Effects of social media on consumer buying behavior for Gen Z

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Introduction

Digital marketing is a constantly growing field with social media being an important part of this accelerated growth. There are approximately 3.96 billion social media users today, and they spend on average 2.4 hours per day on social media (Henderson 2020). E-commerce continues to be a major outlet for consumers especially today during a global pandemic, and 22% of Generation Z age group shop online making the cohort a large contributor to e-commerce continued success (Howland 2021). Based on changing digital marketing and social media habits, consumers' purchase patterns are also evolving (Alawan 2018). As a result, many studies have examined the influence of different aspects of social media on consumers' buying behaviors and intentions. For example, a study conducted by Chen, Lu, Wang, and Pan (2019) from Huazhong University of Science and Technology, China, explored the influence of online recommendations on impulse buying, and found that behavior is influenced by trust in the recommender and fondness towards the product. Research done by Gupta and Vohra (2019) also supports the relationship between social media and impulse buying. The research suggested that social media significantly impacts impulse buying by social media acting as an "internal stimuli".

Furthermore, Yogesh and Yesha (2014), conducted a study on people in India to examine the impact of social media advertisements on buying behavior. In this study, they found that online reviews and opinions played an important role in the purchase decision process; however, people were less likely to share their own reviews after buying a product. They also found that demographic variables did not have a significant impact on social media concluding that demographics would not be as good of a way to segment social media customers when looking at purchase behavior.

Previous studies (Alalwan 2018) have also demonstrated that interactivity is a crucial factor to understand purchase intention from social media advertising. The study explained interactivity as the ability to create a two way communication between consumers and the platform. Interactivity puts emphasis on consumers' opinions; this leads to consumers finding the ads more useful and appealing. In their research they established six factors that affect purchase intention: performance expectancy, hedonic motivation, habit, interactivity, informativeness, and perceived relevance; informativeness was found to be the second most meaningful factor to understand purchase intention.

Additionally, Balakrishnan, Dahnil, and Yi (2014) looked at the impact social media marketing has on buying intentions and brand loyalty for college students who were Generation Y consumers specifically. The study found that websites and social media platforms are effective in increasing brand loyalty and buying intentions.

A study done by Voorveld, Noort, Muntinga, and Bronner (2018) indicated that social media advertising engagement is affected by the platform being used. The study investigated many different social media platforms separately to look at their effect on social media advertisement engagement; however, they did not go into looking at purchase intent based on engagement levels. Voorveld et al. (2018) analyzed social media platform engagement rates based on eight factors (entertainment, negative emotion related to platform, pastime, stimulation, identification, practical use, social interaction, topicality) to better understand the uses and attitudes of each social media platform. Different factors affected whether or not advertisements on the platforms were evaluated. For Instagram and Twitter, for example, social interaction was an important factor for positive evaluation of an advertisement. Practical use dimension for an ad was important for Facebook and Youtube.

This research is focused on social media advertising and consumer behavior. The study aims to understand the factors that impact purchase intention of consumers. Social media in this study is looked at as the broad term of social media rather than each individual platform. The results of this research will aid marketers in creating marketing strategies that properly target their consumers on social media.

Hypothesis/Objectives

The objective of this research is to understand the mediating factors that could affect Generation Z consumers purchase intentions based on their exposure to social media advertisements. The proposed research on the effects of social media on consumer buying behavior for Generation Z would be complementary to the research that has already been conducted on the subject because it will look at a new set of consumers in a specific demographic to understand how Generation Z consumers may be different from other generations. The main research question being examined is whether social media advertising has a significant impact on Generation Z consumer's buying behavior. This will be accomplished by studying both general behavior factors as well as social media content factors.

Constructs of the Study

There were seven constructs used in this research to study consumers' purchase intention: social media usage, targeted ad awareness, social interaction, personal relevance, informativeness, impulse buying and FoMo. These factors have been seen through previous research to be key in understanding purchasing intentions. However, previous research has not studied the impact of these variables in the same model and in the context of social media

advertising. Therefore, this study aims to add to our current understanding of variables that impact consumers' purchase intention as influenced by social media advertising. The constructs of the study are explained below.

Social Media Usage Intensity:

Social media usage intensity can be defined as the amount of time consumers spend on social media. The intensity of usage looks at how connected consumers are with social media. Factors such as whether or not they feel disconnected from others when not on social media as well as how often per day they use it points to the intensity. Understanding consumers social media usage is important for understanding buying behavior because it can help create connections between consumers' dependence on social media and their likelihood to use it to purchase products. Social media usage intensity helps to understand who the consumers are online.

