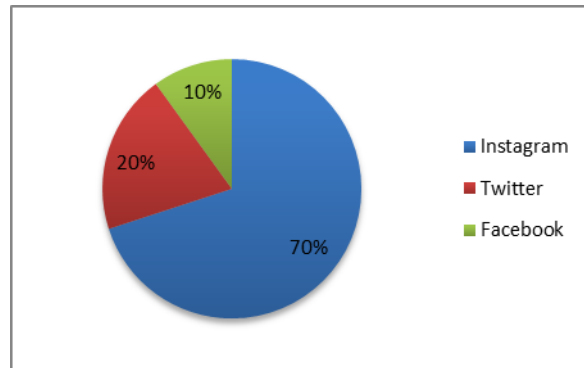


Figure 4: Social media platform used

Based on Figure 5, the respondents were asked ‘What is the attribute that makes you use the social media platform?’ Based on Figure 5, 60 % of the respondents stated credibility is important, 70 % stated that convenience is extremely important, 75% stated that instant updates is extremely important, 50 % stated that real-life experience is important and 50 % stated that variety of information is important.

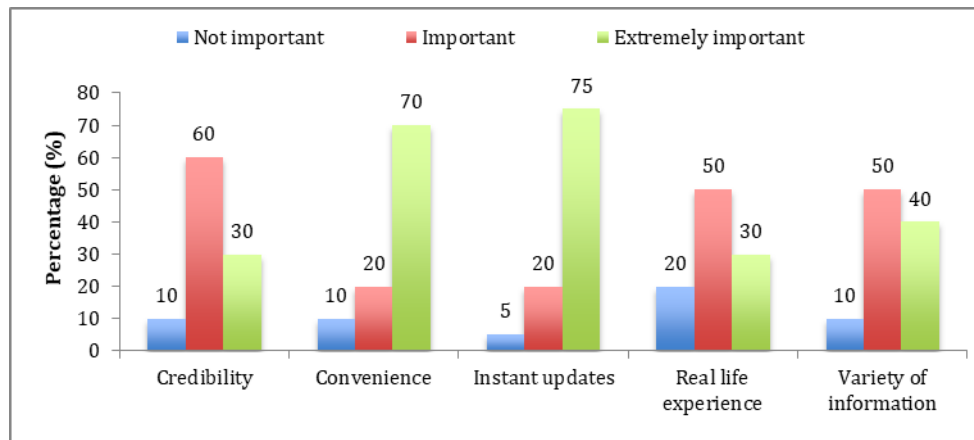


Figure 5: Attribute of social media use

Based on Figure 6, the respondents were asked ‘Do you have an Instagram account?’ Based on Figure 6, 98 % have an Instagram account, and 2 % do not have an Instagram account.

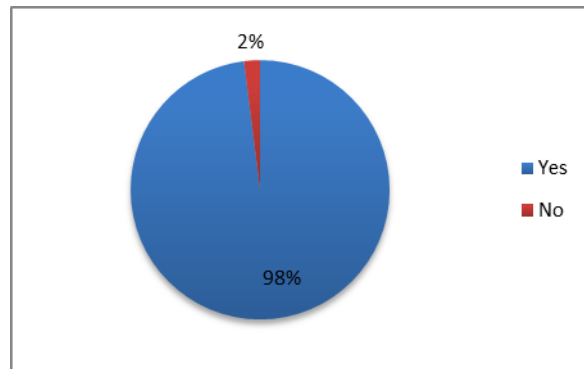


Figure 6: An Instagram account user

Based on Figure 7, the respondents were asked ‘How frequent do you use Instagram account?’. Based on Figure 7, 80 % of the respondents stated daily, 20 % of the respondents stated 1 to 5 times a week and 10 % stated 1 to 5 times a month.

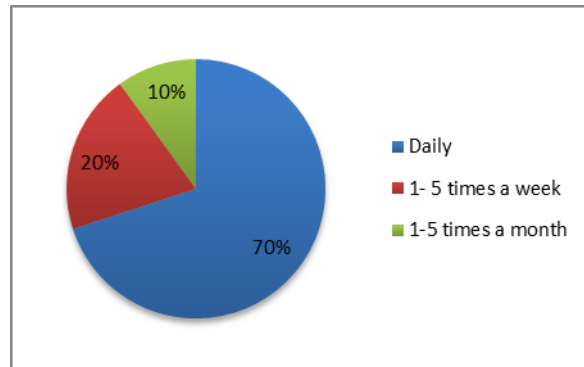


Figure 7: Frequency of using Instagram

Based on Figure 8, the respondents were asked ‘How many advertisements are you exposed to per day in Instagram?’. Based on Figure 8, 45 % stated that they are exposed to 1 to 5 advertisements, 25 % stated that they are exposed to 5 to 10 advertisement, 15 % are exposed to 10 to 15 advertisements and 15 % are exposed to more than 15 advertisements per day.

