The Relationships between Mobile Environment Cues towards Mobile Purchasing Intention and Spreading Positive User – Generated Content: A Pilot Study

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***Abstract*— Evolution of technology indirectly has impacted customer purchasing behaviour and sellers' promotional activity. Generally, before customers have a purchase intention, they will seek for information and all the information usually can be obtained online especially on social media. Rationally, customers would believe words generated by others who have consumption experiences as it is seen to be more credible and trustworthy. Words provided by others on online is known as User-Generated Content. Allowing buyers to fully rely on words generated by others may not always be favourable to online sellers. Therefore, researchers conducted this pilot study with only 30 respondents to determine the relationship between Mobile Environment Cues towards Mobile Purchase Intention and Spreading Positive User-Generated Content with Shaped Discussion as one of the cues. SPSS was used and correlation analysis and multiple regression analysis were employed. Out of 5 hypotheses, 3 were supported and 2 were not. Finding also revealed that information provided by sellers does have weak relationship with mobile purchase intention.**

***Keywords*—** *Instagram, Marketing, Mobile Purchase Intention, Shaped Discussion, and User-Generated Content.*

1. Introduction

The introduction of internet and the existence of data plan has made people be more engaging with online [1]. Data plan has allowed many phone users to stay connected with the world without boundaries via their smartphones through their social media accounts [2], especially the young generation. Social media is defined as a group of internet-based applications that build on ideological and technological foundations of Web 2.0, allowing the creation and exchange of user generated content (UGC) [3]. Social media has created a new habit among youngsters where they constantly check their smartphones even without notification [4]. In this present day, to own a smartphone is a must and data by SKMM 2015 and 2016 reports pointed out that there were 16.54 mil smartphone users in Malaysia, and it increased to 18.46 mil and 19.90 mil for 2016 and 2017 respectively. Aware of this current habit, high population of social media users, and great amount of smartphone owners, business operators or retailers had taken the opportunity to make their products be available 24 hours on social media to be viewed by the social media account holders [5] (Dijck, 2009).

According to Chief Executive Officer (CEO) of Companies Commission of Malaysia (SSM); Datuk Zahrah Abd. Wahab Fenner, as of May 2017 there were 12,000 new online companies registered as compared to only 6000 registrations in 2016 and 2000 in 2015 that made the grand total is 50,800 registrations with 38,400 are companies that sell products [6]. This indicates the demand of online products has increased tremendously and prove social media is a profitable and effective business platform [7], [8] especially after social media is taken to a new level; the creation of mobile application for social media such as Instagram.

Instagram was launched on 6 October 2010 with currently be the world number one fastest growing social media medium and as of April 2017, it was recorded that there were 700 million users worldwide, and in Malaysia back in 2015, it was recorded the account owners were 8.04 mil and it increased to 9.02 mil as of April 2017 [9] and the figure is expected to grow. Judging by how fast it increases, clearly this new addition social media platform is the new channel for business. The main

International Journal of Supply Chain Management
IJSCM, ISSN: 2050-7399 (Online), 2051-3771 (Print)
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function of Instagram is to share instant photos on the cyber world and was described as "a fun and quirky way to share your life with friends through a series of pictures" [10] – [12]. Photos are very important in attracting the eyes of the potential buyers as we all know, "a picture worth a thousand words". Because of its main function, the system and the application is very straightforward and does not require much mental effort when operating it. Due to its simplicity and less cluttered medium, it attracts more users [13], hence sellers opt to start selling and promoting their products on Instagram [14]. Furthermore, academically speaking, Instagram is considerably new and few studies had been conducted in this area so far.

2. Literature Review

There are two main promotional strategies; Push Strategy and Pull Strategy. Push Strategy is efforts done by the sellers to provide information to their channel members wherelse, Pull Strategy happens when sellers provide information directly to the customers and waiting for them to create demands [15]. Recently, Pull Strategy is seen to be more effective as compared to Push Strategy especially after the introduction of smartphones and understand customers are highly attached to social media like Instagram [16]. By selling and promoting on Instagram, not only sellers able to reduce their operational (selling) cost but it allows the sellers to make sudden changes to the message content with no charges. In which content changes can be very expensive for commercial media such as television, radio or billboards. Therefore, the message provided by sellers will always be current [12], [14] along with attractive pictures of products [17]. Attractive pictures, organised layout and details uploaded should able to cater all five human senses as without it, customers may not be attracted to purchase [18], [19].

