THE IMPACT OF SOCIAL MEDIA ON CONSUMER BEHAVIOR: PURCHASE INTENTION OF GENERATION Y ON SMARTPHONES

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I hope this thesis is going to serve readers as a guidance to learn social media and its impact on purchase decision of consumers.

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ABSTRACT

Social media has become indispensable and inseparable part of our life, especially for the people who are in Generation Y which includes youngest and working population of Azerbaijan. The purpose of this topic is to find out factors affect consumers' purchase decision on purchasing smartphones. There are different factors which is chosen as predictor variables – electronic word of mouth, social media influencers, social media advertisements and online engagement. Literature review was completed in pursuant of introduction of the study and also methodology related to the literature review and introduction. In this research primary data collection method was employed and data has been collected through Google Form and converted into numerical data. Quantitative analysis of data run by using SPSS computer program. Regression analysis of predictor variables and dependent variable showed that there is significant relationship between all other variables and purchase intention except social media influencers. According to the result, social media should be considered as effective tool of marketing. Their high level of online engagement is proof to that spreading message to generation Y cohort via social media is one of the powerful and influential method of method on smartphone market.

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1. INTRODUCTION & LITERATURE REVIEW

1.1 Introduction

Introduction of the topic is going to be provided in this chapter. Background of the study and brief review and definition of the consumer behavior by different scholars are introduced primarily. Then problem discussion will be presented. Thirdly, overall aim and research questions are going to be introduced.

1.1.1 Background

Heinonen (2011) states, mankind is social and today, consumers are taking place numerous activities from consuming contents to sharing experiences, opinions, knowledge and participate in online discussion with other consumers. Growth of the Internet leads to emerging modern virtual communities and social media sites became major communication channels. Number of online communities' members has been growing and it became new way of social communication. Evans *et al.* (2009) mentioned, members of online groups are able to influence one another's behavior including buying decisions, although they might never meet in real world.

Henrichs *et al.* (2011) states, through the facilities provided by online social networks, users can access information, interact with each other, leave a comment to the posts, review and rate product or company, hence, they are able to help each other on the purchase decision. Shortly, by using opportunities which are provided by social media, people can be wise supporter to each other and it is plausible to receive advice from someone who has past experience through social media during decision making process.

People buy things every day that satisfy their needs and it means they also make decisions at the same time. It occurs under the "rules" of consumer behaviors. Consumer behavior is the activities individuals do when they purchase, consume and

exploit products and services. Blyth (2008) mentioned environmental and personal factors have impact on consumer behaviors. Individuals or groups who have the powerful impact on social media can influence buying decisions of consumers.

According to Anantatmula *et al.* (2012) individuals who were born from 1980 to 2000 belong to Generation Y. They use online social media sites and professional networks which are for professional users intensively, as a result they connected virtually very well and they are well informed (ibid.). Generation Y cohort is considered as an addicted to social media by the marketers and also influence of brand image on this generation is high. Marketing activities through web-based platforms might be beneficent when marketers target Generation Y cohort (Strauss, 2000).

1.1.2 Review of the Consumer Behavior Definition

Schiffman and Kanuk (2000) states, consumer behavior is the attitude in which consumer seek for service or product and also processes which include purchase, use, assessment and consuming of these service or product in order to satisfy their needs. Solomon (2009) defines consumer behavior as the investigation of the procedures included when people or gatherings select, buy, use or discard items, thoughts, or experiences to fulfill needs and wants. According to Lantos (2011), market segmentation is a significant element in consumer behavior, because in terms of needs of products consumers in the same segment can be less or more similar. Solomon (2010) states, market segmentation should be based on categories such as geographic (countries, regions), psychographic (life style, personality), demographics (gender, age, social class) and behavioral (utility desire, brand loyalty).

1.1.3 Problem discussion

Use of mobile digital devices, especially smartphones has created great interest among marketers. Today mobile devices are becoming indispensable element of our lifes and data such as photos, our documents, even our fingeprints are stored in the memory of our mobile devices. There are rigorous competition among smartphone producers in the market and companies try to offer cheaper products beside high quality in order to attract customers. Azeri consumers are considered as a price-conscious consumer and word of mouth plays an significant role in their purchase decision. Therefore, reviews on social media have become one of the main factors that should be considered by companies. Mobile phone is considered as an intimate accessory by majority of phone users and they maintain a very personal relationship with deir device.

Difficult challenges are faced by marketers and firm managements regarding this particular generation cohort-Generation Y in terms of their consumer behaviour. Consumers who are in this cohort have high purchasing power and they are also active socia media users. They have also tendency to build holistic relationship with specific brand and brand plays an important role in their lives.

Millennials or Generation Y are hard to sell to; they are hard to market to as well - they are highly critical on what they buy put together with being tighter with money than any previous generation at the same age. (Forbes 2014b.)

According to the *State Statistical Committee of the Republic of Azerbaijan (2019), 34.2 percent of Azerbaijani people belong to group aged 20-40 which is in generation y. As a result,* High purchasing power and number of generation Y members in Azerbaijan population signifies the foundation of this research.

1.1.4 RESEARCH AIM & RESEARCH QUESTIONS

1.1.4.1 Overall aim

Based on the problem discussion, overall aim of the study is to determine influence of the social media on purchase intention of smartphones among consumers who belong to Generation Y cohort in Azerbaijan.

1.1.4.2 Research questions

- **RQ1.** How online engagement impact information seeking attitude and purchase intentions?
- **RQ2.** To what extent does EWOM impact purchase intention?
- **RQ3.** A research on effect of social media influencers on purchasing of smartphones by generation Y?
- **RQ4.** Evaluation of the effect of social media advertisement on purchase decision of consumers?

1.2 LITERATURE REVIEW

Overview of previous studies about research area will be presented in this chapter. Literature review is going to start with describing online engagement. Then information seeking behavior, information seeking models, EWOM and purchase intention are going to be presented. After that social media, social media influencers, generation Y and its characteristics will be mentioned. Finally, advertisement and its functions, social media advertisements and consumer purchase decision process are going to be presented.

1.2.1 Online engagement

Wang *et al* (2011) states that, engagement means giving consumers voice. Scholars began to use this concept when they discuss online consumer behavior. A research by Khammash (2008) focus on online consumer reviews and cause of the consumers' reliance on product reviews prior to making decision on purchasing a product online. He found out that the drivers of seeking others' thoughts in online consumer review have differentiated levels of impact on different course of consumer behavior. Hence, it was found that online consumer reviews have impact on consumers' buying behavior and these were used as a base for customers' searching for information.

Almana and Mirza (2013) mentioned, online consumer reviews work as consumer feedback mechanism, decision aids, and recommendation system in an on line platforms. Consumer engagement is built on a consumer's interactive and co-creative experiences with a particular object.

Social media platforms such as Instagram and Facebook have changed methods of marketing by companies and also relationship between these two sites – consumers and companies. Companies are no longer use limited, one way channels where organization is dominant and, have power over the message. Managers and marketers

should use two-way dialogue approach in order to be successful where part of power and control over the channel belongs to consumer.

Sinclaire & Vogus (2011) states, role of consumers on spreading opinions among consumers through social media sites like Facebook are becoming more prevail, rather than message that comes from marketers. Huang & Chen (2006) says that, consumers are able to share out their information, opinions and experiences on social networks, hence, consumers can interact easily with each other via social networks.

Levy (2010) states, Facebook gives unique engagement opportunities to consumers to engage and interact. Consumers are into adopting participation opportunities of other consumers on Facebook. Patel (2016) states, there is almost no disagreement that posting twice a day on Facebook is *the* way to maximize clicks and engagement on your content. In order to maximize engagement and generate followers, contents can be posted 10-15 times a day and there is no negative effect on Instagram account. But when the frequency decrease, engagement per post also goes down (ibid.).

1.2.2 Information seeking behavior

Wilson (2000) says that information seeking behavior is the intentional search for information as a result of a need in order to satisfy some objectives. In information seeking process, person might interact with computer-based systems, or manual information system (library or newspaper). Case (2012) gives another definition to information seeking – a conscious attempt to get information in return of gap in knowledge or need of information. Ingwersen & Järvelin (2005) states, it is human information behavior that cope with search of or seeking information with help of information sources and information retrieval system

1.2.2.1 Information seeking models

Numerous studies have looked into information seeking behavior and three of them are going to be presented in this part in detail.

- **Ellis's Model of Information-Seeking Behavior**

The model was designed to examine information from the social science aspect. Main goal in his model was to suggest behavioral approach, not a cognitive approach. Interviews with researchers from different academic disciplines such as social sciences, research scientist and engineers and chemists and physicist (Ellis *et al.*, 1993) was the base of this model which was used by Ellis in order to validate model.

Ellis *et al.* (1993) states, the models do not try to give definition of interrelationships and interactions among the categories or order. The characteristics of the relationship among model's features can only be portrayed in relations to particular information seeking type. However, it can be possible to portray general relationship among the characteristics, the accurate relationships of the model's characteristics depend on the circumstances that is related to information seeking behavior in a specific time and individual (ibid.). Ellis (2005) say that he found similarities is found in general and detail among a group of researchers and it has characteristics below:

- **Starting or Surveying**: it is the activities that include initial searches for information and it is also starting point for the seeking.
- **Chaining**: first resources are used as a reference point for the next step of the process.
- **Browsing**: an individual uses signs such as list of titles, contents, headings and summaries in order to narrow seeking.
- **Filtering**: it is characterized by using particular mechanism or criteria in order to make information more precise and relevant.

