

A REVIEW ON MEDIA RICHNESS AFFECTING PURCHASE INTENTION ON INSTAGRAM: THE MEDIATING ROLE OF BRAND LOYALTY

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Abstract---Scant evidence is available on how social media richness influence brand loyalty and consumers' purchase intention towards a product. Social media nowadays is among the best marketing platforms for an organisation to get in touch with potential and current customers. Instagram is one of social media platforms for people to interact socially. This new media platform wins the believe-in of customers by linking with them at a deeper level utilising the media richness it has. The blast of social media trend in business today is as amazing as that and the speed at which it is improving is frustrating. More organisations identified huge potential that social media has and started to use them with enhancements to power their marketing promotions. This study explores the relationship of media richness on Instagram towards consumers' intention to purchase mediated by brand loyalty. A survey of 249 respondents in Malaysia who follow the same Instagram accounts offering similar products, this study develops a structural equation model that helps to address gaps in prior social media richness, brand loyalty, and purchase intention literatures. Partial least square structural equation modelling (PLS-SEM) applied to fit the data in the hypothesised model. The outcome of study is useful to both researchers and business practitioners to understand the importance of social media richness specifically utilising Instagram as business platform. Future study should consider on discovering different perspective of media richness involving other types of social media.

Keywords---Social Media, Instagram, Purchase Intention, Media Richness Theory, Brand Loyalty, Smartphone

I. Introduction

Smartphone combines the services of the Internet and mobile phone (Cha & Seo, 2018). Smartphones offer better services in addition to the benefits that the Internet offers. The portability and accessibility of a smartphone make it possible to use it anywhere, for any duration. With smartphones, young people are now able to watch live streaming videos, play online games, communicate with friends, and share information, while older people may now be using their smartphones having video calls with their children living far away. Today, people utilising social media for many purposes via their smartphones, for instance, electronic commerce, information seeking and sharing, and live communication. Social media refers to interactive application based on Internet Web 2.0 techniques and user generated content (UGC) which include texts posts or comments, digital photos or videos, and data generated through all online interactions, for example Facebook, YouTube, and Twitter (Kaplan & Haenlein, 2010). Social media rapidly change the way we share information and keep social relationships (Kane

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et al., 2014). Social media platforms are competing hard against each other to get more users (Wang & Sun, 2016). Social media is vigorous and rapid-moving domain which allow them to become up-to-date with current trends.

This study focusing on Instagram, one of the social media platforms with the high number of active users to date. Instagram is a free mobile photo-sharing mobile application. It allows users to snap and edit photos instantly and then share the photos to chosen followers or to the public. Photos and videos posted on Instagram can also be viewed across various social media platforms such as Facebook and Twitter as long as the account owner allow it. Instagram defines itself as “a free photo and video sharing app available on Apple iOS, Android and Windows Phone where people can upload photos or videos and share them with their followers or with a select group of friends. They can also view, comment and like posts shared by their friends on Instagram” (“What Is Instagram?”, 2019). There are almost one billion monthly active users worldwide and half of them use the platform everyday with total of more than 30 billion photos shared (Clarke, 2019; Kellogg, 2019). Academic studies on Instagram are still lacking as compared to the industry which extensively discover this topic especially among business organisations. In fact, only a limited number of studies have been conducted to specifically examine Instagram usage and marketing in academic literatures.

This study denotes to media richness theory (MRT) introduced by Daft, Lengel, and Trevino (1987) which suggested that the degree of information dissemination can enhance a receiver's degree of understanding. This theory being used primarily to evaluate the effectiveness of communication mediums. Based on this theory, media richness is considered high if the information dissemination is excellent, and vice versa. Media richness theory possesses different ability in reducing uncertainty. In other words, as according to the richest media in communication is face-to-face, followed by video, voice, and text (Daft & Lengel, 1986). The theory also suggests the effective use of a communication channel (medium) by matching the richness of a medium and the equivocality of task. Sets of questionnaires of this study distributed to 217 undergraduate students at Universiti Kuala Lumpur, Malaysia to measure the media richness effect towards brand loyalty and purchase intention in the case of Instagram platform.