H1: Page Image Layout has a positive significant relationship with Mobile Purchase Intention
H2: Information provided has a positive significant relationship with Mobile Purchase Intention

Furthermore, Instagram enables sellers and consumers to have stronger relationship, enable consumers to make product comparisons [2] either by page hopping or read feedbacks (content) provided by other users [20]. Feedbacks are contents created and uploaded on the internet specifically social media by non-media professional and it is known as user-generated content (UGC) [5], [21], [22], [23]. Sellers see UGC as a great mechanism in assisting them in their promotional efforts. Generally, customers that have intention to make any purchase would believe more to judgements made by others' who actually have experiences in consuming the products as compared to content provided by sellers. This is because feedbacks provided are usually unbiased [24], more credible and can be more trusted [14], [24], [25]. However, the disadvantage of relying too much on this UGC is sellers cannot control the words and content shared [5], [26] and therefore, it is important for sellers to shape the discussion among users. [27] defines shaped discussion as instead of market the products at them (buyers), sellers should now market the products with them. By having shaped discussion, sellers could at least create a better mobile buying environment and lead users to purchase and ultimately encourage everyone to spread positive UGC [20].

H3: Shaped Discussion has a positive significant relationship with Mobile Purchase Intention
H4: Shaped Discussion has a positive significant relationship with Spread Positive User-Generated Content
H5: Mobile Purchase Intention has a positive significant relationship with Spread Positive User-Generated Content

3. Finding and Discussion

From the collected data, researchers could summarise that people with income lower than RM1000 spend more time to purchase through Instagram and majority of respondents are students. 90% of respondents scroll and view Instagram on daily basis which it proves 75% of Generation-Y are highly attached with smartphones and social media [28] and in Malaysia itself, 34% of this people aged between 15-34 years old own smartphones [4]. [29] reported that in US, there were 44% of smartphone users make their purchase using the device for the year of 2016 as compared to only 41% in the previous year. This really supports the findings. From 7 product categories options, fashion is the most purchased item on Instagram in which [30] reported fashion indeed the most frequent purchased items by Malaysians via online platform. Jewelleries, flowers & gifts and perfumes were not among the chosen items to be frequent purchase by respondents. This might closely relate with the amount willing to spend on each purchase are less than RM200 per transaction as majority of the respondents for this study are students. Students who purchase online believe the prices offered are economical and making price comparisons prior purchase are important [31].

Pearson correlation analysis was carried out and all 3 independent variables have positive relationships with mobile purchase intention with pvalue are below 0.05. Although information searching is important before purchase is made, yet information provided by vendor is recorded to have a low relationship with buying intention (0.432). A

research was conducted by [32] had obtained similar result in which their respondents do not rely in information provided by seller when making decision to purchase as they believe in more content generated by other users. Thus, to have shaped discussion as an effort to convince the customers to purchase is relevant. Result shows shaped discussion has the strongest relationship among all (0.635) this indicate, including customers in promotion activities as well as let them follow sellers' daily activities able to attract them to buy the products and this scenario is supported in previous research done by [33]. Attractive and interesting page layout does have a moderate relationship with mobile purchase intention with 0.575.

In this study, researchers also intended to determine whether shape discussion and mobile purchasing intention have relationships with spreading user-generated content. Referring to the table above, both do have relationships with significant level lower than 0.00. Between two, purchase intention has stronger relationship; 0.690 as compared to shape discussion that has moderate relationship; 0.584. This shows, shape discussion not only able to make people buy but will also initiate people to spread positive words on social media as well.

Multiple regression analysis was conducted to examine the relationships between mobile purchasing independent and the 3 independent variables. Result obtained was 50.2% of mobile purchasing intention is explained by the 3 independent variables while remaining 49.8% remain unexplained. When involving non-traditional purchase technique, common variables such as privacy, risk, trust, perceived ease of use, and perceived usefulness should be included. Result also showed pvalues for page layout and shaped discussion are lower than 0.05 it indicates both are significant towards mobile purchase intention. Similar result was recorded in research conducted by Jiang and friends in 2015 where website has significant relationship with online purchase intention. Therefore, great online store layout does influence a person's intention to purchase. Well-designed page and great pictures uploaded will definitely capture the hearts of Instagram users to purchase [18], [19]. Therefore, H1 is accepted.