- **Distinguishing or Differentiating:** with help of searcher's previous knowledge and information received by others an individual tries to distinguish quality of information and topic area.
- **Monitoring:** Keeping the details of the changes in a certain area updated with special attention to basic resources.
- **Extracting:** process in which individual work with selected materials and favorable resources that make him interested; his source can be searched directly or through less direct bibliography, directories and online databases.
- **Verifying:** determination of accuracy of information.
- **Ending:** finishing the process in the end.

❖ Kuhlthau's Information-Search Process

In order to describe this model Kuhlthau (2005) states, information seeking is the process that focus users' experience via interaction of feelings, opinions, and actions and it is divided into six stages:

- **Initiation:** an individual begins to search for information and person become conscious about his or her incomplete knowledge about topic.
- **Selection:** main notion is determined and individual is capable to search.
- **Exploration:** when the individual encounter contradictory information, confusion and doubt increase.
- **Formulation:** confidence raise, uncertainty on information lessen as a perspective formed.

- **Collection:** uncertainty is getting lesser as an individual gather more relevant information and it results in bigger interest.
- **Presentation:** seeking is completed, purpose of the searching is understood and individual becomes capable of spreading it.

Fig. 1. Kuhlthau's information-search process

Tasks	Initiation	Selection	Exploration	Formulation	Collection	Presentation
Feelings (affective)	uncertainty Or disappointment	optimism	confusion frustration	clarity	sense of	satisfaction
Thoughts (cognitive)	confidence	vague----------	----------	----------	focused	----------
Actions (physical).		Increased interest seeking relevant information exploring	----------	----------	seeking pertinent information	documenting

Source: Kuhlthau *et al.* (2008)

❖ Belkin *et al.*'s Information Seeking Strategies

Belkin *et al.* (1995) say that numerous behaviors can be recognized while people seek for information in resource of knowledge. According to Belkin *et al.* (1995), there are four information seeking strategies:

- **Browsing:** it is defined as an examination or scanning of resources.
- **Learning:** referred to enhancing knowledge of individuals' problem and goal, resources and system, topic.
- **Recognition:** defined as recognition of appropriate objects via alerted association

- **Meta information task:** interaction with the resource that portrays the contents and structure of the information objects and resources

Belkin *et al.* (1995) mentioned how the concept which is suggested by him and his partners used to outline efficient interactions and supply an interactions theory, built upon strategies of information seeking.

1.2.3 Electronic Word of Mouth

Solomon *et al.* (2010) states, once you recommend new café to your acquaintance or ask your colleagues where their clothes were bought you are getting into Word-of-Mouth (WOM) communication. East *et al.* (2008) say that plenty of consumers' decisions are made in different social groups and even if they think they made a decision independently, WOM can influence them. In traditional communication theory WOM has a powerful impact on every steps of purchasing decision behavior particularly information seeking, assessment of alternatives and product choice (Silverman, 2001).

Evans *et al.* (2009) states, word of mouth is a direct communication between individuals, about services, products, brands, organizations and companies which have an influence over the purchase decision of consumers. Electronic word of mouth is stronger and has more influence than traditional marketing methods. Xue & Zhou (2010) stressed out WOM messages include both negative and positive information, because consumers tend to recommend or worn other consumers about products they bought based on their personal experiences.

Goldsmith (2006) pointed out, Electronic word of mouth is communication occurred by means of blogs, online networking sites, virtual communities, online discussion sites, and online review sites. Hennig-Thurau *et al.* (2004) defines EWOM as statement about product or company made by potential, current or prior consumer

that is available to numerous people and institutions through the Internet which can be positive or negative.

According to Chu & Choi (2011), EWOM has three conceptual aspects in Social Networking Sites (SNSs) which are opinion searching, giving an opinion and exchanging opinions. Flynn *et al.* (1996) states, some consumers tend to receive advice and search for information when they make a buying decision, because they have superior opinion searching behavior. On the other hand, some of them are more likely to give an opinion who are considered as opinion leaders that that have superior opinion giving behavior. Exchanging opinions behavior is supplementary aspect of EWOM according to Chu & Choi (2011).

Kaplan & Haenlein (2010) As the number of people who share their thoughts and experiences growing and also EWOM users are growing, Electronic Word of Mouth becomes more significant for companies and it leads to implementation of "social media marketing" strategies by companies.

1.2.4 Purchase Intention

Doyle (2015) defines purchase intention as future aim of purchasing behavior and decision which is made under economic factors that involve in a process. According to Spears (2004), purchase intention is a plan or effort made by conscious mind by consumers during buying a product. Consumers' purchase intention is key factor to learn their willingness to buy product. Purchase intention is a significant sign in order to analyze efficacy of the purchase behavior of consumers.

There are many factors that affect purchase intention such as brand, nationality of person, his or her personality type etc. As Kotler (2007) states, brand plays an essential role in purchase intention of consumers and its important element.

According to Pappu *et al.* (2006), product brand, country of origin, consumer base upon brand aspects have close relationship. But literature of marketing study cannot give clear explanation how country's origin can have influence on purchase intention of consumers (ibid.).

Communication process through electronic word of mouth has substantial impact on buying intentions of consumers. (Cheung & Thadani, 2012). Brown *et al.* (2007) states, although different factors have impact on purchase intention of consumers including receivers, communicators, stimuli and context of communication, person think that internet site is the senders of word of mouth in social networking forums, in addition individual recognition can be substituted by online communities. Discussion in online communities play significant role in forming consumers' purchase intention (Fong and Barton, 2006).

1.2.5 Social media

Blackshaw & Nazzaro (2004) states, social media is a range of fresh sources of information which is in online and that are initiated, circulated, created and used by consumers which aims to educate each other about brands, products, services, issues and personalities.

Safko & Brake (2009) defines social media as an "activities, practices and behaviors among communities of people who gather online to share information, knowledge, and opinions using conversational media. Conversational media are Web-based applications that make it possible to create and easily transmit content in the form of words, pictures, videos, and audios."

Social media is an internet-based applications group that is built upon the technological and ideological basement of the Web 2.0 which allow users create and exchange contents that they generate (Kaplan & Haenlein, 2010).

Hoffman *et al.* (2013) defines social media as "the set of web-based and mobile tools and applications that allow people to create (consume) content that can be consumed (created) by others and which enables and facilitates connections". It is more recent definition of social media among the scholars.

1.2.5.1 Types of social media

As mentioned above there are different definitions of social media are given by authors. Also different types of platforms and applications represent social media. It is necessary to classify social media in terms of their types. Mayfield (2008), classified social media into seven types: social networks, wikis, blogs, for a, podcasts, microblogs, content communities. According to Kaplan & Haenlein (2010), there are also seven types of social media: blogs, social networking sites, content communities, collaborative projects, virtual social worlds, virtual game worlds.

A detailed summary of each types of social media is given in accordance with Kaplan and Haenlein (2010)):

- **Blogs (e.g., Twitter and Tumblr**

  They represent primary style of social media and date-stamped entries are displayed in inverted chronological sequence. They offer numerous different variations, from diary which describe life of author to summary of information in one particular content area. Generally, blogs are managed by one individual, however it provides an opportunity to users interact with others via comments. Because of their historical origin, most common blogs are still text-based blogs.

- **Social networking sites (e.g., Facebook and Instagram)**

SNS are the applications which make connection possible for users with creating personal profiles, enabling friend and co-workers access to their profiles, and sending instant messages and mails to each other. Video and audio files, photos, blogs and other type information are included in these personal profiles.

- **Content communities (e.g., YouTube and Flickr)**

Sharing of media content among users is the major object of content communities. Range of various media types exist in content communities, including videos, photos, text, PowerPoint presentations. Personal profile pages are not required from users in these communities, but if it is required, only basic information like number of videos they shared or date they joined the content community are required. From corporate perspective, sharing copyright-protected materials is carrying a risk in these platforms.

- **Collaborative projects (e.g., Wikipedia)**

Simultaneous and joint creation of content by numerous end-users is the most democratic appearance of UGC. In collaborative projects, two types of them are differentiated: wikis which enable users to change, remove, and add text based content. Social bookmarking applications that let group rate the media content and Internet links.

- **Virtual game worlds (e.g., Second Life and IMVU)**

Virtual game worlds are the first type of virtual worlds which three-dimensional environment is copied in this platform and users can interact each other in the form of their personalized avatar. Virtual world is the manifestation of highest social media presence among other types of social media. Users are required to obey strict rules and behave in accordance with the context of massively multiplayer online role-playing game in the virtual game worlds.

- **Virtual social worlds (e.g., World of War Craft)**

Virtual social worlds are the second type of virtual worlds. Unlike virtual games worlds, users can behave freely and life in the virtual world is same with their life. Strict rules and restricted interactions are not seen in these type of social media, only basic physical rules exist such as gravity.

Fig. 2. Classification of Social Media in terms of its types

		Social presence or media richness		
		High	**Medium**	**Low**
Self-disclosure or self-presentation	**Low**	Virtual game worlds (e.g., World of Warcraft)	Content communities (e.g., YouTube)	Collaborative projects (e.g., Wikipedia)
	High	Virtual social worlds (e.g., Second Life)	Social networking sites (e.g., Facebook)	Blogs

Source: Kaplan & Haenlein (2010)

Hughes *et al.* (2012) stressed out all social networking sites suggest online social interaction, but not all of them provide same services or have similar focal point. According to the data of Statista (2019), Facebook has the highest number of users in among social media platforms with 2.271 billion users. YouTube has the second largest users pole with 1.9 billion people, while WhatsApp accounts for 1.5 billion users. WeChat and Instagram was responsible for 1.083 and 1 billion users respectively (ibid.).

1.2.6 Social media influencers

Byrne *et al.* (2017) defines influencer marketing as a kind of marketing which use key leaders in order to spread brand message to bigger market.