Targeted Ad Awareness:

Marketers are able to use tracking online to understand more about their consumers and target audience. This allows businesses to send ads to specific consumers based on factors such as demographics and previous online activity. Targeted advertisement awareness is being defined in this study as consumers' knowledge of online advertisements being tailored to their interests. Not all consumers know when they are being shown ads that are unique to them. This factor will help marketers understand whether or not purchase intention changes because of knowledge of personalized ads.

Social Interaction:

Social interaction is a factor that has been used in studies looking at social media advertising (Gupta,G., & Vohra, A. V., 2019 and Voorveld et al., 2018). In this study, the term

indicates the two way communication that social media users have with other users. The basis of social interaction is the idea of sharing opinions with other users as well as gaining opinions from others. The reviews and comments on social media have been found to be a strong factor to influence purchase intentions (Gupta,G., & Vohra, A. V., 2019).

Personal Relevance:

Advertisements today are targeted to consumers and tailored to their interests. Personal relevance in this study is defined by Zhu and Chang (2016, p. 443) study on social media advertising as "the degree to which consumers perceive a personalized advertisement to be self-related or in some way instrumental in achieving their personal goals and values". It has been found that consumers are more likely to be interested in ads that are more personally relevant to them (Pechmann and Stewart 1990).

Informativeness of an Advertisement:

It has been found that informativeness of an advertisement helps shape a consumers attitude towards a product or brand therefore making it an important factor to analyze because of its potential affect on buying decisions (Alalwan 2018). Informativeness in the sense of advertising is about how well a company can use rational to entice consumers (Pavlou, Liang, and Xue 2007). Informativeness of an advertisement in this study is concerned with how well product information is conveyed through an advertisement.

Impulse buying:

Impulse buying is an important factor to consider when trying to understand the impact of social media and consumers buying behavior because online shopping has changed consumers' patterns of shopping. Impulse buying is defined by Rook (1987) as 'a behavior in which a consumer experiences a speedy, powerful and persistent urge to purchase something

immediately'. Impulse buying has been aided by social media and the availability of products to consumers. Today a consumer from anywhere in the world can find products online and make the purchase quickly and not only can they search for a site, social media advertising brings the content to the consumer making it.

Fear of Missing Out (FoMo):

FoMo, which stands for Fear of Missing Out, has been previously described as "a pervasive apprehension that others might be having rewarding experiences from which one is absent" by Przybylski, Murayama, DeHaan, and Gladwell (2013) in their study: "Motivational, Emotional and Behavioral Correlates of Fear of Missing Out". This definition explains how people want to be informed with what others are doing. Social media is a very popular way for people to stay connected. Understanding the relationship between a person's level of FoMo can help share more about a consumer and their habits. Consumers buying behavior can also be influenced by FoMO, since trends on social media can trigger products or services to be more desirable and have an impact on purchase intention.

Methods and Procedures

Data was collected using primary and secondary sources. The secondary sources were used to understand what existing literature there was on the topic of social media and buying behavior. Quantitative data was collected through an online survey concerning social media advertisements, consumer behavior on social media, and general buying behavior. Qualtrics was the survey tool used.

This study is interested in the habits of Generation Z who use social media. Generation Z are people born between 1997 and 2012 and are the third largest generation behind Baby

Boomers and Millennials. The research, specifically, looked at the older end of the generation, people between the ages of 18-24. This age range within Generation Z is unique to other adult generations for two specific reasons. First they are an emerging adult group typically in a transitional life stage; secondly, Generation Z is one of the first generations to grow up for the majority of their life with social media as a part of their lives. This group of people are more familiar with social media, and it is a larger part of their lives than any generation previously. Since people in this sample are of similar age and life stage, it is useful for controlling product types that are purchased as well as income levels.

The survey consisted of 49 questions and there were eight constructs being assessed. The survey was distributed through sharing on social media and sending directly to participants. From there, participants were gained through snowball sampling. There were 135 participants. 63.8% of participants were female and 34.3% were male. Participants were predominantly caucasian (71.4%). Black or African American ethnicity groups made up 9.5% of participants which was the second largest group. 34.6% of participants use social media 5-10 hours per week. 29.4% of the participants use social media 10-20 per week. 'Some college' education level was the largest group within the sample (48.6%). 21.9% of participants' highest level of education was a 'Four year degree'. The mean values of all study variables are included in the table below.

