

Influences of Media Richness on Instagram towards Consumer Purchase Intention: The Mediating Effect of Brand Equity

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Social media has become a widely-adopted technology since it was introduced to the world, affecting businesses in myriad ways. In the present time, the majority of companies have started to invest in social media marketing regarding the ability to initiate new contacts leading to better profitability. However, only a few studies have looked at the empirical link between media richness originating from social media e.g. Instagram and purchase intention among consumers. This paper discusses the influence of media richness on Instagram towards consumers' intention to purchase, mediated by brand equity. This study was conducted utilising a survey research method, aiming to create a better understanding of consumer intention to purchase as influenced by social media richness. A total of 217 undergraduate students in Kuala Lumpur, Malaysia age 19 to 24 years took part in this study. The respondents were exposed to Instagram postings on similar products for sale. Partial least square structural equation modelling (PLS-SEM) was applied to fit data in the hypothesised model. The outcome of this study is useful to both researchers and business practitioners in order to understand the importance of social media richness specifically utilising Instagram as a business platform. Future studies should consider discovering different perspectives of media richness involving other types of social media.

Key words: *Social Media, Instagram, Purchase Intention, Media Richness Theory, Brand Equity.*

Introduction

The pervasiveness of social media today is due to its availability to consumers without a fee as well as its function to enable people to connect and communicate. What makes social media so interesting and unlike traditional media is that advertisers may now be able to interact with customers in real-time; making social media the best platform today for customer engagement. There are a number of studies on social media richness effectively identifying purchase intention influence. However, there is still a need for further research of this new marketing trend. This study focuses on giving a better overview on methods to measure the potential return on investment in social media marketing technique through select variables.

This study refers to media richness theory proposed by Daft, Lengel and Trevino (1987) which suggests that the degree of information dissemination can enhance a receiver's level of comprehension. Based on this theory, if media richness is high, then information dissemination is better, while if media richness is low, equivocality and uncertainty in the process of information dissemination are high. In addition, face-to-face communication is the richest communication medium in the hierarchy followed by video, voice and text. The theory also suggests effective use of a communication channel (medium) by matching the richness of a medium and the equivocality of the task. Sets of questionnaires have been distributed to 217 undergraduate students at the Universiti Kuala Lumpur, Malaysia to measure the media richness effect towards brand equity and purchase intention in the case of Instagram platform.

Literature Review

Social Media Richness and Instagram

Daft et al. (1987) proposed and agreed on media richness theory as the degree of information dissemination by media can enhance a receiver's level of understanding. This theory highlights that different media hold varying information richness. The higher the media richness of medium used, the better dissemination of information. The lower the media richness of medium used, the poorer the dissemination of information, which this due to high uncertainty and equivocality in the process of information being disseminated. Daft et al. (1987) formed a hierarchy consisting of (i) instant feedback availability; (ii) ability of the medium to transmit multiple signals; (iii) use of natural language; and (iv) the personal focus on the medium. Based on the above hierarchy, the richest communication medium is face-to-face, followed by video, voice, and text. Brunell (2009) believes 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 create the intention to buy (Aydoğan, Aktan, & Aysuna, 2016).

Apart from offering information via communication medium, in their study Teo, Leng, and Pua (2019) prove that image quality also provides a significant impact to purchase intention among consumers. For the online business perspective, the best approach in developing electronic commerce strategy is to enrich company-consumer interface. In their study on Mobile Instant Messaging, Tseng, Cheng, Li, and Teng (2016) show that media richness (multiple cues, immediate feedback, personal focus, and language variety) increases consumer loyalty. Based on previous studies, the implementation of thought-provoking and effective media richness theory on a communication medium leads to purchase intention and loyalty. In this case, specific to social media platform, Instagram's eye-catching visuals and excellent engaging options available on its platform are expected to create a positive relationship for purchase intention among consumers. According to Valentini et al. (2018), presenting images is a more direct way of communication, providing a better experience in human relations compared to text-based communication.

Instagram is a free mobile photo-sharing application. It allows users to snap and edit photos instantly and then share these photos to with a private photo-sharing community or the public which can be viewed by anyone who wishes to do so on their Instagram account. 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). Instagram had approximately one billion active users per month worldwide, and more than 500 million of them use the platform on a daily basis, sharing more than 30 billion photos (Clarke, 2019). While the industry has embraced this social media platform extensively, academic studies on Instagram lag far behind. Only a limited number of studies have been conducted in academic literature to specifically examine Instagram usage and marketing.