Lu *et al.* (2014) states that social media influencers is a third-party people who have strong social influence on others and have high social status. Social influence imply adaptation and change of individuals' thoughts, decision and action due to interaction with people whom they are convinced to have the same views and interest (ibid.). According to Abidin (2016), popularity of social media has substantial effect on growth of social media influencers. For example, after Instagram became most famous means of social media in Azerbaijan, numerous social media influencers have come up and offer different contents to their target audience. As time pass they became advertise different brands in their accounts in return of money and their accounts are being used as a means of marketing. So, growth of social media influencers created a chance for companies to use it as a marketing tool in order to advertise products to customers.

Abidin (2016) states, numerous social media influencers exist in social media and operate on only one or more platforms at the same time such as bloggers or celebrities. Kaplan & Haenlein (2010) stressed out social media influencers are a group of people who have high social position on platforms of social media such as Instagram, Facebook, Twitter, YouTube. These people share several content daily on their accounts which mostly contains personal information about their daily lives (ibid.).

At the same time, social media influencers spread their thoughts and experiences about different products and brands which they are sponsored with by firms and that gives chance to consumers to see online reviews directly (Uzunoğlu &Kip, 2014). Social media influencers have influential power on their subscribers and can interact

intensively with their followers and they have substantial impact on their purchase decision of followers. Uzunoğlu & Kip (2014) states, main reason behind this fact is that EWOM about product from social media influencers are more persuasive and powerfull rather than EWOM from companies.

1.2.7 Generational Theory and Generation Y

According to Pilcher (1994), the term 'generation' is meant to group people into the coherent group based on the years they were born and hence sharing their models of behavior, thoughts, feelings and attitudes. They are in a same age group, so same trends in society or fashion influence their attitudes towards buying or entertainment. Berkowitz and Schewe (2011) say that similarities and shared experiences within age groups is focused in Generational theory, which allows the identification of similarities and differences among age cohorts.

Schewe and Meredith (2006) states while many countries may experience the same defining global moments, socio-economic, cultural, geographical, religious and political differences can profoundly change the impact that these events have from country to country. For instance, Azerbaijani people have lived roughly 70 years under the Communist USSR which restricted citizens to leave country, therefore they could not experience social changes, trends and also products produced in foreign countries.

McCrindle (2002) states that there are six generations in today's society, namely Seniors (before 1925), Builders (1926-1945), Boomers (1946-1964), Generation X (1965-1981), Generation Y (1982- 2000) and already Generation Z (2001+).

Above mentioned facts, one of the generations is gen Y. According to McCrindle (2002), people in Generation Y have their own characteristics of needs, wants, desires and beliefs to the workforce that is extremely different from previous generation X and baby boomers, silent generations. As Armour (2005) mentioned,

members of Generation Y have high expectations of themselves, in addition of their employees.

Martin (2005) pointed out that "Years are the blunt, techno-savvy, contradictory children of Baby Boomers believing in education is a key to success, technology is as transparent as the air, diversity is a given, and social responsibility is a business imperative"

1.2.7.1 Characteristics of Generation Y

Distinctive characteristics of Generation Y from other generations has been identified by Adeline et. al (2010). She differentiates generation Y with characteristics below:

- **Diversity –** generation Y is considered the most diverse generation in terms of ethnicity in history. According to United States Census Bureau, percentage of people who considered himself or herself "Caucasian" is only 61. Social circles of generation Y are most diverse too due to the race and religion.
- **Education –** most distinctive character of Generation Y is that they grew up in an internet era. Therefore, as Kotler & Armstrong (2010) mentioned, members of generation Y are very good at using computers and comfortable with technologies.
- **High self-esteem**- stubborn personality that they gained while they grow make them tend to have can-do attitude. Non-traditional environment they are brought up make them more independent. Thus, they are very confident and comfortable in their decision making process.
- **Techno savvy -** consumers who belong to Generation Y are interconnected and technologically intelligent. They are the first generation cohort which met

social media in their young ages and after collapsing Soviet Union they became first generation that had a chance to get western style education in different developed countries which enable them to adapt new technological advancements easily.

- **Power of spending -** they have potential high purchasing power, so generation Y would have exceptional impact on the economy in short term future (Noble *et al*. 2008). People who were born between 1980 and 2000 are 34.2 per cent of total population of Azerbaijan which belong to Generation Y (SSCRA, 2009).

1.2.8 Advertisement and its functions

Akhundov (2005) states, advertisement is the information about consumption characteristics of commodities (goods, services and ideas) and various types of services. It is activities that intend to spread popularity of organization or work of literature or art (ibid.). According to Bovee (1992), advertising is information communication about ideas, services or goods which is impersonal and it has persuasive nature and particular sponsor pay for it.

4 functions of advertisement are identified and given information below is in accordance with Kotler (2002)

- **Social function**: information which is carried by ads has substantial influence on individuals' consciousness. Despite advertisement is promotional tool of marketing, it also carries values and help to establish values of society, thus, it influences social relations. Also consumption culture is developed by help of advertisement.
- **Economical function**: sales of particular product is stimulated by advertisement in certain time and it increase volume of profits due to its economical function. Informing consumers, creating need in them and

motivating them to buy are main elements of advertisement. For the benefits of economy and wellbeing, it is better to consumers respond advertisements.

- **Marketing function**: advertisement is one of the important elements of marketing. Main aim of ads is fully satisfying consumers with goods and services which is completely connected to purpose of marketing.
- **Communication function**: it is special form of communication which is intended to link consumers and advertisers with help of different information channels.

1.2.8.1 Types of Advertisement

According to Sandage (1989), there are seven types of advertisement. Information is going to be presented below is in accordance with Sandage *et al.* (1989).

- **Brand advertising:** it typically based on textual and visual advertising. Main objective of such kind of advertisement is reaching an advanced level of customer recognition of particular brand.
- **Political advertising:** such kind of advertising is intended to form positive image of politicians and it is most influential and famous one.
- **Retail and commerce advertising:** main focus of this type is particular product sales or organization: shop or service company can be its focus point. Notifying potential customers about place and main features of service or good in order to motivate them to purchase is main purpose of retail and commerce advertising.
- **Corporate advertising:** advertising information cannot be seen in this type (in traditional sense), main objective of corporate advertising is preparation of certain segment in order to support advertiser's view.

- **Advertising with feedback:** it includes swap of information with possible buyer. Using direct mail to certain receivers which creates great interest in advertisers is the most usual way of this type.
- **Business advertising:** distribution of groups according to their specific occupation is main task for business advertising. It is professionally-oriented advertising and specialized publications is major method of spreading it.
- **Social or public advertising:** it focuses mainly audience which is gathered because of their social status such as teenagers, single mothers, veterans, childless couples.

1.2.8.2 Social media advertisements

According to Lee *et al.* (2015) consumers spend most of their time on the internet with surfing social media sites and browsing. Thus, social media became important marketing tool and also fastest expanding and vast amount of companies' marketing budget is spent to social media advertisement (ibid.).

Key to reach consumers is active participation on social media and frequent advertisement via social media. Taylor *et al.* (2011) states that best way to gain new consumers is ads through social media and also it generates more sales (Gironda & Korgaonkar 2014).

Taylor *et al.* (2011) states, perception of consumers on social media advertisement is its entertaining and informative characteristics. Generally, consumers have positive attitude on advertisement in social media, because of impact of social media ads. But social media's participative nature does not have positive influence on perception of consumers (ibid.).

According to Gironda & Korgaonkar (2011), in comparison with traditional internet advertisement, deliverability, engagement, and relevance of targeted results of social

media ads increase mobility and role of consumers. In support of this statement Okazaki & Taylor (2013) states, social media let consumers generating information and build new social groups (networks) and also it increases mobility. Potential of companies' social media advertisement can be leveraged effectively, if company consider these possibilities (ibid.)

1.2.9 Consumer Purchase Decision Process

There are numerous theories that describe consumers purchase decision process, main similarity or common characteristics of these theories is its final step. They start and end with purchasing a product. most common consumer purchase decision models suggest that there are five stage of this process consumer go through: need recognition, information seeking, evaluation of alternatives, purchase decision and post-purchase behavior.

Silverman (2001) states, clarity and accessibility of information has extreme impact decision making process, so, it is crucial for companies to analyze frictional points and obstacles which keep potential customers from being loyal customers or hold consumers in hesitation from purchasing again.

Kardes *et al.* (2011) defines five stages of consumer purchase decision. They are: need recognition, pre-purchase search, evaluation of alternatives, purchase behavior, post-purchase evaluation.

Fig. 3. Consumer decision making process.

Source: Kardes *et al.* (2011)

Time that is needed by consumers in order to go through these stages depends on level of involvement. It means that cars and luxury goods which is high involvement products require more time to thin from consumers. More time is needed by consumers to reach last phase. When consumers buy low involvement product, conative and emotional stages come before cognitive phase and consumers create attitudes towards product after purchasing.

Five stages of consumer decision making process are going to be presented below and different sources were used in this part of the thesis.

1. **Need Recognition**

It is the first phase of purchase decision process. As Park & Cho (2012) states, consumer analyze the his or her need and try to find what product she or he look for satisfying this need. Szmigin & Piacentini (2015) mentioned that the need is accepted by consumer if change occurred in his or her actual or ideal state, or occurred in both states. Consumer's dream about situation is ideal state, but real situation at exact moment is actual situation (ibid.). If external and internal factors stimulate wants within consumer's brain, change will be occurred between two stages (Valck *et al. 2013*). Internal stimuli are triggered by basic needs of consumers, for example hunger, but external is activated by visuals (Comegys et al., 2006). For example, advertisement of restaurant can create hunger in consumer. Social media contain vast

amount of advertisements and visual attributes which are posted by social media influencers which trigger consumers' external stimuli more rather than internal stimuli (ibid.).