Table 1			
Mean of Constructs			
Construct	Overall Mean	Male	Female
Social media usage	3.9	3.65	4.05
Targeted ad awareness	3.97	3.96	3.99
Social interaction	2.58	2.34	2.71
Personal Relevance	3.28	3.26	3.31

Informativeness	2.95	3.05	2.93
Impulse buying	2.32	2.05	2.43
FoMo	2.88	2.62	3.01
Purchase Intention	3.1	2.9	3.24

Results

I started the regression analysis by entering one independent variable at a time. This process was followed to see the individual impact of each variable by itself. All variables when looked at independently were statistically significant in predicting purchase intention.

Each variable, by itself, significantly predicted buying intention. Taken individually, social interaction, personal relevance, informativeness, and impulse purchase had a strong positive relationship with the dependent variable, buying intent, with p-values of .000 (Social interaction: $F(1, 106)=16.1$, p=.000. Personal relevance: $F(1, 106)=44.74$, p=.000 Informativeness: $F(1, 106)=40.64$, p=.000 Impulse purchase: $F(1, 105)=14.35$, p=.000). Personal relevance and informativeness however are seen to be more predictive of the dependent variable (purchase intention) with R values of .547 and .528 respectively. All other variables taken by themselves were also statistically significant in predicting purchase intentions (Social media usage: $F(1, 106)=6.17$, p=.015, Targeted ad awareness: $F(1, 106)=10.65$, p=.001, FoMo: $F(1, 104)=4.89$, p=.029).

As the next step, all variables were entered into the model sequentially. We first entered Social media usage as it is a key factor being looked at to understand whether social media advertising has an impact on purchase intention. Targeted ad awareness was entered as the second variable in the model. Both social media usage and targeted ad awareness variables when compared together were statistically significant. Targeted ad awareness (std beta=.283, p=.003),

however, is slightly better at predicting purchase intention than social media usage (std beta=.207, p=.026).

Once adding the independent variable social interaction to the regression model it was seen that social media usage was no longer statistically significant in predicting purchase intention with a p-value of .086. Targeted ad awareness (p=.007) was still significant. Social interaction was also statistically significant with a p-value of .001.

Adding variables that pertain to the content in an advertisement lowered the significance of the main variables of social media usage and targeted ad awareness. The targeted ad awareness variable became insignificant when personal relevance was added to the regression model (p=.976) (IV=social media usage, targeted ad awareness, social interaction, and personal relevance). Social interaction and personal relevance were still significant (p=.017 and p=.000 respectively). Personal relevance was the strongest predictor of purchase intention among the four variables (std beta=4.71).

When Informativeness of an ad was added to the regression model, social media usage continued to be not significant with the p-value increasing to .164. Informativeness, however, was statistically significant in predicting purchase intention (p=.003), and it was also the strongest predictor of purchase intention with a standardized beta coefficient of .310.

The next variable added to the regression model was FoMo. The IV of FoMo was not significant when compared with the other five variables (social media usage, targeted ad awareness, social interaction, informativeness and personal relevance). Targeted ad awareness and social media usage were also both not statistically significant when the four other variables were a part of the model.

When comparing all independent variables together four variables were significant in their impact on purchase intention: social interaction, personal relevance, impulse purchase and informativeness. Social interaction had a p-value of .002 (Std. Beta=.250). The variable of personal relevance had a p-value of .024 (Std. Beta=.271). Impulse purchase factor had a p-value of .008 (Std. Beta= .222), and informativeness had a p-value of .034 (Std. Beta= .221). Social media usage, targeted ad awareness and FoMo were not significant in predicting purchase intention when all independent variables were entered into the same model. The regression model with all 7 variables is statistically significant F(7, 104)=12.43, p=.000 with good predictive power, adjusted R^2=.435. The results of the regression model are included in the table below.

Table 2					
Regression Analysis					
	Coefficients				
	Unstandardized B	Coefficient Std. Error	Standardized Coefficients Beta	t	Sig.
Social media usage	0.051	0.079	0.054	0.64	0.524
Targeted ad awareness	0.06	0.099	0.056	0.611	0.542
Social interaction	0.24	0.077	0.25	3.139	0.002
Personal relevance	0.257	0.112	0.271	2.294	0.024
Informativeness	0.218	0.101	0.221	2.152	0.034
Impulse buying	0.177	0.065	0.222	2.719	0.008
FoMo	0.025	0.08	0.028	0.315	0.753

