Chapter 35
The Impact of Social Media Platforms "Instagram" and "Snapchat" on the Purchasing Decision – Structural Equation Modelling Approach:
Social Media Platforms

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ABSTRACT

Social media (SM) tools have an immense potential in e-marketing and online shopping. However, there is a lack of researches on the use of social media platform as effective marketing tools. This study has aimed to investigate the revolution of social media in Saudi Arabia through understanding the impact of two popular SM platforms (Instagram and Snapchat) on the purchasing decision of Saudi customers through advertisements and blogger recommendations. Structural equation modeling (SEM) was used to develop a model, which was tested using Confirmatory factor analysis (CFA). The results indicated a positive impact of social media platforms on the purchasing decision of young female users. Moreover, the effectiveness of these platforms in generating electronic-word of mouth (eWOM) among consumers was highlighted. However, further research is needed to promote marketeers and consumers' awareness in the digital marketplace.

INTRODUCTION

Several paradigms' shifts have been observed since the last few decades; however, no shift is more revolutionary than the advent of internet (Cummins et al., 2014). Various aspects of different individuals and societies are significantly affected as a result of recent boom in social media (SM) (Ting et al., 2016). Furthermore, social media (SM) offers a myriad of applications in product promotion and marketing, since it relies on variables linked to customer responses and usage of advanced communication tools. SM enables companies to interact with customers using innovative technology and acquire a deeper understanding of their emotions and the motivating factors behind their consumption of products (Straker & Wrigley, 2016). The use of social media platforms including Instagram and Snapchat has significantly increased among Saudi users due to extensive smartphone usage and the passion of users.

This is the reason companies utilize SM tools to a great extent for generating higher revenues (Sakkthivel & Sriram, 2015), and the consumers to carry out research about the product using the WOM feature on SM before purchasing non-durable goods or services (Woo et al., 2015). Companies should utilize customer feedback to improve the quality of products and services, develop more user-friendly devices, and ensure that their staff conduct the business in a polite and sincere manner (Boon-Long & Wongsurawat, 2015). Consumer interaction with such ads is called pre-purchase search motivation, where their attitudes are influenced by the social networking advertisements (Mir, 2014). It is important for advertisers and marketers to consider the consumer behavior throughout the stages of purchasing that is likely to include; recognition of the consumers' needs; search for information; evaluation of alternative products; making the purchase, and post-purchase evaluation or the outcomes (Cao et al., 2014). The use of WOM provides the consumers with specific information at each of these stages.

The recent boom in SM has resulted in companies to recognize the effectiveness of utilizing such platforms for marketing and advertising. Over 3 billion people have internet access globally and are willing to search for new products and interact with online communities to seek and share product reviews (Boon-Long & Wongsurawat, 2015). Therefore, companies need to understand the influence of consumer reactions towards SM-based advertisements and manage the brand in the online environment (Schneider et al., 2016). The use of WOM is an effective way to promote sales for those products to generate information searches for products (López & Sicilia, 2013). There is a significant impact of using SM on the decisions made by consumers regarding online purchasing in the form of increased e-commerce awareness (Makki & Chang, 2015). Similarly, the consumer passion for mobile devices allows companies to develop their websites through making them more mobile-friendly (John, 2015).

The growing popularity and usage of SM platforms have forced marketers to examine their marketing strategies to remain prevalent amongst the youth (Yavisha and Krishna, 2013). Therefore, the present study aims to investigate the revolution of social media in Saudi Arabia by understanding the impact of two popular SM platforms (Instagram and Snapchat) on the purchasing decision of Saudi customers through advertisements and blogger recommendations.

THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

There is a significant lack of research surrounding the use of Instagram and Snapchat as effective e-marketing tools. It is known that these marketing strategies are more effective, as compared to the physical advertising in the intention of buying products. Therefore, the present study aims to highlight the

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