

Consideration of Influencer Marketing on Social Media to Influence Generation Z's Purchase Intention

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ABSTRACT

This research aimed to explore social media influencer factors affecting generation Z's intention to purchase products and services as suggested by their influencers. The questionnaires were completed by 189 private university students using purposive sampling. The descriptive statistics was used to analyze the descriptive data and structural equation modeling was used to test the hypotheses. Most respondents were male. Most of them used Instagram to make a purchase. The independent variables consisted of influencer's attitude homophily and social attractiveness. The dependent variable was purchase intention mediated by influencer's trustworthiness. The hypotheses were supported by the data set except that influencer's attitude homophily did not directly have a significant impact on purchase intention.

Keywords: Influencer Marketing, Social Media, Purchase Intention

INTRODUCTION

Exponential growth of the Internet technology and e-commerce has influenced changes in businesses, sellers' strategies and consumer behavior drastically. Traditional businesses have transformed themselves into digital ones (Tunsakul, 2020). They can now reach customers worldwide and the customers, in turn, can save shopping times, compare stores, products and prices on the Internet. The Covid-19 virus has also caused businesses and consumers to be adaptive to new normal lifestyles. Social media such as Facebook and Instagram are becoming selling and buying channels with many users. Influencers on social media, such as a page admin or a celeb, help to review their own or others' products. Influencer marketing helps to enhance brand awareness, trustworthiness, and sales.

Table 1 shows the comparison between social media usage worldwide and in Thailand during February, 2022. From the table Facebook ranks number one for both worldwide and in Thailand.

Table 1. Social Media Stats Worldwide and Thailand during February 2022 (StatCounter, 2022)

	Social Media Stats					
Worldwide	Facebook 71.68%	Twitter 7.22%	YouTube 6.38%	Pinterest 6.16%	Instagram 5.27%	Reddit 0.79%
Thailand	Facebook	Twitter	YouTube	Pinterest	Vkontakte	Instagram

	61.5%	18.32%	9.16%	6.99%	2.38%	0.85%
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This research focuses on generation Z consumers (Gen Z). Generation Z is a group of people born during 1995 – 2009. They are tech savvy, educated, creative, not brand loyal and difficult to persuade (Bassiouni & Hackley, 2014; Priporas et al., 2017; Tunsakul, 2020). Tunsakul (2018) mentioned that a lot of generation Z people follow influencers on social media.

The researcher therefore was interested in exploring the impacts of influencers on social media and investigating whether influencer attributes would have a significant impact on generation Z's intention to purchase products and services as suggested by their influencers

CONCEPTUAL FRAMEWORK AND RESEARCH HYPOTHESES

THEORETICAL BACKGROUND

Theory of Persuasion

Regarding Petty and Cacioppo's (1986) dual-process Elaboration Likelihood Model (ELM), people use either a central route or a peripheral route to the information to which they are exposed. Central route processing is indicated by conditions of high message elaboration and high level of cognitive capacity to evaluate the message. Peripheral route processing, on the other extreme, is determined by low level of rationality. Under the peripheral route, people do not rationally consider the essence of the message but rather their influencers such as friends, experts, celebrities, or opinion leaders.

Influencer Attributes

Influencer's attributes are considered peripheral cues in the theory of persuasion. According to Masuda, Han, and Lee (2022), influencer attributes consist of attitude homophily, physical attractiveness and social attractiveness. In this study, attitude homophily and social attractiveness were used as two independent variables. As physical attractiveness includes being good-looking, the author did not include such a variable in the construct.

Independent Variables: Influencer's Attitude Homophily and Influencer's Social Attractiveness

Attitude homophily is the degree of similarity between people. A high degree of congruence between a social media influencer and his or her follower's ideal self-image leads to effective endorsement outcomes (Shan et al., 2019). People with the same attitude tend to communicate with each other and similarity between influencers and followers tends to increase influencers' social appeal because of attitude homophily (Masuda et al., 2022).

Social attractiveness refers to the likability of a speaker (Sokolova & Kefi, 2020). Influencers with social attractiveness can enhance emotional liking from their followers beyond physical likes on social media (Masuda et al., 2022).

Mediator: Influencer Trustworthiness

Influencer trustworthiness also plays an important role in influencer marketing. Trustworthiness is the degree to which the audience perceives that the message source's claims are valid (Sokolova & Kefi, 2020).