2. **Pre-purchase Search**

When consumer aware need he or she has, consumer begin to seeking information about product that is best option and suitable to satisfy recognized need from different channels (Park & Cho, 2012).

Lee & Cranage (2010) states, information search before purchase decision could be made both externally and internally. Internal information is stored in individuals' brain and collected through memory and it means that if consumers wants to make a decision, she or he will address previous information about products and brand. In external information search process, information could be collected outside of individuals' memory and information can be given by sellers or different sources such as online social media users (ibid.).

3. **Evaluation of Alternatives**

After gathering information about product from different sources, consumer starts to evaluate characteristics of these items and try to find suitable one. Comegys *et al* (2006) states that there is minimum level of acceptable requirements that is needed to be met, before consumers purchases product. Park & Cho (2012) stressed out evaluation of each product begin with comparison of their possible benefits such as brand, product information, warranty, price and size. Then consumer decides which product can be best option and satisfy his or her needs and eliminate other alternatives (ibid.). Major purpose of consumers in this phase is to understand which

alternative would possibly satisfy his or her need better than others which were selected since beginning of the process (Valck *et al.* 2013)

4. Purchase Behavior

Comegys *et al.* (2006) states, if consumers suppose that they are satisfied with information they gathered and can evaluate which product is worthy, they continue the next phase of consumer purchase decision process – purchase decision. But there is one factor that affect consumer's decision – opinions of others which play an important role. In support of this statements Valck *et al.* (2015) stressed out sharing or exchanging information with others play significant role in whether buying is happened or not.

5. Post-purchase Evaluation

Before purchase, throughout the process, consumer has developed couple of expectations about product such as how it would satisfy his or her need (Park & Cho, 2012). Comegys *et al.* (2006) say that expectations are reviewed by consumers in this stage and consumer decide whether his or her need is fulfilled or not, also purchase of product will be made or not. Companies would like customers to feel satisfied with their product and trust and loyalty can be won by company which means potential consumers will be future consumers (Ha & Stoel, 2012).

2. METHODOLOGY AND ANALYSIS

2.1 METHODOLOGY

In this chapter, description of techniques that used to collect data for researcher questions is presented. Saunders et al. (2009) defines methodology as the "theory of how research must be handled". Through this chapter reader of this work is able to follow aim of the research is approached and it is kind of guidance to readers.

Deductive approach is employed in the research, which is considered as the viewpoint of the nature of the association between social research and theory (Bryman, 2011). There are notions which should be converted into researchable object, within the hypothesis (ibid.).

2.1.1 Research Design

Bryman (2012) defines research design as "the structure for the gathering and examination of data". According to Saunders *et al.* (2009), research design is a comprehensive scheme of how researcher will approach answering research questions. Research design is a crucial basement, skeleton and important blueprint in order to organize a research project (Malhotra, 2010). Effective research design primarily depends on good research design.

According to Bryman (2012), there a five common research designs which are case study, cross-sectional, comparative, experimental and longitudinal. Cross-sectional research design is going to be employed in this research work. Saunders *et al.* (2009) say that cross-sectional design is a study of certain phenomenon in certain time. Definition by Saunders *et al* (2009) to cross-sectional research design is almost the same with this idea – research design is where data is gathered at only point during little period of time in practice.

Bryman (2012) states, research design that require the gathering of data on several cases at only point in time to gather of quantifiable or quantitative data in link with several variables which are going to be investigated in order to define models of association.

Main reason behind employment of cross-sectional design is it is eligibility and usefulness. Because this type of research design enables researchers to analyze great amount of and also numerous different variables simultaneously. As Saunders *et al.*

(2009) states, most research projects is done for academic courses which are certainly time constrained. Major purpose of this study is understand the main reason behind motivations that affect purchase decision of people and find relationship between their social media engagement and decisions.

2.1.2 Research Strategies

Bryman (2012) defines research strategy as a "general guidance to conducting social research". According to Saunders *et al.* (2009) there are seven subsequent research strategy- experiment, action research, ethnography, grounded research, archival research, case study and survey.

Survey research strategy is going to be employed in this study. Survey is widespread and popular in field of management and business and it is used to answer questions such as where, what, who, how many and how much (Saunders *et al.* 2009). It allows researcher to gather data in huge amount from large population in highly efficient and economical way and also used standardized questionnaires enable easy comparison. The survey strategy allows gather numerical data which enable analyze quantitatively using inferential and descriptive statistics. Researcher is more likely to have more control on research process and also it is cost-effective (ibid.).

2.1.3 Instruments for Research

Babbie (2013) states, instruments of data collection are particularly designed to extract required information for analysis. Neuman (2004) stress research instruments can be classified in two groups depend upon how data collected – gathering data in number form (quantitative) or in word or picture form (qualitative). As mentioned before, quantitative research strategy is going to be used in this study research proposal. There are three principal types of instruments of data collection – observation, self-completion questionnaires and interviewing (Bryman, 2012).

Self-completion questionnaires will be used for this research work and it should be noted that second imply for this type of instrument is self-administered questionnaires. Neuman (2014) defines questionnaires as "the method which widely falls down survey research –that entails asking a sample of numerous respondents the same inquiries, in order to evaluate several variables and also test multiple hypotheses at the same time".

This type of instrument of data collection is done by respondents without help of interviewer (Bryman, 2012) and questions in the questionnaire must be read and recorded by respondents themselves (Neuman, 2014). As Babie (2013) states, self-completion questionnaires emerge in couple of forms such as internet and e-mail surveys, group-administered and mail (postal). In this research work questionnaires will be spread via social media and other means of internet.

As other research methods have advantages, also survey method has its specific advantages. Bryman (2012) states several advantages of survey methods:

- Surveys are flexible: it is possible to combine survey method with other methods in order to obtain richer data. For example, in-depth interviews or focus groups besides survey.
- Surveys are efficient: use of random sampling methods in order to collect data enables researcher generating findings and drawing conclusion about the total population with small sample size. So it can be considered very cost effective method of examination of consumer behavior.
- Survey has external and internal validity: using random sampling method can generate a sample which represent certain population of study findings from this technique can be generalized for broader population.
- Surveys can cover samples spread geographically - Surveys can be done by using couple of techniques such as telephonic, postal online in order to gather

data. It means research can access and include widely scattered audience into sample.

Research instruments includes various closed questions – ranking questions, multiple-choice and single-choice questions.

1. Questions in which respondents should record only one answer from two given answers.
2. Couple of variants will be on questions and respondents will choose one of them.
3. Specific dimension will be given to answers and respondents is demanded to answer question within this dimension (respondent will show his opinion through choosing from limited anwers).

In order to make better design for research instruments which enable respondents to understand what is required, several guidelines should be followed. Suggestion to designing guideline is in accordance with Bryman and Bell (2011):

- ✓ Avoid terms in questions which are uncertain such as words - “regularly” or “often”
- ✓ Avoid long questions which result respondent might lose the means of the question.
- ✓ Avoid questions which ask questions about two things simultaneously in the same question.
- ✓ Avoid loaded and leading questions which can impact the respondent.
- ✓ Avoid questions which contain negatives, because it is easier for the answerer to catch negative word in their comprehension of the question.
- ✓ Avoid technical terms in questions and use simple, plain language which enables responders to reply questions with their real thoughts.

- ✓ Ensure that close-ended questions and the answer have symmetry between each other.

2.1.4 Interviews

Saunders *et al* (2009) defines an interview as "the intentional discussion among two or more individuals". Using interviews helps to collect reliable and valid data which are applicable to research objectives and questions (ibid.). Kheyirkheberov (2015) states, during conversation interviewer try to force respondent to talk and reveals his or her real thoughts. Depending on discussion of same topic in different time, structure of questions and general theme of dicussion can change (ibid.).

According to Bryman (2012), there are two types of interview: semi-structred interview and structured interview.

Structured interviews are done with questionnaires base upon identical and standardized questions which determined before and it is also called inreviewer-administred questionnaires (Saunders *et al.* 2009). In this case all questions are read beforehand by interviewer and response is recorded in standardized schedual with pre-coded answers.

In comparison with structured inteviews, semi-structured is not based on standarized list of questions. Saunders *et al.* (2009) states, researcher havequestions and a list of themes to be covered which canges from interview to interview. So, some questions can be omited during the process and also order of questions changes due to flow of conversation (ibid.).

According to Bryman (2012), some elements should be done before interviews as a guidance:

- ➢ Creating order on the topic areas in a particular amount, so question will flow quite well.

- Forming topics and research questions in a way which help to answer research questions.
- Using relevant and understandable language to your audience.
- Avoiding leading questions just as in quantitative research.
- Ensure that general kind and spesicific kind facesheet infrmation are asked and recorded. It is needed to contextualize people's answers.

2.1.5 Questionnaire

Malhotra (2010) say that a questionnaire which is also named as a measuring instrument, interview, schedule is a formalized group of questions in order to receive information from respondents. Questionnaire is a common term in order to name all data collection methods where each individual is asked to answer to the same group of questions which is determined beforehand (Saunders *et al*, 2009)

Any types of questionnaires have three particular purposes (Malhotra, 2010). Firstly, needed information should be translated into particular questions which will be answered by respondent. Secondly, questionnaires should stimulate, encourage and motivate the answerer to participate active in interview and corporate with researcher. Thirdly, response error should be minimized by using questionnaires (ibid.).

According to Saunders *et al.* (2009), there are two types of questionnaires – self-administered and interviewer-administered. In this research work self-administered questionnaires are going to be used in order to gather relevant data. There are also three forms of conveying self-administered questionnaires: internet-mediated questionnaires, mail or postal questionnaires and delivery and collection questionnaires (Saunders *et al.*, 2009).

Most of the research questionnaires are going to be delivered via “Google Survey” application and small size of questionnaires will be given to respondents and wanted them to record their opinions.