II. Literature Review

Social Media Richness

Media richness theory is worthwhile in explaining why consumers made choices after being exposed to information dissemination via media. Referring to this theory, among the main factors in improving communication is to match the media selection attributes with the task characteristics (Koo et al., 2011). The root of this theory is by Daft et al. (1987) who proposed media richness theory as the degree of information dissemination by media lead to degree level of understanding of a receiver. In before, Daft & Lengel (1984, 1986) highlighted that the complexity of information processing behaviour in organisations was the main factor of effective communication. Kwak (2012) emphasised on the classification of media richness theory is “lean” or “rich” depending on its capability carrying information. The richer the medium, the more the components of media richness it incorporates i.e. immediate feedback availability, communication channels used, natural language variety, and personal focus on the medium (Daft et al., 1987). This theory aligned with what being proposed by Daft & Lengel (1986) on the level of media richness in communication started with riches medium to leaner medium that is face-to-face, followed by video, voice, and text (Daft et al., 1987)

Brunell (2009) concludes that consumers desire a communication medium offering relevant information as highlighted in media richness theory. However, the information must be accurate, timely, interesting, and understandable by consumers so that they have the intention to buy (Aydogan, Aktan, & Aysuna, 2016). Teo, Leng, and Pua (2019) in their recent study indicates that image quality also give significant effect to purchase intention among consumers. Primarily for online business, the greatest approach in applying a good electronic commerce strategy is by enriching company-consumer interface. This proven by Tseng, Cheng, Li, and Teng (2016) in their study on Mobile Instant Messaging (MIM), e.g. WhatsApp, Viber, and Line shows that media richness increases repurchase intention and consumer loyalty. Specific to social media platform, Instagram in this case, eye-catching visuals and excellent engaging option available on this platform expected to have positive relationship with purchase intention among consumers. According to Valentini, Romenti, Murtarelli, and Pizzeria (2018), presenting images is a more direct way of communication, better experience in human relations as compared to text-based communication. Therefore, it is crucial for this study to explore Instagram as the social media platform providing media richness elements to persuade consumers to purchase.

Brand Loyalty

Brand loyalty is commonly connoted as “biased behavioural response (purchase) expressed over time by some decision making unit with respect to one or more alternative brands out of a set of brands and is a function of psychological processes” (Jacoby, 1971). Aaker (1991) highlighted six dimension to elaborate brand loyalty i.e. re-patronage intentions, satisfaction level, brand preference, price premium, switching cost, and brand commitment. Based on Nawaz and Usman (2011), organisation with large number of loyal customer has the capability to capture large market shares, earn better return on investment, more bargaining power from various suppliers and distribution channels, and encourage positive word-of-mouth communication. People are more captivate to share and acquire experiences from each other if they are being exposed to media with higher richness. This is due to the remarkable environment they experienced during purchasing process. By offering such increased richness, organisations have opportunities of keeping the consumers browsing or sharing experiences. Consequently, the consumers will perceive higher levels of brand loyalty.

Purchase Intention

Purchase intention is a consumer behaviour that lead to consumer’s action in planning to purchase (Dodds, Monroe, & Grewal, 1991). Simply, it is a consumer’s likelihood of purchasing in the future. Numerous studies have been engaged to identify the determinants that can influence consumers to get involve with this behaviour due to its ability to convey a customer’s will to promise certain activity related to future doing. Hence, understanding purchase intention is a must to business organisation in order to attract and retain customers (Ko, Kim, & Zhang, 2008). With that in mind, online purchase intention can be defined as the desire of consumers to make a purchase through online platform. Previous studies have explored variety of driving forces of online purchase intention. For instance, Chen & Chang (2018) found that consumers are more likely to purchase when good information quality and high media richness are available on the online platform. Similarly, Hasim, Shamsudin, and Hassan (2018) in their study found that online shopping platform quality affects consumer purchase intention including their tendency to involve in impulsive buying. Another study related to social media platform is by Shareef et. al. (2017) showing that there is strong correlation between advertising value towards social media advertising which then lead to purchase intention.

Today, social media is a must have marketing tool for any business organisation as it has significant impact on customer intention to purchase. Different with traditional shop, an online shop may have small human contact on the purchase process. Therefore, online shop depends on the media richness to engage and encourage customer to purchase. Brunell (2009) in his empirical study has developed a framework to explain consumer purchase intention when they shop online and he found that consumer will decide to purchase a product if the social media platform offer the information they desired. Therefore, based on the above discussions on three constructs namely Social Media Richness, Brand Loyalty, and Purchase Intention, this study had come out with the following hypotheses that sums up the research objectives:

Hypothesis 1: Social Media Richness has direct effect on Purchase Intention

Hypothesis 2: Social Media Richness has direct effect on Brand Loyalty

Hypothesis 3: Brand Loyalty has direct effect on Purchase Intention

Hypothesis 4: Brand Loyalty mediates the relationship between Social Media Richness and Purchase Intention

III. Methodology

This study applying quantitative method and the respondents comprised of Generation Y (Gen-Y) in Kuala Lumpur, Malaysia. Gen-Y refers to the specific generation born between the 1980's to the early 1990's, specifically those aged 25-39 in 2019 (Kasasa, 2019). This generation covers almost half of the population in Malaysia (Kavanagh, 2016). In fact, they are the biggest group of people who utilize the Internet for shopping (Muda, Mohd, & Hassan, 2016). The younger generation not only is more familiar with internet commerce, but they also process online information five times faster than the older generations (Kim & Ammeter, 2008). Plus, young shoppers are more aggressive and highly impulsive (Hasim, Shamsudin, & Hassan, 2018; Lin & Chuan, 2013). A set of 260 questionnaires were distributed to students of several private universities in Kuala Lumpur, Malaysia. However, only 249 completed return questionnaires are valid for this study.