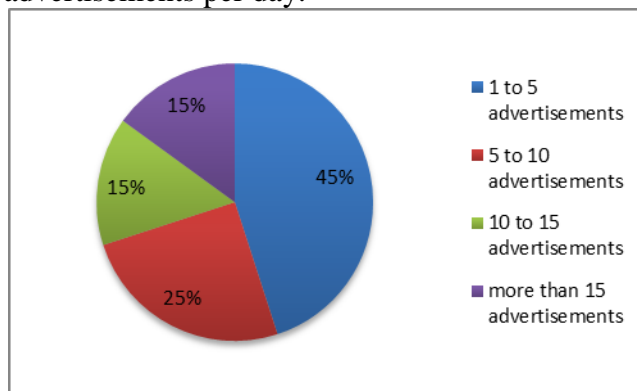


Figure 8: Exposure to advertisement in Instagram

Based on Figure 9, the respondents were asked ‘In what ways is Instagram advertisements is influencing your purchasing decision?’. Based on Figure 9, 60 % of the respondents stated that Instagram advertisement positively influences purchasing decision. Remaining 40 % of the respondents stated that Instagram advertisement negatively influences purchasing decision, as they do not trust any review or recommendation posted in Instagram.

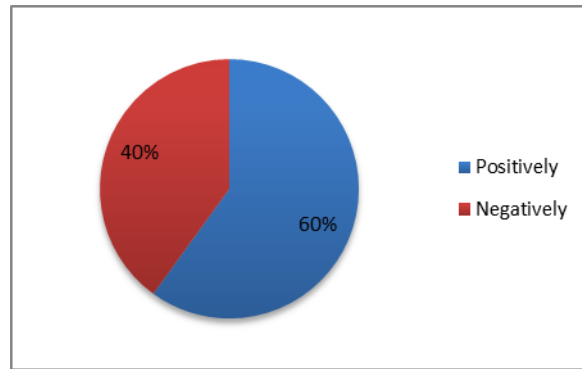


Figure 9: Influence on purchasing decision

Based on Figure 10, the respondents were asked ‘What type of advertisement has more influence on your purchasing decision?’. Based on Figure 10, 55 % the respondents stated advertisement promoted directly from brand page, while 45% stated that advertisement promoted by indirectly Instagram blogger influences purchasing decision.

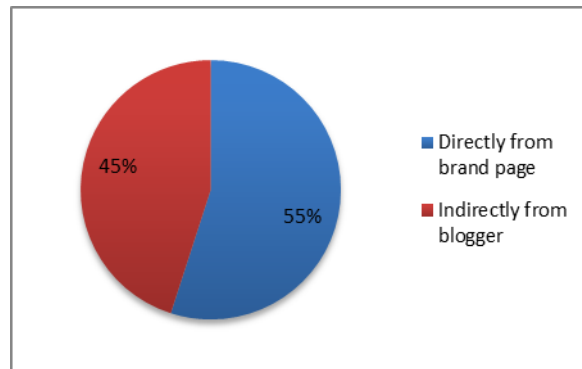


Figure 10: Type of advertisement

Based on Figure 11, the respondents were asked ‘What kind of products advertised on Instagram you are influenced by the most?’. Based on Figure 11, 16 % stated electronic products, 34 % stated food products and 50 % stated beauty products.



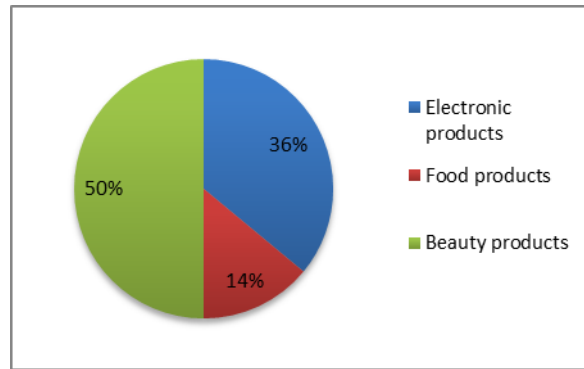


Figure 11: Type of products

Based on Figure 12, the respondents were asked ‘Why do you often purchase the product from Instagram?’. Based on Figure 12, 30 % of the respondents stated that they purchase it to be happy, 25 % stated that to feel satisfied, and 45 % stated that to enhance their living standards.