2.1.6 Questions

There are some options are available while making questionnaire, using *close-ended questions* or *open-ended questions*. Babbie (2013) states, in case of asking open-ended questions, respondent is required to respond with his answers. For example, what do you think about quality and price relationships of smartphones. When close-ended questions are asked, respondent must select one of the answers from provided list (Babbie, 2013). Open-ended question is wide-spread method, because it contains more homogenous responses and enables researchers to conduct data easily (ibid.).

Bryman (2012) mentioned several advantages of close-ended questions:

- Processing of answers is easier.
- Closed questions enable comparison of answers easier.
- Closed questions can make the meaning of a question clear for respondents
- It is easier for both interviewers and also respondents to complete.
- In structured interview, closed questions decrease the chance of variability in the recording of answers.

Because of it is easier processing than open-ended questions and structure of work, close-ended questions are going to be employed in this research’s questionnaire.

2.1.7 Variables

Babbie (2013) states that variables are logical group of attributes. Also characteristics of people are attributes. For example, woman is variable, but single and married woman are attributes. Social researchers want to understand system of variables

which cause difference in certain attitude, weak in one and strong in other person (Babbie, 2013).

There could be numerous variables that affect or do not each other. Saunders *et al.* (2009) distinguish three aspects of variables:

- a dependent variable - it changes due to changes in other variables.
- an independent variable - it induces change in a dependent variable.
- an extraneous variable - can also cause changes in a dependent variable like independent variables.

Saunders *et al.* (2009) distinguish three types of variables based on Dillman (2007): *opinion variables* are used to record feelings, thoughts and beliefs about what is false or true. What people did and what will they do are recorded by behavioral variables. It means researcher record behavior of respondent. *Attribute variables* include data about characteristics of respondents such as gender, age, occupation, education, marital status.

2.1.8 Sampling and Data Collection

"What are population and sample" should be understood, before sampling. According to Malhotra (2010), population is sum of all the elements which share common characteristics and consist the system for aim of research problem. Subgroup of the population's components which selected in order to participate in the study is sample (ibid.). Neuman (2014) defines sample as "small group of happenings which are selected by researcher from a bigger group and employ to generalize to the population"

Babbie (2013) states, sampling is a procedure of picking elements of observation. Sampling method might be based upon one technique from two - non-probability sampling and probability sampling (Bryman, 2012).

In this research work, non-probability sampling technique is going to be employed. Bryman (2012) say that this method requires a sample which is not selected by using random selection, therefore, some happenings in population can be chosen more than others due to higher chance. Although non-probability method is not highly accurate, in case of representative sample is entailed, it is a plausible alternative when probability sampling is impractical, expensive, time consuming or just impossible (Neuman, 2014). There are three types of this sampling technique for quantitative research strategy: quota sampling, snowball sampling and convenience sampling (ibid.).

Because of its cost effectiveness beside having a chance to achieve larger number of respondents, non-probability technique of sampling will be used in order to choose sample participants.

There are two kinds of data – primary and secondary data. In this research, primary data will be used in order to solve research problem. And questionnaire will be supporter in this process. As Malhotra (2010) states, questionnaire might be an instrument in order to collect instrument with set of questions. It easy to convey information through questionnaires and get feedback from respondents.

2.1.9 Quantitative Data Analyses

In quantitative research, the researcher uses various data analysis methods, usually through the computer software (Neuman, 2014) in order to intensify the volume of data collected and to examine for associations among variables (Bryman, 2012).

Babbie (2013) mentioned there are numerous different techniques that a researcher can utilize in order to analyze quantitative data, from basic analysis (like univariate analysis) to complex, multivariate analysis (like cluster analysis, factor analysis, structural equation modelling multiple linear regression etc.).

According to Bryman (2012) variables in quantitative analysis classified into four types. They are:

- Ratio or Interval variables - variables in which the interval between the categories are equal along the range of categories.
- Ordinal variables - variables whose categories could be degree ordered, however the space between the categories are not identical along the range of categories.
- Nominal variables - variables which are also called as categorical variables, include categories which could not be queue ordered.
- Dichotomous variables - variables comprise data which have just two categories such as gender.

Data analyses is going to be done in SPSS computer program accurately. As Saunders *et al.* (2009 mentioned), "data are entered for computer analysis as a data matrix in which each column usually represents a variable and each row a case". First entered variable must be an original identifier in order to ease error checking. With few exceptions, whole data have to be recorded by numerical codes to streamline analyses (ibid.).

2.2 Data Analysis

This part provides readers with analysis of gathered data from targeted audience. Descriptive statistic of sample and regression analysis of hypothesis will be presented.

2.2.1 Descriptive statistics

In this part of the study descriptive statistics of the respondents are going to be presented. It will be illustrated by using different graphs which was done by using SPSS. Research based on answer of 420 respondents and statics were run on SPSS in order to compare and establish respondents profile.

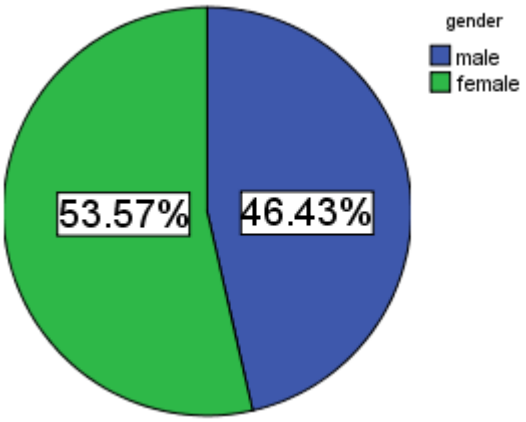

Figure 4: Gender

Figure above illustrate total participants of the survey. 53.57 % of total 420 respondents is female, percentage of male respondents is 46.43.

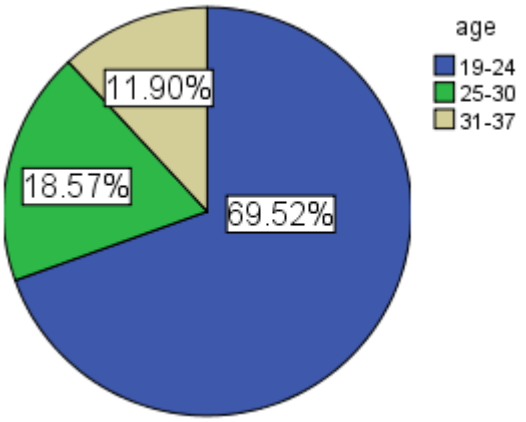

Figure 5: Age Group

Purpose of the study is investigating consumers' purchase intention on smartphones who belong to Generation Y. So 19-37-years old people were included to the study. Most of the respondents belong to age group of 19-24-years old (59.52%). Percentage of 25-30 and 31-31 years old people are 18.57 and 11.9 respectively.

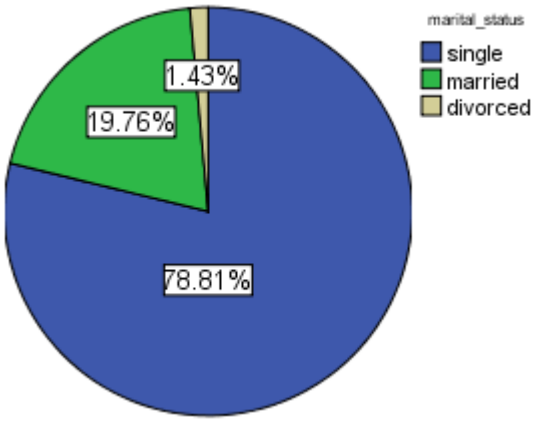

Figure 6: Marital status

Respondents were divided into 3 groups in terms of their marital status. 78.81 % percent of total sample are single. Proportion of married respondents 19.76 %, only 1.43 % of sample are divorced.

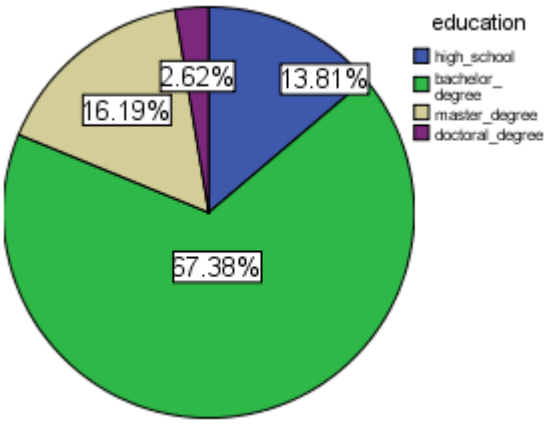

Figure 7: Qualification

Most of the respondents hold bachelor degree (67.38%), while percentage of master degree and high school diploma possessed respondents are 16.19 and 13.81 respectively. Only 2.62 % of sample had doctoral degree.

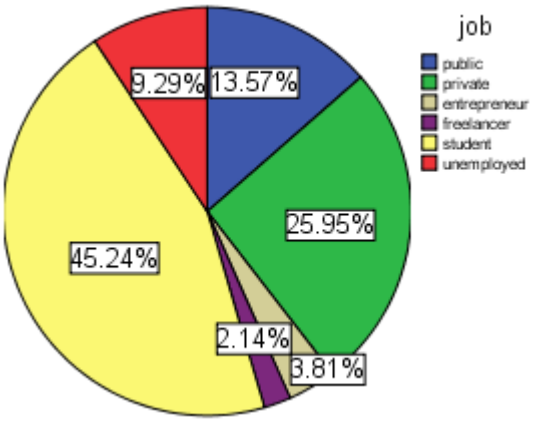

Figure 8: Occupation

Figure 8 illustrates the occupation of sample. The highest percentage in terms of occupation belongs to students (45.24%). Respondents who work in private and public section of the economy are 25.95 and 13.57 % respectively. Percentage of entrepreneurs and freelancers are 3.81 and 2.14 in sample. 9.29 % of respondents are unemployed people.

