



Influence of Social Network and Social Media toward Satisfaction through Consumer Purchase Decision: Analytical study on Malaysia's Consumer

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Abstract

Advancement of technology, rising of the internet availability with develop Web 2.0 increase the interdependence of consumers social media. For this the behavior of consumer has changed and various organization has understood the impact of digital marketing regarding consumer decision making process for particular product or services. This study aims to determine the influence of Social Media and Social networks toward satisfaction through consumer purchasing decisions in Malaysia. The study also examined the potential relationships between various factors and Perceived Value that might influence the purchase decision of Malaysia's consumer purchase decision. A survey method was used to collect 100 data from various social media users in Malaysia, and Structural Equation Modeling was employed for the data analysis. The research proves that social networks have positive and significant effect on purchasing decisions to Malaysia's consumers. The most important findings of this study were, the perceptions of respondents toward social networks and consumer purchasing decision of Malay.

Keywords: Malaysia, Consumer Purchase Decision, Perceived Value, Social Media.

Introduction

In the era of globalization, social media is growing rapidly and it is impacting on digital business. In technological and internet age we notice that electronic and print media has shifted to social media. Social media have provided new opportunities to consumers to engage in social interaction on the internet. Besides, it plays an important role in many developing countries like Malaysia. Day by day people are more and more connected to social media platforms taking down the geographical barrier, which primarily divided individuals (Noemie Meslat, 2018). The increasing of social media has changed purchase decision process of customers. People can edit and share different contents by social media tool. Using social media, consumers can directly response to "opinions, comments, and suggestions about products that they offered, so consumers can get the products that they want and need" (Singh and Cullinane, 2010). As a result, many companies are using social media for increasing their advertising and promoting their products and services, making online sales, attracting new potential customers, connecting with current buyers and sellers, brand support, contact business and so on. In the digital marketing social media is very important for customer involvement. Today's customers have accessed many different types of information and experiences which are helpful for customer information and recommendation. In addition, the networking of individuals through social media provides shared values, leading to a positive impact on trust (Wu et al. 2010). Nowadays, social media is giving features to evaluate products and services of brand. In context of business and trade, social media is also very important way of continuous



communicating between buyers and companies, and also very helpful tool to seek potential customers.

The new marketing tool Social Media

The role of marketing strategy is to relate among management, brand and customer creation. Marketing strategy helps to create new customer, introduce the product and attract them to buy, satisfy the customer and keep them loyal towards to the brand. In 2006 Philip Kotler considers marketing as a process of exchange which has the purpose to satisfy people's needs and wants. Today marketing is considered as the best way to research the market and create different way of aspect to sustain in the market. All of the various way of marketing strategy, Digital Marketing is one of the best and easy way now a days to take right purchase decision by creating brand awareness. Internet is one of the best media that enables businesses to reach a worldwide customer population, so that customers can survey, select, and purchase products and services from businesses around the world very easily (Kailani & Kumar 2011). According to Hootsuite report 2018 in this world four billion of people are using internet and among them three billion of people are socially active in various social platform. The people whom are using social platform, 90% of them are accessing the media through the smartphone. In another report it shows that more than six hours on average in a day people are being using internet (Statista 2018). A word of mouth process has been created by the social media as it allows the companies to create community for starting conversations and listen directly their customers and prospects. Now almost every company are using social media as the marketing tools. Recently a research shows that more than 80% of the companies are active in Facebook, Instagram and Twitter. This study tries to understand consumer purchase intention through using social media. Malaysia has the high potential for online shopping, compared to other countries, there is a large gap and room for improvement. Malaysia's was only US \$ 36.81 billion. Malaysia's consumer still reluctant to the shop due to payment system, logistics, and services, such as lack of trust. They feel uncomfotred as they could not unable to feel the product before buying any product. Based on the background of the study research objectives might be pursuit:

- Social Media networking influences consumer purchase decision of Malaysian consumer.
- Social Media networks affect the satisfaction through purchasing decisions of Malaysian consumer.
- Social Media determinant variables may affect perceived value and may increase the value for purchasing decisions of Malaysian consumer.
- Social networks and social media effects of various factors to the satisfaction through purchasing decisions of Malaysia's consumer purchase intention.