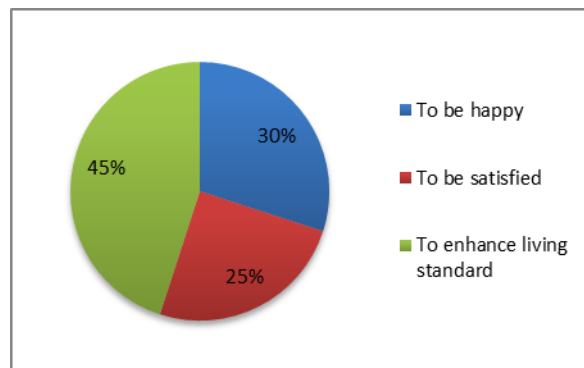


Figure 12: Purpose of purchasing products

Based on Figure 13, the respondents were asked ‘How do you feel after purchasing the product from Instagram?’. Based on Figure 13, 40 % of the respondents stated that felt happy, 30 % stated that they felt satisfied, and 20 % stated that they feel special and 10 % stated that they feeling nothing.

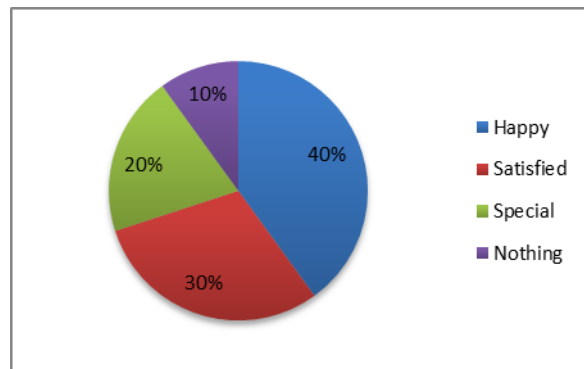


Figure 13: Feeling after purchasing products

### 3.3 Overall Discussion

This work has analyzed the relationship between social media advertising (Instagram) on customer intention and purchase decisions in Saudi Arabia. The results have indicated that Instagram is the most used platform among female college students, and 70% of them are visiting it on a daily basis. Furthermore, the results have indicated that the respondents are exposed to advertisements and promotions in Instagram. Moreover, the result showed that 60 % of the purchasing decision is positively influenced. On the other hand, 40 % said they were negatively influenced by those advertisements, meaning: no offline or online purchases occurred as a result of Instagram advertisements. In addition, the results showed that 55 % of the respondents are influenced by advertisements promoted directly from the brand page, due to their trust and credibility. However, 45% of respondents are influenced by indirect advertisements, which are products promoted by bloggers as they are real people who have shared their real-life experiences. The results of this work showed that 50% of respondents purchase beauty product from Instagram. Furthermore, the results showed that 45 % of respondents purchase the products to improve their standard of living. Similarly, 40 % of the respondents said they felt happy after purchasing the products. Overall, therefore, the results have shown that there is an impact of social media on consumer purchases decision, in this case among the female university students. The result of this work is similar to the work of Apiraksattayakul et al. [16] where it has been reported that Instagram has a positive influence on the purchase decision of the customer. Likewise, the work of Danniswara et al. [17] confirmed that Instagram is considered one of the main online buying platforms among consumers. De Veirman et al. [18] also stated that most product companies are marketing their brand and products through Instagram as it has significant influence and reach among consumers.

#### **4 CONCLUSION**

The relationship between social media advertising (Instagram) on customer intention and purchase decisions in Saudi Arabia was studied in this work. The outcome of this research has shown the positive influence that marketing on Instagram has on the purchasing decisions of female college students. Instagram is considered a convenient platform to search for products before buying them. These students were also encouraged by the real-life experiences and the variety of information posted on Instagram, which helped with the purchase decision. Thus, it is concluded that social media has a significant influence and importance on customer purchase decision at Saudi Arabia.

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