Before the respondents answering the questionnaire, they are required to follow selected Instagram accounts selling similar brands and products using their personal Instagram account on their own smart phones. Initially, each Instagram posts from the selected Instagram accounts were made 'without likes' to avoid bias. The respondents were then asked to answer questionnaires provided regarding their response towards social media richness, brand loyalty, and purchase intention by Instagram posts they experienced during the survey. Several respondents' demographic profiles were gathered. Table 1 presents the demographic details of the study respondents.

Table 1: *Respondents Demographic Profile*

Variable	Categories	N	Percentage (%)
Gender	Male	102	40.9
	Female	147	59.1
Age	25-39	249	100.0
Monthly Income	Below 3,000 MYR	249	100.0
Shop on Instagram Experience	Yes	249	100.0
Education	Bachelor Degree	249	100.0

1. Data Analysis

This study utilised SmartPLS 3 software as research analysis tool. As per Partial Least Square (PLS) - Structural Equation Modelling requirements, there are two main assessments are required which are measurement model and bootstrapping (Hair et al., 2017).

Measurement model assessment summary: The main purpose of measurement model assessment is test the reliability and validity of the items in the constructs. All constructs which are Social Media Richness (SMR), Brand Loyalty (BL) and Purchase Intention (PI) were developed based on reflective model. Hair et al., (2017) highlighted that there are three main steps required in assessing the measurement model which is Internal Consistency, Convergent Validity and Discriminant Validity. Based on PLS-Algorithm, the results show that the Composite Reliability (CR) for all construct above 0.9 and Cronbach Alpha above 0.9. While the Convergent Validity results shows that the Indicator reliability above 0.7 and the AVE is exceeded 0.5. Table 2 summarizes the readings.

Table 2: *Summary of CR and IT Result*

	Cronbach's Alpha	rho_ A	Composite Reliability	Average Variance Extracted (AVE)
Brand Loyalty (BL)	0.910	0.916	0.911	0.631
Purchase Intention (PI)	0.929	0.930	0.929	0.814
Social Media Richness (SMR)	0.906	0.921	0.906	0.501

Besides that, the Discriminant Validity result shows met the Fornell & Larcker's criteria whereby the square root of AVE for each Latent Variable (LV) was greater than the correlation among the LVs. Cross Loading result also showed that the outer loading value was greater than its loading with all other remaining constructs. Table 3 shows Fornell & Larcker's result for this study.

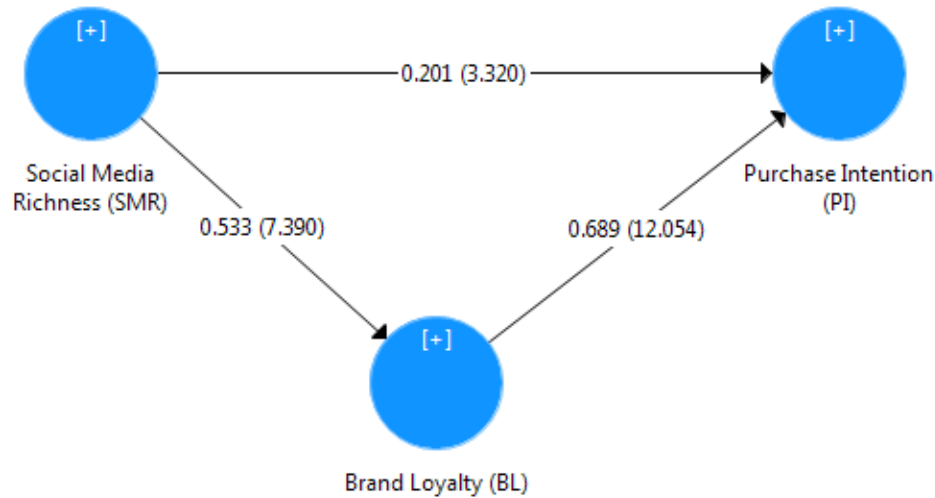
Table 3: *Fornell and Larcker's Table*

	Brand Loyalty (BL)	Purchase Intention (PI)	Social Media Richness (SMR)
Brand Loyalty (BL)	0.795		
Purchase Intention (PI)	0.533	0.708	
Social Media Richness (SMR)	0.796	0.568	0.902

Structural model assessment summary:

The purpose of structural model assessment is to examine the predictive capabilities and relationship between the constructs. Figure 1 below show the structural model of this study.