Shaped discussion is a new variable introduced by [34]. [27] defined it as sellers should include online users in the promotional campaign as this will attracts other buyers to purchase. However, research using such variable is hardly be found although the activities are practiced. Clearly, the significant level of 0.014 (<0.05) has met with the definition. Hence, H3 is accepted.

From the correlation result earlier, information provided by seller has a weak relationship with mobile purchase intention and from the multiple regression analysis, information's pvalue is 0.135 and it is greater than 0.05. It means information provided by seller does not have a significant relationship with mobile purchase intention although understanding a product before is vital. Previous studies were done by [35], and [36] had recorded similar results. With this result, researchers can conclude that what had been discussed in earlier part of this paper is relevant (buyers depend more on UGC rather than PGC). Due to that, shaped discussion is needed in order to convince the customers to purchase. Therefore, H2 is rejected. On top of that, the regression result also shows that page layout is the strongest predictor as compared to shaped discussion and information provided by sellers to mobile purchase intention; 0.619, 0.557 and -0.496 respectively.

As for the relationships between UGC and shaped discussion and mobile purchase intention, result shows the Rsquare was recorded at 54.1%, which means 45.9% is remaining unexplained. UGC rarely been a dependent variable before; hence researchers could not suggest any other variables to be included in future research.

Based form the result obtained, although shaped discussion able to lead people in creating intention to purchase, however it does not have a significant relationship with spreading positive UGC with pvalue is 0.445 which means H4 is rejected. It indicates that by including Instagram users in the promotions can enhance their purchasing intention only but not really attracting them to spread anything. Although it is not significant, yet findings from the respondents are good enough to prove that moulding, interacting and, shaping the discussion among Instagram users able to make the users to purchase the products based on what and how the sellers want them to see the products rather than allowing the users to fully rely on content provided by experienced buyers.

Last but not least, mobile purchase intention has a significant relationship with spreading positive UGC with the value is 0.024 that is lower than 0.05. It is also recorded that purchasing intention has strongest impact on the dependent variable with β value is recorded to be at 0.432 as compared to shaped discussion with only 0.169. This could mean a person that has a mobile purchase intention will spread positive user-generated content at the end of the process. However, this statement cannot be supported by previous studies as mentioned earlier; no studies were found UGC acted as dependent variable.

4. Conclusion

Presently, the internet and social media has become a mass-vehicle for online buying and selling activities. 38,400 companies sell product online especially on social media. Great promotional activities are conducted from time to time to attract and convince online users (especially Instagram users) to purchase the product. Evolution of promotion taken place from push strategy to pull strategy to the newest one; including the customers into the promotional system or known as shaped discussion. Shaped discussion is being practiced by sellers but no study had been conducted yet to prove its effectiveness and relationship with purchase intention. Furthermore, user-generated content has always been one of the factors that influence people to make purchase decision. However, for this study, researcher intended to prove that shaped discussion and purchase intention will encourage users/buyers to spread positive UGC. Correlation analysis and multiple regression analysis were conducted. Correlation results showed that all 3 independent variables have relationship with mobile purchase intention along with shaped discussion and mobile purchase intention have positive relationship with spread positive UGC. Based on the analysis conducted, three hypotheses were supported while the remaining were rejected; H2 and H4.

Nevertheless, this is only a pilot study conducted using such small amount of samples. Researchers highly encourage future researcher to have larger sample size and to include more relevant variables to have better beta readings. Furthermore, better analysis tool is highly encouraged to be employed as the whole framework can be analyzed simultaneously.

Acknowledgments

The authors would like to thank wishes to express their gratitude to all anonymous reviewers for their time and efforts in reading and providing constructive recommendations to enhance this manuscript. Authors also appreciate all the respondents whom had participated in this pilot study. May this study able to enhance the body of knowledge and can be further used in the future.

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