Online Social Media and Consumer purchase decision has a correlation

A tremendous change had happened due to social media transformed the total aspect of consumer and marketing strategy in the market. In the past consumer only depends on the marketing and advertising but now the scenery changed totally as the consumer pursue product information from various sources as this is denoted as the 180-degree change in behavior during the purchase decision making process. Facebook, Instagram, Twitter and many other



social applications are the main platform where they got influences as their friends posted various product images and provide positives or negatives reviews. As the emotional attachment with friends is one of the leading factors that influence brand loyalty for a particular product or brand. Comparatively from the past physical friendship or family group online communities and groups are much larger. According to Parker 2011 p.263, during the ‘research’ or ‘education’ phase of the buying cycle, they have access to a wider audience of current past, or prospective customers worldwide that they can consult before making their decision.’ Consumers are now digitally empowered during the information search phase of a decision-making process, able to consult with both peers and experts at the touch of a button, according to (Wheat and Dodd, 2009).

H1: Social media positively influences consumer’s purchase decision of Malaysia.

Theoretical background and conceptual model

Influencer Credibility marketing on social media

Influential interaction with the consumer has significant influence through social media to inform them about the brand message and product in the global market (Gillin 2007). This marketing is only based on the action of influencing marketing. For the consumer segmentations to increase brand awareness, influencer marketing strategy is process to spread hand-in-hand messages very rapidly. Influencer marketing may impact to a single person or a large group through cognition and emotion Brown, Duncan & Hayes (2008). The study elucidates that influencer forward various companies’ information to the consumer and influence them as they might collaborate with the firms, if they realize that the information may incurred values and valuable to their life. Today influencing marketing is consider one of the best strategies as the market is emerging with new key leader of social media in every aspect. According to Keller & Berry, 2003 influencer is an individual person whom have active mind with leading activities towards vicinity and various networks. As influencer is not necessary for achieving great reputation but have the potential to have and influence friends, colleagues, families or own communities. As most of the influencer of social media defined in definition, for that all the marketer follows one definition of Duncan & Hayes (2008): Influencer is a third party who significantly shapes the customer's purchasing decision. But beside that every one of the communities have the privilege to be an influencer on social media. There are many affect or factors that affect consumer decisions, but influencer credibility is one of the crucial as the characteristics and components of fashion influencer marketing” states that influencer’s credibility is the first most important factor (Nathalie 2016). Ivelina Dimitrova (2013) also indicates the implication of influencer’s credibility on purchase intention. Therefore, it is a fundamental and essential variable that should be included in our research model on the impact of influencer marketing on social media towards purchase intention of consumers.

H2: Credibility of Influencer in Social Media marketing surely influence consumer’s purchase decision.



Advertisement in Social Media

Facebook, Twitter, LinkedIn, YouTube, Pinterest, Instagram and others social application helps online advertising and convey the message for companies' product or services as noted Social Network Advertising. There are 2.5 billion social media users out of 3.2 billion internet users worldwide. Facebook have more than 1.9 billion unique users per month. Today social media consider as the most important and stalwart marketing communication strategy. The online platform considers as the most vital role for getting best source of information for a particular product or services. Social media advertisement importance is growing rapidly and for that reason in the starting of advertising segment by Facebook in May 2005 projected revenue from social media reached \$8.4 billion by 2015. Today businesses consider online advertising by default. People share their personal interest in social media and businesses can use that information to find new customers through interest-based targeting and advertising on social media. Firms regardless of size are present on Facebook, Twitter & YouTube and advertising on these platforms increases the chance to reach, engage and convert customers.