Dependent variable: purchase intention

Further, an independent sample t-test was run to investigate how gender impacted the independent variables (social media usage, targeted ad awareness, social interaction, personal relevance, informativeness, FoMo, and impulse buying). The test looked at men (N=36) and women (N=67) as the two groups. The results of the t-test showed that three variables were statistically significant between the mean values for each group: FoMo (t(101)=-2.077, p=.04),

social interaction (t(101)=-2.062, p=.042) and social media usage (t(101)=-2.197, p=.03). Women (M=3.01, SD=.979) scored significantly higher on questions regarding FoMo behavior than men (M = 2.62, SD=.798). The mean for social interaction for men was 2.34 (SD=.893), and the mean for women was 2.71 (SD=.869). Finally, the mean value for the social media usage variable for men (M=3.65, SD=.984) was lower than women in the category (M=4.06, SD=.846).

Implications and Limitations

This study was conducted to examine the effects of social media advertising on buying behavior for Gen Z consumers. Through examining previous research it could be seen that there were seven factors that were repeatedly used to measure purchase intention for products advertised through social media (social media usage, targeted ad awareness, social interaction, personal relevance, informativeness, impulse buying, and FoMo). Social media usage on its own was not a helpful predictor in determining purchase intention; there were more specific factors that influenced purchase intention. Four factors in the model, social interaction, personal relevance, informativeness, and impulse buying, showed a significant effect on purchase intention.

For all the variables entered in the model, personal relevance had the greatest impact on purchase intention showing that advertisements that had the most impact on purchase intention were ones that had greater meaning and value to consumers lives. These results are in contrast to online privacy concerns since tracking measures such as cookies are the tools that are used to create personally relevant content. Although privacy online may be a concern for consumers, it can be seen that tracking and providing unique content is an important factor for consumers to make a purchase decision.

Social interaction was the second most important factor not far from personal relevance indicating that opinions from other users are critical for consumers. Social interaction online concerns the communication between social media users when evaluating products and services. Hearing from others is an important part of a consumer's buying journey and has a great impact on purchase intentions.

Informativeness and impulse buying were comparable in their impact on purchase intention. The study showed through informativeness and personal relevance having a significant impact on purchase intention that consumers are interested in the content in a social media advertisement. Consumers purchase intention is affected by ads that contain useful product information. Impulse buying was equally as important as informativeness indicating that the general buying behavior of consumers for how much consideration they typically put into a purchase is a useful factor to gauge purchase intention.

FoMo was found to be higher with females than males. This points to a difference in general behavior and belief patterns between males and females. Females in this study were more likely to feel like they were missing out on experiences others were having without them. Social media usage was also greater with females than males which compliments the findings of FoMo. If females have a higher fear of missing out on opportunities others are having then it makes sense that they would concern themselves more with staying up to date on social media. Additionally, females scored higher on social interaction than males. Females are more likely to converse with other social media users with similar interests as them than males are meaning that the opinions and reviews of others are likely to be more important for women than they are for men in their purchase process.

This research supports previous findings on the topic such as Alalwan's (2018) study which found six variables to impact purchase intention. Three of the variables were examined further through this study and were found to have a significant impact: interactivity (social interaction), informativeness, and perceived relevance. The findings also support Balakrishnan, Dahnil, and Yi (2014) study who found that social media marketing had an impact on brand loyalty and buying intention for college students. At the time of Balakrishnan, Dahnil, and Yi's study, college students, however, were part of the generation Y group rather than the Gen Z age group as college students are today which means there are differences in the populations examined in each study.

The first limitation that could have an impact on the results of this study is the sample population. The study had a small sample size which could decrease the statistical power of the research results. The sample population was heavily skewed female making it a less balanced and proportional sample. The sample is also predominantly white college students because of how the survey was distributed. These factors could impact the external validity because the population is not greatly representative of the Gen Z population as a whole. Furthermore, the way in which the data was collected could impact the reliability of the results. Participants found for the survey through snowball sampling not random sampling, which means that the people in the study could be more similar to each other in their habits and interests since they are more likely to know one another.

Conclusion

Findings from this study can be used as a basis for additional research into the buying behaviors of Gen Z consumers because of social media. Generation Z population is currently made up of adults as well as teenagers which means that they do not all have great purchasing

power yet; however, soon the population will have greater purchasing power making them a useful demographic to understand when marketing products specifically online. This research can also aid marketers in creating strategies to better target the Gen Z demographic. It was seen that consumers care about the content of advertisements in their relevance and informativeness, so marketers looking to reach this audience should be mindful of the content within advertisements. Furthermore, social interaction online is a large part of the purchase process for consumers. Creating a conversation and receiving product feedback could be helpful for marketers to create trust with their customers which would increase purchase intentions. Gender also plays a role in behavior online. Understanding the behavior differences between genders can help marketers personalize their content and reach their desired audience. Through this research it can be seen that there are specific factors in social media advertising and general buying behaviors that impact purchase intention in Gen Z consumers that when recognized can help marketers create stronger marketing strategies.