Previous studies by Li and Du (2011), Al-Emadi and Yahia (2020), and Sokolova and Kefi (2020) show the significant relationship between attitude homophily and trustworthiness. Therefore, the following hypothesis is proposed:

H1: Influencer's attitude homophily has an influence on trustworthiness.

Studies by Lee (2010), and Carroll and Ahuvia (2006) also reflected the significant relationship between social attractiveness and trustworthiness. Thus, the following hypothesis is proposed:

H2: Influencer's social attractiveness has an influence on trustworthiness.

Dependent Variable: Purchase Intention

Consumer purchase intention can be defined as the desire of consumers to purchase a product or service (Ku, 2011). The purchase intention represents a customer's likelihood to purchase a product or use a service in the future (Zeithaml, Bitner, & Gremler, 2016). According to Chu & Lu (2007), purchase intention is determined by the perceived value based on an overall assessment of the costs and benefits of a given market offering. Studies by Erkan and Evans (2016), Djafarova and Rushworth (2017), Sokolova and Kefi (2020), and Masuda et al. (2022) supported the significant relationship between trustworthiness and purchase intention. Thus, the following hypothesis is proposed:

H3: Influencer's trustworthiness has an influence on purchase intention.

Figure 1 represents the conceptual model of this study, depicting relationships among all the hypotheses.

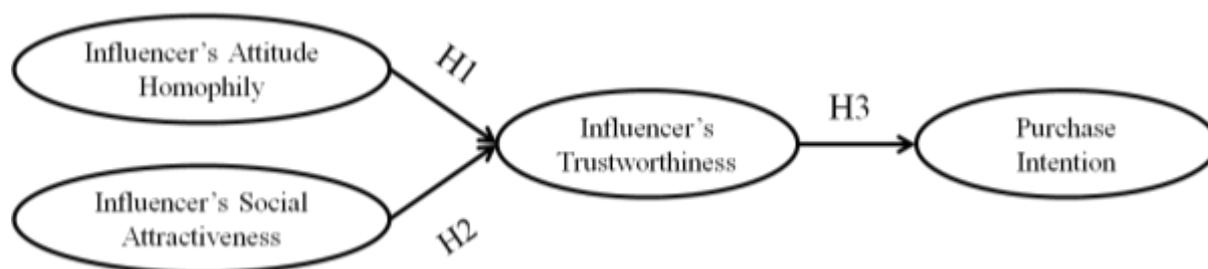


Figure 1: The Conceptual Model

RESEARCH METHODOLOGY

Respondents of the study

The target population was a private university's undergraduates who had at least a social media platform account, owned a smart phone, tablet or personal computer, and responded that they followed social media influencer(s). The selection of target respondents was based on purposive sampling method, which depends on the researcher's judgment that the sample would represent the target population. As the target respondents were the author's students,

they were approached via Google Meet. 189 respondents from a total of 316 students were eligible to respond to the questionnaire, which was sufficient for the minimum requirement (150-400 respondents) of using Structural Equation Modeling (SEM) as an analytical tool (Hair et al., 2006).

Research instruments / Questionnaire

There were totally 13 scale questions regarding all the variables. Table 2 shows list of variables and sources of measurement items, and Cronbach's alphas. The respondents were asked to indicate their response for all questions on the scale of 1 to 5 including 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree to 5 = strongly agree. According to Table 1, the Cronbach's alphas for all measurement items (n = 189) of each variable range from 0.743 to 0.871, which are acceptable according to Maholtra (2007).

Table 2. Summary of Reliability Statistics, n = 189

Variables	Measurement Items	Cronbach's Alphas
Influencer's Attitude Homophily	1) The influencer I am following and I have a lot in common, 2) The influencer I am following and I are a lot alike, 3) The influencer I am following thinks like me, 4) The influencer I am following and I share my values (adopted from Lou and Kim, 2019)	0.743
Influencer's Social Attractiveness	1) I think the influencers I am following could be my friends, 2) I want to have a friendly chat with the influencer I am following, 3) the influencer I am following and I could establish a personal friendship with each other, 4) the influencer I am following would be pleasant to be with (adopted from Duran and Kelly, 1988)	0.805
Influencer's Trustworthiness	1) I feel that the influencer I am following is honest, 2) I consider the influencer I am following trustworthy, 3) I feel the influencer I am following is truthful (adopted from Lou and Kim, 2019)	0.871
Generation Z Consumers' Purchase Intention	1) I think I will buy products or services recommended by the influencer I am following, 2) I will probably buy products or services after watching a product review video clip of the influencer I am following (adopted from Casalo et al., 2017)	0.843

RESEARCH RESULTS

Demographic profile of the respondents

The demographic profile in this study comprises two main sections including gender, and most frequently used social media platform. Table 3 shows the descriptive data of the respondents.