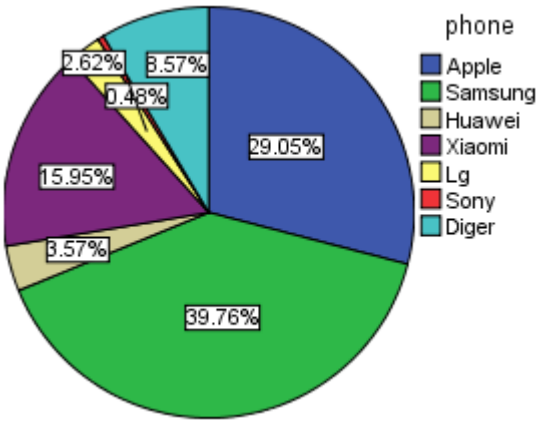

Figure 9: Smartphone

Most of the respondents in the sample are Samsung users (39.76%), while percentage of Apple and Xiaomi users are 29.05 and 15.95 % respectively. 3.57; 2.62 and 0.48

% of total respondents had Huawei, LG and Sony smartphones. 8.57 % of respondents use other smartphone brands.

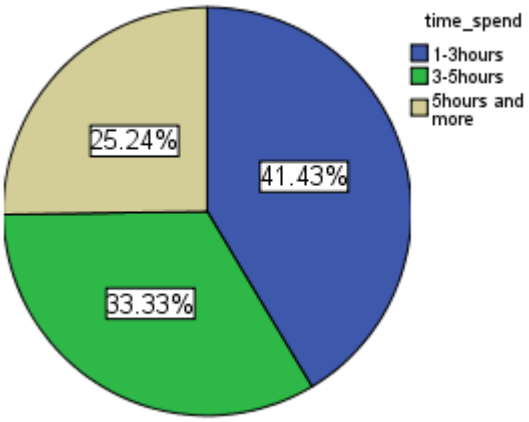

Figure 10: Time spend on social media

Percentage of respondents who spends 1-3 hours on social media 41.43, while proportion of users who spend 3-5 hours and 5 hours and more are 33.33 and 25.24% percent respectively.

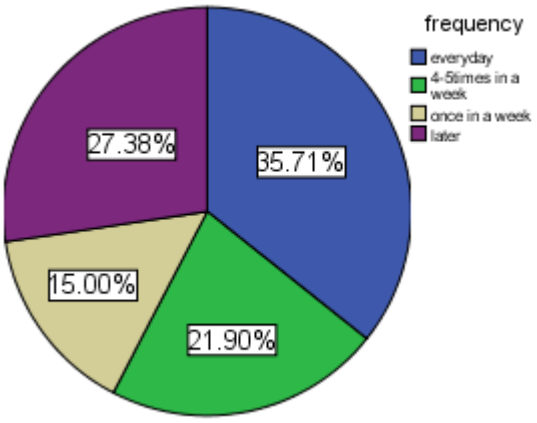

Figure 1: Frequency of the communication

Most of the respondents in sample contact with their fellows in a daily basis (35.71%). 21.9 and 15 % of participants communicate with their friends 4-5 times a

week and once a week respectively. 27.38 % people in sample contact with their mates or families more lately (later than a week).

2.2.2 Descriptive results

1. EWOM

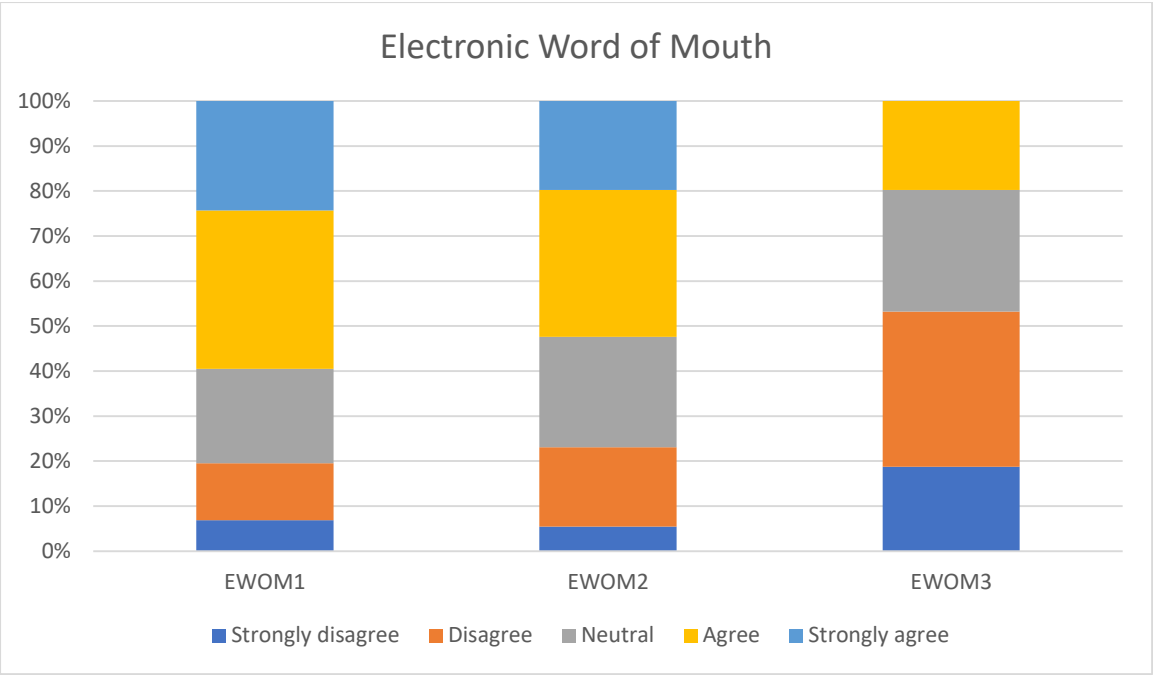

Figure 12: Electronic word of mouth

Figure above illustrate the statement about electronic word of mouth and respondents' answers.

"I search for information about smartphone brands on social media before purchasing"- most of the respondents agreed with the statement (35.2 %) and it is followed by respondent who agree and neutral about statement 24.2 and 20.9 % respectively. Those who disagree and strongly disagree with the statement are 12.6 and 6.9 % respectively.

"To buy right smartphone brand I frequently read consumers' online comments about product on social media"- 32.6 % of total sample agreed with the statement. Proportion of those who neutral and strongly agree are 24.5 and 19.7. Respondents who do not read others' comments about product (who chose disagree and strongly disagree) are 17.6 and 5.4 % in terms of their answers.

"I frequently receive advice from consumers' personally about product on social media"- illustrates that most of the respondents disagree with the statement (31.9 %). It is followed by the respondents who are neutral and agree (25 and 18.3 % respectively). Respondent who strongly disagree are about same proportion with agree in the sample (17.3 %). Only 7.3 % of respondents strongly agree with the statement

2. Social media advertisements

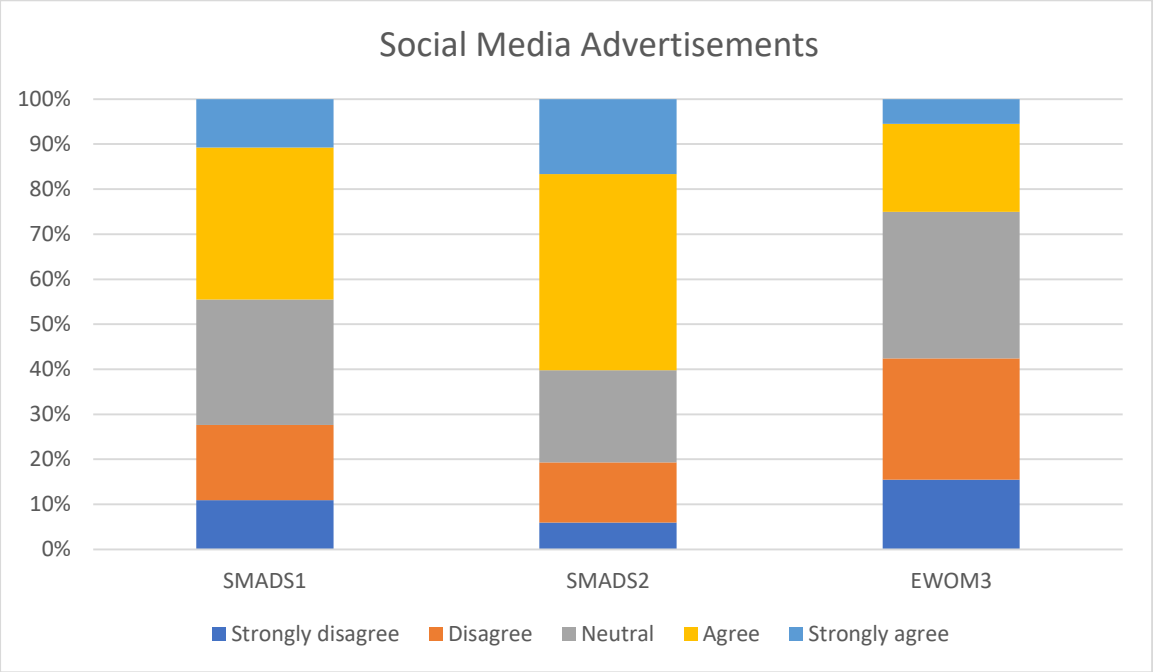

Figure 13: Social Media Advertisements

"Social Media Advertisements play an important role for me to get an information about product"- 33.9 % of total sample agreed with this statement, and it is followed by those who are neutral with 27.8 %. Respondents who disagree and strongly disagree are 16.6 and 10.6 % respectively, only 10.7 % of sample are strongly agree.