Figure 1: *PLS-SEM Structural Model*



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Table 4: *Hypothesis Test for Structural Model*

	Hypothesis	Path Coefficient	T-Value (>1.96)	P-Value (<0.05)	Supported (Yes/No)
H ₁	Social Media Richness (SMR) → Purchase Intention (PI)	0.201	3.320	0.00	Yes
H ₂	Social Media Richness (SMR) → Brand Loyalty (BL)	0.533	7.390	0.00	Yes
H ₃	Brand Loyalty (BL) → Purchase Intention (PI)	0.689	12.054	0.00	Yes

Based on Table 4, it was found that the T and P values is significant. Thus, it is showed Social Media Richness has significant and direct effect towards Brand Loyalty. Moreover, the result also shows that Brand Loyalty has direct effect and significant influence on Purchase Intention. Based on these findings, it is concluded that all hypotheses are supported.

Mediating Test

Mediating analysis is tested through Smart PLS protocol as per guided by Hair et al. (2017). The mediating was conducted to address the following research hypothesis:

H4: Brand Loyalty (BL) mediates the relationship between Social Media Richness (SMR) and Purchase Intention (PI).

In conducting the mediating test, researcher should rather follow Hayes & Preacher (2014) approach and bootstrap the sampling distribution of indirect effect, which is suitable for simple and multiple mediators. Mediating test for Brand Loyalty is started with bootstrapping. Subsamples 5000, consistent bootstrapping, bias-corrected and accelerated (BCa), bootstrap two tailed was selected prior running the bootstrapping process. The result of mediating test is as per Table 5 below.

Table 5: *Hypothesis Result on Mediation*

	Hypothesis	Std Beta	Std Error	T- Value (>1.96)	P-Value (<0.05)	Decision
H ₄	Social Media Richness (SMR) → Brand Loyalty (BL) → Purchase Intention (PI)	0.307	0.043	7.198	0.000	Significant, Supported

Based on Table 5, it was found that the indirect effect is statistically significant on H₄. Thus, based on Hair et al. (2017), there is a mediation of Brand Loyalty on the relationship between Social Media Richness and Purchase Intention. This scenario also can be concluded that the mediation type is complementary (partial mediation).

IV. Discussion

This study has found significant direct of the relationships between social media richness, brand loyalty and purchase intention. Besides, this study also found the significance of mediating effect of brand loyalty (indirect effect) between the social media richness and purchase intention. That is to say, a strong emotional connection about the brand through perception of the brand name of particular product by consumers has influence as mediator between the social media richness and purchase intention. This study shows that social media richness explains a medium percent of the variation in purchase intention. Social media richness has a medium explanatory power to predict purchase intention which explains 43.7% of the variance.

This positive relationship exists between social media richness towards purchase intention means that when consumers have positive influence on social media richness on Instagram (in terms of attractiveness, contents, and user interface) whereby they have intention to purchase when being exposed to social media platform with high media rich. This behaviour also occurs when the consumers triggered by attention-grabbing approach provided by social media platform i.e. Instagram in selling promoting the product online which lead to purchase intention. When the consumers being exposed well by social media richness on Instagram, there is high possibility of them to resist from looking to other social media applications promoting the same products or services. Therefore, organisations should focus on enhancing social media richness as it plays an important role in impelling purchase intention among consumers.

V. Conclusions and Future Research

To sum up, media richness and brand loyalty were found to have positive effects on purchase intention. Means that consumers have the intention to purchase if they were provided with decent media richness from the social media platform i.e. in this case Instagram. Specific to this study, attractiveness, media contents, and user interface becoming the indicator to measure the media richness offered. It is something a worth doing if organisations want to promote their product and services via social media by providing higher-richness media if they desire to have more customers. This is due to its ability in creating purchase intention behaviour among consumers. Brand loyalty was found to be partially mediated between social media richness and purchase intention. Therefore, both direct and indirect relationship are significant with brand loyalty as mediator. All hypotheses in this study are accepted. To conclude, Gen-Y in Kuala Lumpur, Malaysia are sensitive and

thoughtful about media richness and brand loyalty of products promoted by online sellers on Instagram in order for them to have the intention to purchase.

The findings of this study are limited to Malaysia setting as it was conducted in Kuala Lumpur, Malaysia. Plus, the scope of research only focusing on Gen-Y among undergraduate students. There may be differences in terms of findings if this study being tested at different nations. Future studies may consider using a national sample which is more accurate reflects the population of current and potential online consumers. The influence of social media richness in terms of attractiveness, media contents, and user interface, and brand loyalty towards purchase intention may vary between Gen-Y and other generations such as Baby Boomers, Generation X and Generation Z. Other than that, future study should also consider on discovering other variables, applying different social media platforms, as well as different product brands.

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