Table 3. The Demographic Profile of the Respondents

Demographic Profile of the Respondents		Descriptive Statistics	
		Frequency	Percent
Gender	Male	117	61.9
	Female	72	38.1
Most Frequently Used Social Media Platforms	Instagram	78	41.3
	YouTube	69	36.5
	Facebook	31	16.4
	Twitter	7	3.7
	Other	4	2.1

From table 3, out of a total of 189 respondents, the majority were male (117, or 61.9 %), while 72 respondents (38.1 %) were female. The data reflected that Instagram and YouTube were highly used by generation Z consumers, which was contrary to the data from table 1 which showed that Facebook ranked the highest.

Confirmatory Factor Analysis (CFA)

The main objective of CFA is to determine the degree of model fit. According to Hair et al. (2006) and Ho (2006), there are two important types of goodness-of-fit in order to determine the results of the measurement model. First is an Absolute Fit Measure assessing the level of fit for the proposed model with the actual data (Ho, 2006). The key indices used for statistical analysis include Chi-square statistics, Goodness-of-Fit Index (GFI) and Root Mean Square Error of Approximation (RMSEA) (Hair et al., 2006; Ho, 2006). The GFI is a nonstatistical measure ranging from 0 (poor fit) to 1 (perfect fit), but there have no threshold levels for acceptability (Ho, 2006). For RMSEA, values ranging from 0.05 to 0.08 are considered to be acceptable, values from 0.08 to 0.10 indicate mediocre fit, and those greater than 0.10 indicate poor fit (Ho, 2006). Second, Incremental Fit Measures are considered as another key measurement that compares the proposed (default) model to the baseline model. The five indices that measure incremental fit are Normed Fit Index (NFI), Relative Fit Index (RFI), Incremental Fit Index (IFI), Tucker-Lewis Index (TLI), and Comparative Fit Index (CFI). The fit indices represent comparisons between the proposed model and a null or independence model, and show the improvement of proposed model over the null model and range from 0 (a fit no better than the independence model) to 1 (a perfect fit). The recommended value for the incremental fit indices should be above 0.9 (Hair et al., 2006; Ho, 2006). However, there are notes of cautions for using incremental fit indices as rules of thumb (McDonald & Marsh, 1990; Hu & Bentler, 1998; Marsh, Hau, & Wen, 2004). First, designating cutoff value for each fit index does not work equally well with various types of fit indices, sample sizes, estimators, or distributions. Second, other aspects like adequacy and interpretability of parameter estimates, model complexity and other issues are more critical than merely relying on high incremental fit indices (>0.90).

Table 4 shows summary of fit indices of measurement model. The CFA results from this study (Table 4) with the use of modification fit indices show that the model fits with the dataset, $\chi^2(n = 189, df = 107) = 1.641, p < 0.05$ and GFI shows quite acceptable fit, which is close to 1 (0 = poor fit, and 1 = perfect fit). For the Root Mean Square Error of Approximation (RMSEA), the smaller values indicate better model fit. Values ranging from 0.05 to 0.08 are considered acceptable, values from 0.08 to 0.10 indicate mediocre fit, and

those greater than 0.10 indicate poor fit (Ho, 2006). In addition, baseline comparisons fit indices of NFI, RFI, IFI, TLI, and CFI show improvement in fit for the hypothesized model (default model) compared to the null model, from 0.033 (1-0.967) to 0.112 (1-0.888) appearing to be small as to be of little practical significance.

Table 4. Summary of Fit indices of Measurement Model

	Measures of Absolute Fit			Measures of Incremental Fit				
	χ^2/df	RMSEA	GFI	NFI	RFI	IFI	TLI	CFI
Rules	< 2.0	Acceptable at 0.05 - 0.08	Close to 1	0.900	0.900	0.900	0.900	0.900
Model	1.641	0.074	0.928	0.919	0.888	0.967	0.953	0.966

Hypothesis Testing

The results of SEM as shown in table 5 indicate that the unstandardized regression weights are significant by the critical ratio test (C.R. > ± 1.96 , $p < 0.05$) except the relationship between influencer's attitude homophily and influencer's trustworthiness (C.R. = 1.146, $p = 0.252$).