H3: Advertisement in social Media has significant impact on consumer's purchase decision.

Consumer involvement

Friend's advice, recommendation and seeking information from others for product or services is the most easily influenced social media strategy for consumers than other strategies Park & Kim (2008). Inversely this method also impacts negative aspect to the consumer expertise to their purchase decision or acquiring services (Fan et al. 2012). In other words, consumers who frequently prefer making purchase decisions on their own without adopting other opinions will be less affected by information from social media.

H4: Consumer Involvement influence consumer's purchase decision in Malaysia.

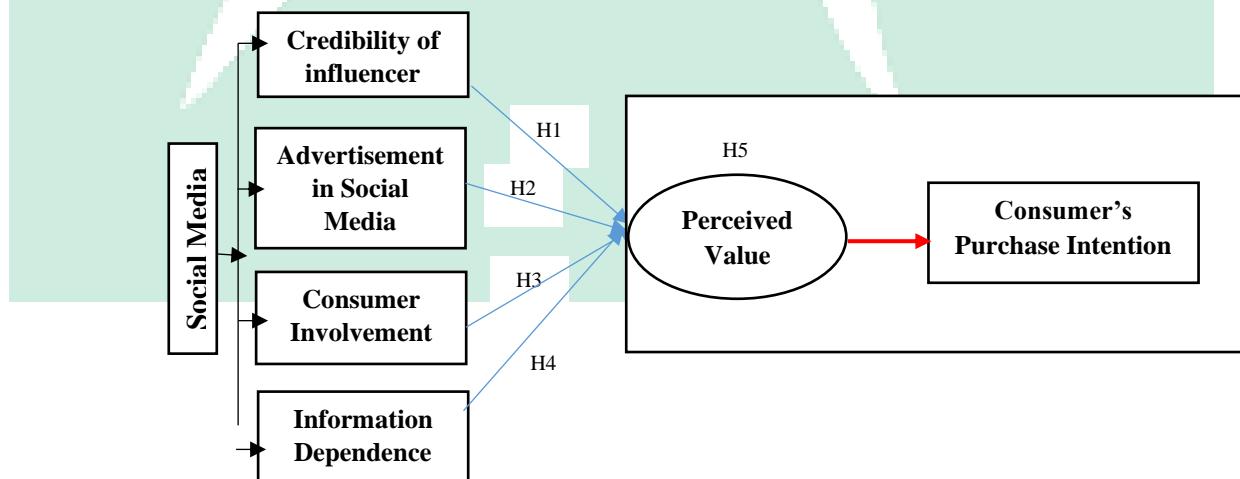


Figure 1: Malaysia's Consumer Purchase intention Model. Factors (Credibility Influencer, Advertisement in Social Media, Consumer Involvement, Information Dependence and Perceived Value) influencing the online consumer's behavior of Malaysia



Purchase Intention based on Perceived Value

Perceived Value is one of the most important aspects as this is one of the ways to explained and understand the differences benefits consumers can gain and the costs they will pay for a particular product or brand. According to the consumer behavior, consumer maximizing the perceived value by choosing the needed products and services. Empirically, perceived value has a positive relation with purchase intention. More perceived benefit from product or services for consumers may increase the value of perceived value and will higher the willingness of purchasing products or services (Zeithaml 1998).

H5: Social media openness positively influences on consumer's perceived value for consumer's purchase decision.

Information Dependence

Rokeach and DE fleur developed the theory of media dependency, as the aims to identify the tripartite relationships between audience media and society. From the theory it is clearly understand that more person depends onto the media to satisfy individual and social needs, the more important the media will be in a person's life and subsequently there will be cognitive, affective and behavioral changes in people. The theory provides theoretical foundation for study on various types of media as well as relevant Internet products and applications. Internet Dependency Relations (IDR) study suggests that consumer whom are dependent to the internet are more likely to meet action orientation goal on shopping related activities to enhance the online shopping experience (Patwardhan & Yang, 2003). This information dependence theory also applied to the mobile shopping activities of a consumer (Hahn & Kim, 2013). Research result shows that adult consumer especially the young are more involved in mobile technology as a communication medium and the more they are involved the, the greater the probability that promotional messages distributed through media will influence their attitudes towards their behavioral intention in using mobile coupons (Bacile 2010).