"Good advertisement make me to think positive things about product"- figure illustrate that 43.5 % of sample agreed with the statement, those who are strongly agree 16.6 %. Respondents who are neutral and disagree are 20.2 and 13.3 % respectively and only 5.9 $ of them strongly disagree with the statement.

"Social Media Advertisement affect directly to my purchase decision"- 19.5 and 5.3 % of total respondents agreed and strongly agreed with given statement. Most of the respondents are neutral in this case (32.6 %). Proportion of those who disagree and strongly disagree are 26.9 and 15.4 respectievely.

3. Purchase intention

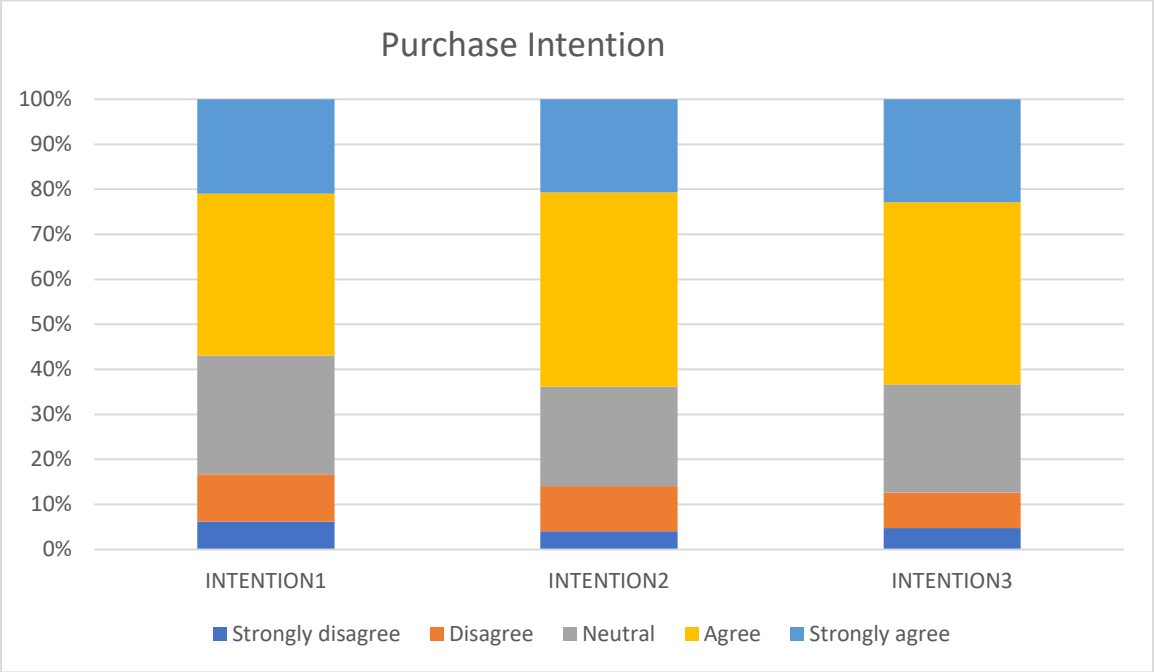

Figure 14: Purchase intention

"I would buy this smartphone brand again"- as it is seen in the figure 14 most of the respondents agreed with the statement (35.9 %) and it is followed by the respondents who are neutral and strongly agree 26.4 and 20.9 % respectively.

Percentage of people who disagree and strongly disagree is very little (10.4 and 6.1 % respectively)

"I would recommend this mobile device to my family members"- most of the participants agreed with this (43.1 %), while percentage of those who are neutral and strongly agree are 22.1 and 20.7. Proportion of respondents who disagree and strongly agree is 10 and 4 %.

"I would tell other people how good this smartphone is"- figure illustrate that proportion of those who agree and neutral are highest (40.4 and 24 %) and these are followed by respondents who strongly agree (22.8 %). Only 7.7 and 4.7 % disagree and strongly disagree respectively.

4. Social Media Influencers

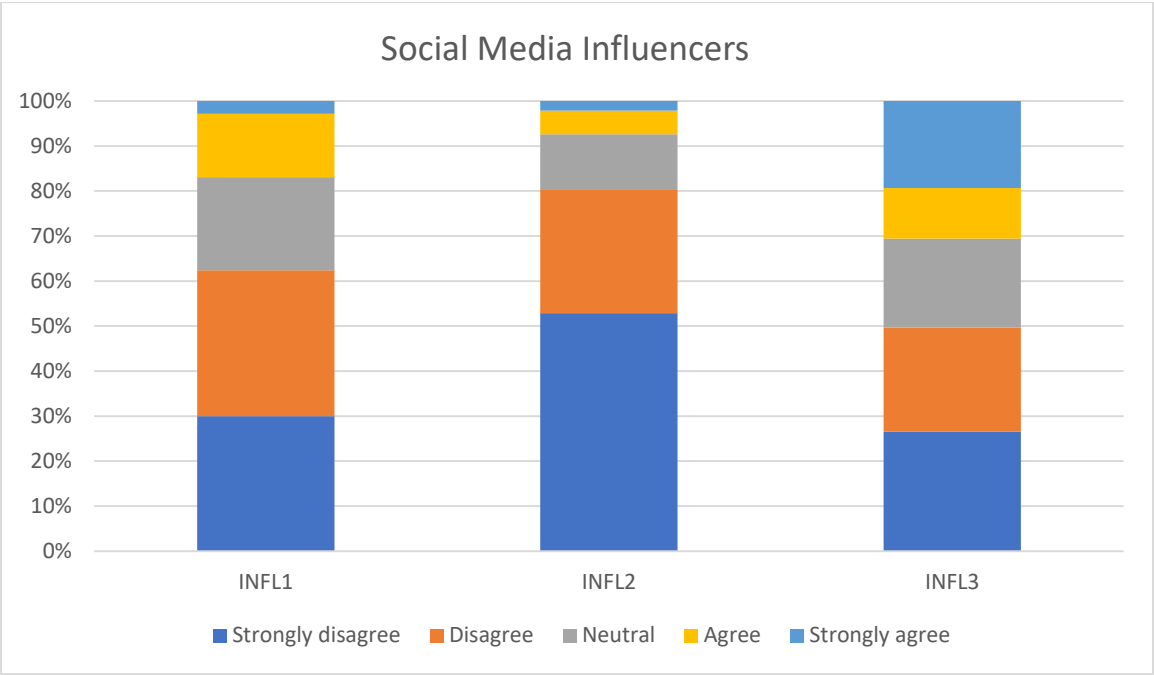

Figure 15: social media influencers

"Opinion of social media influencers on particular brand influence my purchase decision"- 32.3 % of sample disagree with the statement and it is followed by people who strongly disagree and neutral with 30 and 20.7 %. Only few people agreed and strongly agreed (14 and 2.8% respectively).

"I believe that having a same phone with social media influencers are superiority"- Most respondents strongly disagreed and disagreed with statement (52.8 and 27.3 %). Percentage of participants who are neutral to the statement is 5.2 %. Only 5.2 and 2.1 % of sample agreed and strongly agreed respectively.

"Ads about particular brand by social media influencers make me think positive think about brand"- most of sample strongly disagreed with the statement (31.4%) and it is followed by those who disagree and neutral with 27.3 and 23.3 % respectively. Only few percentage of people agreed and strongly agreed (13.3 and 4.5 %).

5. Online engagement

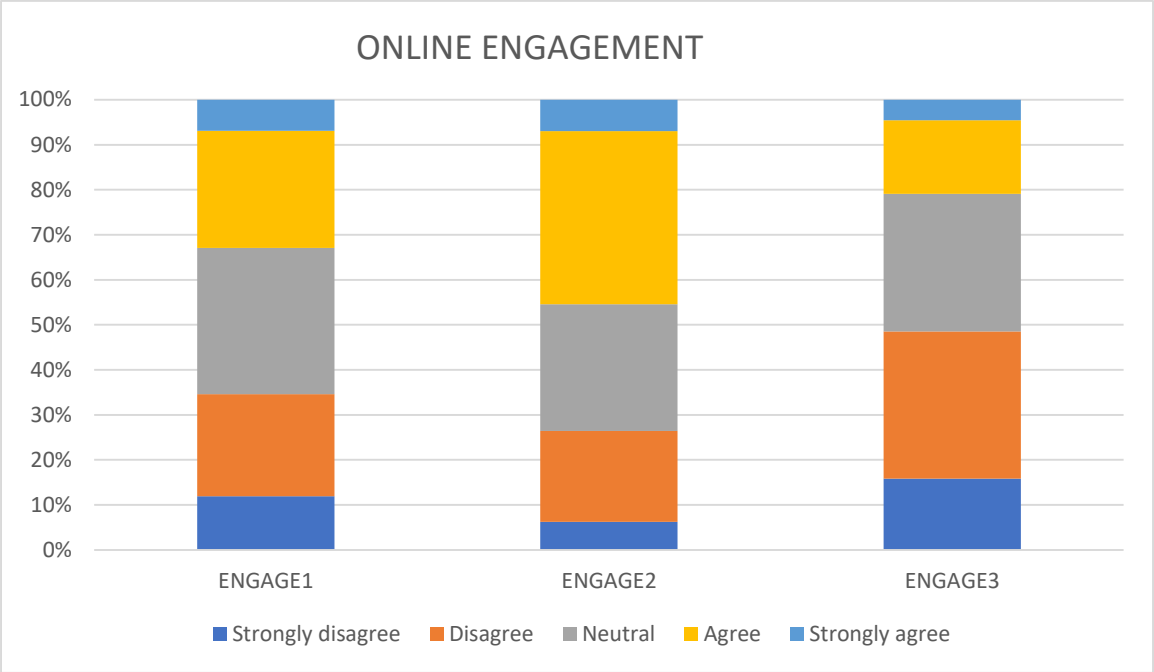

Figure 16: Online engagement

"I read comments, reply comments and also write a comment on a page that I like"- most of the participants in sample are neutral to the statement (32.3 %) and it is followed by respondents who agreed 25.9 %. Percentage of people who strongly agree is 6.9. Those who disagree and strongly disagree are 22.6 and 11.9 % respectively.