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Appendix

Construct	Questions	Study
Social Media Usage	Social media is a part of my everyday activity	Gupta,G., & Vohra, A. V. (2019)
	I feel out of touch if I do not log into any social media platform	Gupta,G., & Vohra, A. V. (2019)
Targeted Ad Awareness	The ads on my social media seem to reflect my interests	Dodoo, N. A., & Wu, L. (2019)
	The ads on my social media seem to be designed specifically for me	Dodoo, N. A., & Wu, L. (2019)
	The ads on my social media seem to target me as a unique individual	Dodoo, N. A., & Wu, L. (2019)
Social Interaction	I ask my contacts on the social networking sites for advice	Gupta,G., & Vohra, A. V. (2019)
	I get opinions from my contacts on the social networking sites before I buy products	Gupta,G., & Vohra, A. V. (2019)
	I feel more comfortable choosing products after getting opinion from my social media contacts	Gupta,G., & Vohra, A. V. (2019)
Personal Relevance	The content featured in social media ads are meaningful for me	Dodoo, N. A., & Wu, L. (2019)
	I find social media advertising useful in my daily life	Voorveld, H. A., Van Noort, G., Muntinga, D. G., & Bronner, F. (2018)
	Social media advertising is relevant to me	Alalwan, A. A. (2018)
	I think social media advertising fits to my interests	Alalwan, A. A. (2018)
	I think social media advertising fits with my preferences	Alalwan, A. A. (2018)
Informativeness	Social media advertising provided me with useful ideas/tips/advice	Voorveld, H. A., Van Noort, G., Muntinga, D. G., & Bronner, F. (2018)

		Voorveld, H. A., Van Noort, G., Muntinga, D. G., & Bronner, F. (2018)
	Social media advertising gave me credible information	
	Social media advertising is a convenient source of product information	Alalwan, A. A. (2018)
	Social media advertising supplies complete product information	Alalwan, A. A. (2018)
FoMo		Andrew K. Przybylski, Kou Murayama, Cody R. DeHaan, Valerie Gladwell (2013)
	I fear others have more rewarding experiences than me	
	I get worried when I find out my friends are having fun without me	Andrew K. Przybylski, Kou Murayama, Cody R. DeHaan, Valerie Gladwell (2013)
	I get anxious when I don't know what my friends are up to	Andrew K. Przybylski, Kou Murayama, Cody R. DeHaan, Valerie Gladwell (2013)
	Sometimes, I wonder if I spend too much time keeping up with what is going on	Andrew K. Przybylski, Kou Murayama, Cody R. DeHaan, Valerie Gladwell (2013)
	It bothers me when I miss an opportunity to meet up with friends	Andrew K. Przybylski, Kou Murayama, Cody R. DeHaan, Valerie Gladwell (2013)
	When I have a good time it is important for me to share the details online (e.g. updating status)	Andrew K. Przybylski, Kou Murayama, Cody R. DeHaan, Valerie Gladwell (2013)
	When I miss out on a planned get-together it bothers me	Andrew K. Przybylski, Kou Murayama, Cody R. DeHaan, Valerie Gladwell (2013)

	When I go on vacation, I continue to keep tabs on what my friends are doing	Andrew K. Przybylski, Kou Murayama, Cody R. DeHaan, Valerie Gladwell (2013)
Impulse Buying	I buy things spontaneously	Gupta,G., & Vohra, A. V. (2019)
	I often buy things without thinking	Gupta,G., & Vohra, A. V. (2019)
	'I see it, I buy it' describes me	Gupta,G., & Vohra, A. V. (2019)
	I buy things first and think about it later	Gupta,G., & Vohra, A. V. (2019)
Purchase Intention	I desire to buy products that are promoted on advertisements on social media	Alalwan, A. A. (2018)
	I am likely to buy products that are promoted on social media	Alalwan, A. A. (2018)
	I plan to purchase products that are promoted on social media	Alalwan, A. A. (2018)
	Likelihood to visit a website after seeing an advertisement	Sahar Karimi (2013)
	Buying the products when with special discounts in social media	Sankar, J. P. (2019)