H4: Information Dependence significantly influence the consumer's purchase decision.

Results and Discussion

According to the proposed study, quantitative research approach is found appropriate. Quantitative research approach analysis will be considered on the basis of development testable hypothesis and theories. The analysis allows generalization of conclusion and flexibility in the treatment of data, in terms of comparative analysis, statistical analyses and repeatability of data collection in order to verify reliability. The data was collected from various respondent of age, sex and occupation from all over the Malaysia. The respondent who had participated must follow social media for purchase materials from online or physical store. Data have been collected through comprehensive and structured questionnaire. Around one hundred (100) respondent have surveyed through face to face interview, over the phone interview and online surveys. For the data analysis the study will use PLS software to understand the reliability, validity and for in-depth investigation correlation and regression analysis have been conducted to analyze, which independent variable contributes more to the dependent variable. The study



is based on Malaysian consumer perception, so that the population of data collection interviewee are only limited to the Malaysian consumers.

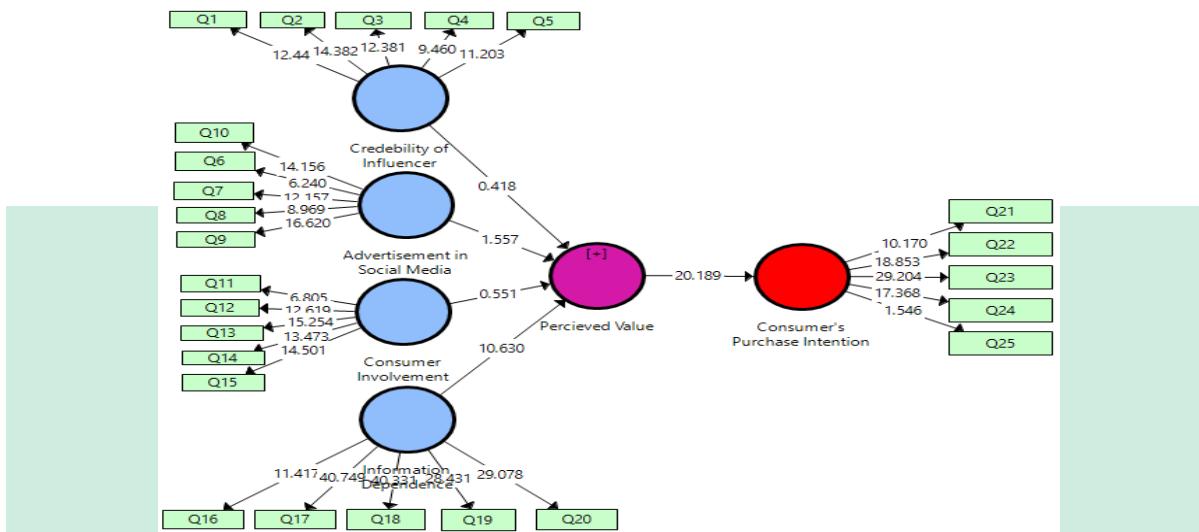


Figure 2: Structural model and full relationships between the variables (Independent Variables Credibility Influencer, Advertisement in Social Media, Consumer Involvement, Information Dependence and Perceived Value and Dependent Variable Consumer Purchase Intention).