"I receive most information about product from its social media account"- 32.4 % of total respondents agreed with the statement and only 6.5 % strongly agreed. Percentage of those who are neutral, disagree and strongly disagree is 27.8, 20 and 6.2 respectively.

"In order to get information about product, I spend most of my time on brand's social media account"- respondents who disagree with the statement is the highest (32.4%) and it is followed by who are neutral with 30 %. Proportion of people who

disagree is 15.7. Only 16.2 and 4.5 % of sample agreed and strongly agreed with the statement.

2.2.3 Validity and Reliability test

Case Processing Summary

		N	%
Cases	Valid	416	99.0
	Excluded[a]	4	1.0
	Total	420	100.0

a. Listwise deletion based on all variables in the procedure.

Figure 15: Validity of Dataset

According to the validity test in SPSS based on 420 respondents, 99 % of sample is valid to test.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.820	.820	15

Figure 16: Reliability of Dataset

With 82 % reliability according Cronbach's Alpha test in SPSS, dataset is considered reliable. It is above average level of reliability requirement (70 %).

Communalities

	Initial	Extraction
EWOM1	1.000	.682
EWOM2	1.000	.729
EWOM3	1.000	.581
SMADS1	1.000	.753
SMADS2	1.000	.729
SMADS3	1.000	.688
INTENT1	1.000	.811
INTENT2	1.000	.874
INTENT3	1.000	.858
INFL1	1.000	.786
INFL2	1.000	.773
INFL3	1.000	.762
ENGAGE1	1.000	.404
ENGAGE2	1.000	.733
ENGAGE3	1.000	.739

Extraction Method: Principal Component Analysis.

Figure 17: Factor analysis of Dataset

According to the factor analysis third question (EWOM3) and first question of online engagement (ENGAGE1) cannot be understood or not clear to the respondents. Because gap between its related questions is higher than others.

2.2.4 Regression Analysis

Model 1:

ANOVA[b]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	174.812	1	174.812	20.841	.000[a]
	Residual	3506.185	418	8.388		
	Total	3680.998	419			

a. Predictors: (Constant), EWOM

b. Dependent Variable: INTENTION

Figure 18: Regression model 1

H1: Electronic word of mouth influence Azerbaijani consumers' purchase intention. Null hypothesis is accepted.

The above ANOVA table indicates that there is association between electronic word of mouth and purchase intention of Azerbaijani consumers who are in Generation Y cohort.

Model 2:

ANOVA[b]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	218.888	1	218.888	26.428	.000[a]
	Residual	3462.110	418	8.283		
	Total	3680.998	419			

a. Predictors: (Constant), SMADS

b. Dependent Variable: INTENTION

Figure 19: Regression model 2

H2: Social media advertisements influence consumers' purchase of smartphones. Null hypothesis is accepted, because significance level is below 5 %.

According to ANOVA test in SPSS, it could be understood: Social media advertisements affects consumers purchase decisions in a great extent.

Model 3:

ANOVA[b]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	31.537	1	31.537	3.612	.058[a]
	Residual	3649.461	418	8.731		
	Total	3680.998	419			

a. Predictors: (Constant), INFL

b. Dependent Variable: INTENTION

Figure 20: Regression model 4

H3: Social media influencers have an impact on purchase intention of Azerbaijani consumers on smartphones. Null hypothesis is not accepted.

H3a: Social media influencers do not have impact on purchase intention of Azerbaijani consumers.

Significance level of regression is above accepted level of 5 %, as a result hypothesis 1 cannot be accepted.

Model 4:

ANOVA[b]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	141.315	1	141.315	16.855	.000[a]
	Residual	3471.067	414	8.384		
	Total	3612.382	415			

a. Predictors: (Constant), ENGAGE

b. Dependent Variable: INTENTION

H4: Online engagement influence purchase decision of Generation Y consumers on smartphones. Null hypothesis is accepted. Significance level of regression analysis is below 5 %, which is in accepted level.

Model 5:

ANOVA[b]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	313.855	4	78.464	9.777	.000[a]
	Residual	3298.528	411	8.026		
	Total	3612.382	415			

a. Predictors: (Constant), INFL, EWOM, SMADS, ENGAGE

b. Dependent Variable: INTENTION

Above ANOVA table indicates that influencers, EWOM, social media ads and online engagement together have significant impact on consumers purchase intention.

Coefficients

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.966	.666		10.457	.000
	ENGAGE	.132	.063	.112	2.083	.038
	EWOM	.150	.053	.141	2.807	.005
	SMADS	.167	.056	.160	3.007	.003
	INFL	-.036	.053	-.036	-.684	.494

a. Dependent Variable: INTENTION

By looking at coefficient table of the regression (INTENTION = ENGAGE + EWOM+ SMADS+INFL), it could be seen significance level of influencers are 49.4 % and it means there is no association between impact of influencers and purchase intention.

2.2.5 Correlation

Correlations

		INTENTION	EWOM	SMADS	INFL	ENGAGE
INTENTION	Pearson Correlation	1	.218**	.244**	.093	.198**
	Sig. (2-tailed)		.000	.000	.058	.000
	N	420	420	420	420	416
EWOM	Pearson Correlation	.218**	1	.309**	.190**	.273**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	420	420	420	420	416
SMADS	Pearson Correlation	.244**	.309**	1	.329**	.377**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	420	420	420	420	416
INFL	Pearson Correlation	.093	.190**	.329**	1	.369**
	Sig. (2-tailed)	.058	.000	.000		.000
	N	420	420	420	420	416
ENGAGE	Pearson Correlation	.198**	.273**	.377**	.369**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	416	416	416	416	416

**. Correlation is significant at the 0.01 level (2-tailed).

In order to find out relationship between five variables (purchase intention, electronic word of mouth, social media ads, social media influencers and online engagement) correlation analysis was done in SPSS. Results show that all other variables have significant relationship with each other except purchase intention and social media influencers.

3. Conclusion

In this chapter conclusion of the study is going to be presented. Four research questions will be answered and discussed in this chapter in order to provide conclusion to the research. Explanation of these questions based on data analysis through SPSS and it is relevant to the literature review of the study and methodology.

RQ1. How online engagement impact information seeking behavior and purchase intentions?

Based on respondents' answers to the questionnaire and its regression analysis, it is seen that online engagement of consumers affects their purchase decision significantly. It means that their purchase decision on smartphones depends on how they active in a page they liked and communicate with others through comments etc.

RQ2. To what extent does EWOM impact purchase intention?

Regression analysis of electronic word of mouth and purchase intention showed that electronic word of have significant effect on consumers' purchase decision. Most people in generation Y search before purchasing and they believe one-another's thoughts. Because of that significance level of association between this variable is below accepted level.

RQ3. A research on effect of social media influencers on purchasing of smartphones by generation Y?

It is seen that impact of social media influencers on consumers who are in generation Y cohort is not strong as it is thought. Only few people accept their influence on their purchase decision of smartphones. It could be considered that using influencer's power as a marketing tool is not plausible idea.

RQ4. Evaluation of the effect of social media advertisement on purchase decision of consumers?

Unlike traditional ads social media advertisements has powerful influence over the consumers of generation Y. Message which is sent via social networks from companies (senders) have influential effect on consumers. It creates positive emotions and attitudes towards product of companies and also may have direct impact on Azerbaijani consumers.

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Questionnaire Form

The impact of social media on consumer behavior: purchase intention of Generation Y on smartphones.

1. Choose your gender

- Male

- Female

2. **Choose your marital status**

- Single
- Married
- Divorced

3. **Choose your age group**

- 19-24
- 25-30
- 31-37

4. **Choose your qualification**

- High school
- Bachelor's degree
- Master's degree
- Doctoral degree

5. **Choose your occupation**

- Public section worker
- Privat section worker
- Entrepreneur
- Freelancer
- Student
- Unemployed (housewife etc.)

6. **What brand of mobile phone do you use?**

- Apple
- Samsung
- Xiaomi
- LG
- Sony
- Other

7. **How many hours do you spend on social media?**

- 1-3 hours
- 3-5 hours
- 5 hours and more

8. **How frequently do you contact with your friends?**

- Everyday
- 4-5 times a week
- Once a week
- Later

Please indicate to what extent do you agree with the statements?

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

9. Importance of electronic word of mouth

- I search for information about smartphone brands on social media before purchasing
- To buy right smartphone brand I frequently read consumers' online comments about product on social media
- I frequently receive advice from consumers personally about product on social media

10. Social media advertisements

- Social media advertisements play an important role form me to get an information about product
- Good advertisements make me to think positive things about product
- Social media advertisements affect my purchase decision directly

11. Purchase intention

- I would buy this smartphone again
- I would recommend this mobile device to my family members
- I would tell others how good this smartphone is

12. Social media influencers

- Opinion of social media influencers on particular brand influence my purchase decision
- I believe that having a same smartphone with social media influencers are superiority
- Ads about particular brand by social media influencers make me to think positive think about this brand

13. Online engagement

- I read comments, reply comments and also write a comment on a page that I like
- I receive most information about product from its social media account
- In order to get information about product, I spend most of my time on brand's social media account