Table 5: A Summary of Hypothesis Testing

Hypothesis	Unstandardized Coefficients		Standardized Coefficients	Critical Ratio (CR)	p-value	Hypothesis Supported
	B	Std. Error	Beta			
H1: Influencer's attitude homophily has an influence on trustworthiness	0.089	0.078	0.1	1.146	0.252	No
H2: Influencer's social attractiveness has an influence on trustworthiness.	0.517	0.095	0.537	5.429	0.000	Yes
H3: Influencer's trustworthiness has an influence on purchase intention.	0.677	0.113	0.544	6.013	0.000	Yes

Figure 2 shows the structural path model with hypotheses 1 to 3. The solid lines represent the hypotheses supported by the findings while the dot lines represent those not supported by the findings. According to the structural path model, influencer's attitude homophily had no significant impact on influencer's trustworthiness (β or standardized regression weight = 0.1, $p > 0.05$). Influencer's social attractiveness had a significant and positive impact on influencer's trustworthiness ($\beta = 0.537$, $p < 0.001$). Lastly, influencer's trustworthiness had a significant impact on Generation Z's purchase intention ($\beta = 0.544$, $p < 0.001$). The explained variances for all independent variables are represented by the squared multiple correlations (R^2). The percentage of variance explained ranges from 0.296, or 29.6% (Purchase Intention)

to 0.347, or 34.7% (trustworthiness). For all measurement variables, the residual variances ($1-R^2$) ranged from 65.3% to 70.4%, meaning that 65.3% of variation in influencer's trustworthiness and 70.4% of variation in purchase intention were influenced by other factors.

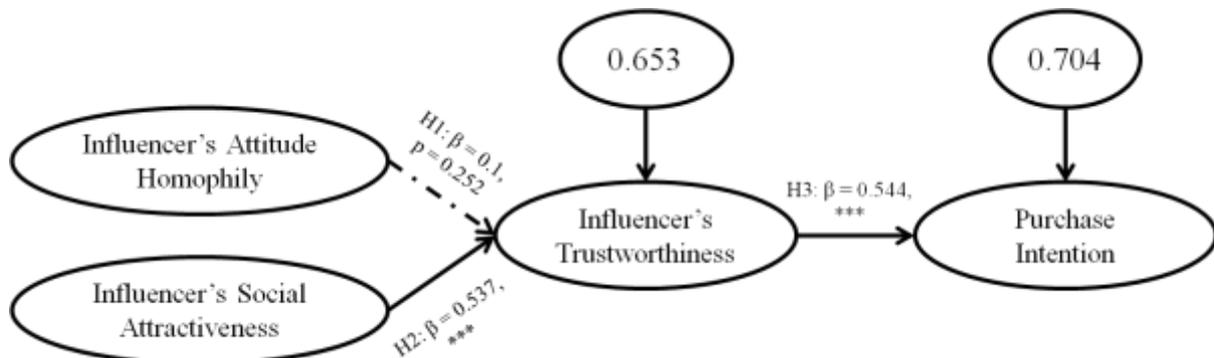


Figure 2. Structural Path Model with the Summary of Findings

DISCUSSIONS AND CONCLUSIONS

The study has fulfilled the research objective. The results show significant relationships between variables. Generation Z consumers' purchase intention was significantly influenced by trustworthiness of their influencers. However, the relationship between influencer's attitude homophily and influencer's trustworthiness was insignificant, which was not consistent with previous studies cited in this research. This indicates that attitude similarity does not always lead to trustworthiness.

Research Implications

This study provides some useful implications for e-commerce and online shopping behavior. Influencer marketing always plays an important part for digital marketing. Consumers still follow two routes to persuasive communication. Influencer marketing is useful to persuade consumers who follow the peripheral route. Social media influencers must be able to develop their social attractiveness and enhance their trustworthiness. According to the author's observation, some influencers were unfollowed because they showed different attitudes from their followers. This does not mean that similar attitude affects trustworthiness. Some influencers are followed due to physical and social attractiveness but not attitude homophily.

Limitations and Suggestions for Further Research

The main limitation of this study is that the respondents are all Thai nationals, which may not represent generation Z in general. Future research is encouraged to expand comparisons between generation Z consumers and other generations. As generational gaps and differences exist, research on generation Z consumers' behavior in different business categories can add on empirical knowledge about generation Z consumers as compared to other generations.

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