Characteristics		Number	Percentage
Gender	Male	58	58%
	Female	42	42%
	Total	100	100%
Age	15 – 25	31	31%
	26 - 35	24	24%
	36 – 45	18	18%
	46 – 55	15	15%
	56+	12	12%
	Total	100	100%
Marital status	Single	63	63%
	Married	37	37%
	Total	100	100%

Table 1: Demographics of the participants of Malaysia's Consumer. Source: Survey Result 2020

To understand the consistency of the data scale by assessing the reliability of the variables Cronbach's alpha coefficient is the most widely used test. To understand the multiple measurement of variables reliability is the most efficient test (Hair et al., 2008). The reliable measures of the five extracted critical factors of Consumer Purchase Intention are shown in Table 1. The scale consistency of each dimensions adapted from the combination of Consumer Purchase Intention dimensions of Credibility Influencer, Advertisement in Social Media,



Consumer Involvement, Information Dependence and Perceived Value were also computed with the value of 0.939, 0.930, 0.934, 0.931 and 0.916 as the analysis in the table 2.

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Cre_Inf	18.8725	18.834	.785	.939
Adve_Soc	18.9625	17.858	.864	.930
Con_Inv	18.8665	18.548	.829	.934
Inf_Dep	18.9705	18.531	.852	.931
PV	18.9180	18.235	.989	.916
CPI	18.8625	20.686	.681	.950

Table 2: Reliability Analysis (Cronbach's Alpha) Source: Survey Result 2020

Descriptive results, consumer involvement has the highest score with M=3.82. Under the construct of Consumer Purchase Intention, majority of the respondents agreed with the statement that Malaysia's Consumer Purchase Intention depends on to the social media. This is consistent with Rezvani et. al, 2012 in which they found that technological and economic development level of a country can be cognitive country image in evaluating product's country-of-origin. The next scores are followed by Credibility of Influencer, Perceived Value, Advertisement in Social Media, Consumer Involvement and Information Dependence with M=3.381, M= 3.77, M=3.72 and M=3.32 respectively.

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Cre_Inf	100	1.0	5.0	3.818	1.0111
Adve_Soc	100	1.0	5.0	3.728	1.0627
Con_Inv	100	1.0	5.0	3.824	1.0068
Inf_Dep	100	1.0	5.0	3.720	.9872
PV	100	1.00	5.00	3.7725	.90964
CPI	100	1.4	5.0	3.828	.8594
Valid N (listwise)	100				

Table 3: Descriptive Analysis Source: Survey Result 2020

The F-ratio in the ANOVA (Table 3) tests whether the overall regression model is a good fit for the data. The table shows that the independent variables statistically significantly predict the dependent variable, $F(4, 95) = 70.228$, $p (.000) < .05$ (i.e., the regression model is a good



fit of the data). In the table 3 all of the variables tested significant at 0.05 level. The p value of Credibility Influencer, Advertisement in Social Media, Consumer Involvement, Information Dependence and Perceived Value were below 0.05. From the study it shows that the consumer purchase intention in social media depend on different factors.

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	54.642	4	13.661	70.228	.000 ^b
Residual	18.479	95	.195		
Total	73.122	99			

a. Dependent Variable: CPI

b. Predictors: (Constant), PV, Inf_Dep, Con_Inv, Cre_Inf

Table 4: Result of Multiple Regression Anova Analysis on the effect of Social Media on Consumer Purchase Intention. Source: Survey Result 2020.

Table 5 provides result of the Multiple Regression Analysis on the effect of Social Media on Consumer Purchase Intention in Malaysia. The result indicated that Credibility Influencer ($\beta =-.066$, $t=-.736$, $p<.05$), Advertisement in Social Media, Consumer Involvement, Information Dependence ($\beta =-.124$, $t=1.135$, $p<.05$), ($\beta =0.011$, $t=.117$, $p<.05$), ($\beta =.980$, $t=12.228$, $p<.001$).

Coefficients^a

Model	Unstandardized Coefficients		Beta	t	Sig.
	B	Std. Error			
1 (Constant)	1.205	.195		6.191	.000
Cre_Inf	-.056	.076	-.066	-.736	.464
Adve_Soc	-.100	.088	-.124	-1.135	.259
Con_Inv	.009	.078	.011	.117	.907
Inf_Dep	.854	.070	.980	12.228	.000

a. Dependent Variable: CPI

Table 5: Result of Multiple Regression Analysis on the effect of Social Media on Consumer Purchase Intention. Source: Survey Result 2020.

Table 5 provides result of the Multiple Regression Analysis on the effect of Perceived Value on Consumer Purchase Intention in Malaysia. As showed in Table 5, Perceived Value was significantly related to actual purchase behavior ($\beta =0.681$, $t=2.9.200$, $p<.001$). This indicates



consumers who have intentions to buy the products will exhibit actual buying behavior of purchasing the products influenced by social media.

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.402	.271		5.168	.000
PV	.643	.070	.681	9.200	.000

a. Dependent Variable: CPI

Table 6: Result of Multiple Regression Analysis on the effect of Perceived Value on Consumer Purchase Intention. Source: Survey Result 2020.

As the value of R squared shows (Table 7), in aggregate the dependent variable (Consumer Purchase Intention) is explained (impacted) by all independent variables (Credibility Influencer, Advertisement in Social Media, Consumer Involvement, Information Dependence and Perceived Value) by .747 percent which shows the evaluation of the model. This R square is not over estimated while evaluating the model's fitness as its variation from adjusted R square is very near which is .737. In evaluating each independent variable impact on dependent variable, the table shows Credibility Influencer, Advertisement in Social Media, Consumer Involvement, Information Dependence and Perceived Value have significant impact on Consumer purchase intention which is affected by social media of Malaysian consumers.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.864 ^a	.747	.737	.4410	1.926

Table 7: Result of R Square and Adjusted R Square on the effect of Perceived Value on Consumer Purchase Intention. Source: Survey Result 2020.

$$Y \text{ (Consumer Purchase Intention)} = 1.205 \\ (\text{Constant}) + -.056(X_1) + -0.100(X_2) + 0.009(X_3) + \\ 0.854(X_4) + 0.643(X_5) + \epsilon_i$$

In this study, Consumer purchase intention of Malaysia is positively affected by the influence of

Credibility Influencer	X1
Advertisement in Social Media	X2
Consumer Involvement	X3
Information Dependence	X4
Perceived Value	X5

social media. In short, the outcomes of the study provide valuable insight to all that interested parties to know the drivers that able to motivate the change of behavior of the consumer in making their purchases on of consumer product. It is suggested that the marketers to prioritize their resources in areas that will stimulate their purchasing behavior, in this case to information dependence has the highest influencing act for visible the Purchase intention of consumer in Malaysia. The other important factor not to forget is the Consumer Involvement which influence consumer purchase behavior. Based on results obtained from data analysis increase



or decrease in social media marketing of Malaysia's consumer purchase intention is accompanied with increase and decrease in value perceived value of consumer. In another word perceived value increased or decreased the interest of consumer's purchase intention. From the study some significant findings reveal

- A high percentage of consumer of Malaysia have use internet to purchase products and services.
- Social media is the major platform for information as this is the effective platform for searching and perception of users. The social media is also perceived to be credible source of information. Thus, marketer can very positively use social media to pursue awareness goal.
- Credibility Influencer is one of the major strategies for providing information which contributes information to Malaysia's consumer purchase intention which have credible source of information.
- Information Dependence has a highly positive impact on social media and surprisingly, reviews from strangers and friends are almost equally trusted.
- Social media users are likely to purchase after reading positive reviews about desire product or services. Thus, creating positive review on social media will enhance sales and get authentic information for product.
- Malaysia has the large online market and 16.53 million online shoppers, accounting for 50% of the population, while 62% of mobile users use their devices to shop online (Export.gov, 2019).
- Revenue from Malaysia's e-commerce market in 2019 was US \$ 36.81 billion (Statista, 2019).

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