Brand Equity

Brand equity is one of the most crucial elements in the field of brand management and marketing from both the academic and managerial perspectives (Yang, Liu, & Li, 2015). Early studies have identified brand equity as "a set of brand assets and liabilities linked to a brand, its name, and symbol, that add to or subtract from the value provided by a product or service to a firm and/or to that firm's customers" (Aaker, 1991). However, recent studies conclude that brand equity is a relational market-based asset generated by interactions and relationships between brands and consumers (e.g., Davcik, Vinhas da Silva, & Hair, 2015; Hoole et al. 2005; Srivastava, Fahey, & Christensen, 2001). Brand equity also creates a

strong emotional connection between the brand and the consumers which influences the consumer to think about the brand as a potential purchase (Forbes, 2017). In addition, brand equity is value added by the brand name that causes long term profit for a business organisation (Cousaris, Osch, & Balogh, 2016).

Purchase Intention

Purchase intention is a consumer behaviour that is inclined towards future purchase planning (Dodds, Monroe, & Grewal, 1991). In other words, it is a consumer's potential for making a future purchase . Since purchase intention conveys a customer's willingness to promise certain activities related to future actions, countless studies have been employed to estimate those factors that can influence this phenomenon. Therefore, understanding consumers' purchasing behaviour i.e. purchase intention is necessary for business organisations in order to attract and retain customers (Ko, Kim, & Zhang, 2008). Previous research has shown that purchase intention is strongly related to attitude, environment, situation, and preference towards a brand or a product (Kim & Ko, 2010; Kim & Lee, 2009). In their recent study, Ayuningthyas, Prihatiningsih, & Laura (2018) found a positive relationship between products availability on social media and purchase intention.

Today, social media is an essential marketing tool for any business organisation as it has a significant impact on customer intention to purchase. Different from traditional stores, an online store may offer little human contact during the purchase process. Therefore, online stores depend on media richness to engage and encourage customers to purchase. In his empirical study, Brunell (2009) has developed a framework to explain consumer purchase intention when consumers shop online and found that consumers will decide to purchase a product if the social media platform offers the desired information .

Therefore, based on the above discussion on three constructs namely Social Media Richness, Brand Equity, and Purchase Intention, this study has formed the following hypotheses which sums up the research objectives:

Hypothesis 1: Social Media Richness has a direct impact on Purchase Intention

Hypothesis 2: Social Media Richness has a direct impact on Brand Equity

Hypothesis 3: Brand Equity has a direct influence on Purchase Intention

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

Methodology

This study applies a quantitative method and the respondents comprised of Generation Z (Gen Z) in Kuala Lumpur, Malaysia. Gen Z has been defined as people who were born between 1995 to 2010 (Francis & Hoefel, 2018), so that they are aged between 19 and 24 while the study conducted. The respondents have been exposed to digital online applications from a young age as they were connected to internet mobile systems (Francis & Hoefel, 2018). In fact, this generation is the most active social media mobile apps user compared with other generations (Green, 2019). A set of 230 questionnaires were distributed to undergraduate students among various private universities in Kuala Lumpur, Malaysia. However, only 217 of the completed return questionnaires are valid for this study.

The respondents were grouped in a closed hall where they were exposed to similar brands and products through online Instagram business posts from their own smart phones. The number of "likes" from each Instagram posts were hidden from the respondents to avoid bias. The respondents were then asked to answer questionnaires regarding their response to social media richness and purchase intention through the Instagram posts they experienced in the closed hall. Several respondents' demographic profiles were gathered. Table 1 presents these demographic details :

Table 1: Demographic profile of respondents

Variable	Categories	N	Percentage (%)
Gender	Male	105	48.4
	Female	112	51.6
Age	19-24	217	100.0
Monthly Income	Below 1,000 MYR	217	100.0
Online Shopping Experience via Social Media	Yes	217	100.0
Education	Bachelor Degree	217	100.0

Data Analysis

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

Measurement model assessment summary: The main purpose of measurement model assessment is to test the reliability and validity of the items in the constructs. All constructs which include Social Media Richness (SMR), Brand Equity (BE) and Purchase Intention (PI) were developed based on a reflective model. Hair et al., (2017) highlight that there are three

main steps required in assessing the measurement model which are Internal Consistency, Convergent Validity and Discriminant validity. Based on PLS-Algorithm, the results show the Composite Reliability (CR) for all constructs above 0.9 and Cronbach Alpha above 0.9, while Convergent Validity results highlight Indicator reliability above 0.7 and AVE exceeding 0.5. Table 2 below summarises the readings:

Table 2: Summary of CR and IT Results

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Brand Equity (BE)	0.913	0.921	0.914	0.513
Purchase Intention (PI)	0.927	0.929	0.927	0.810
Social Media Richness (SMR)	0.907	0.919	0.902	0.534

Furthermore, Discriminant Validity result meet 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:

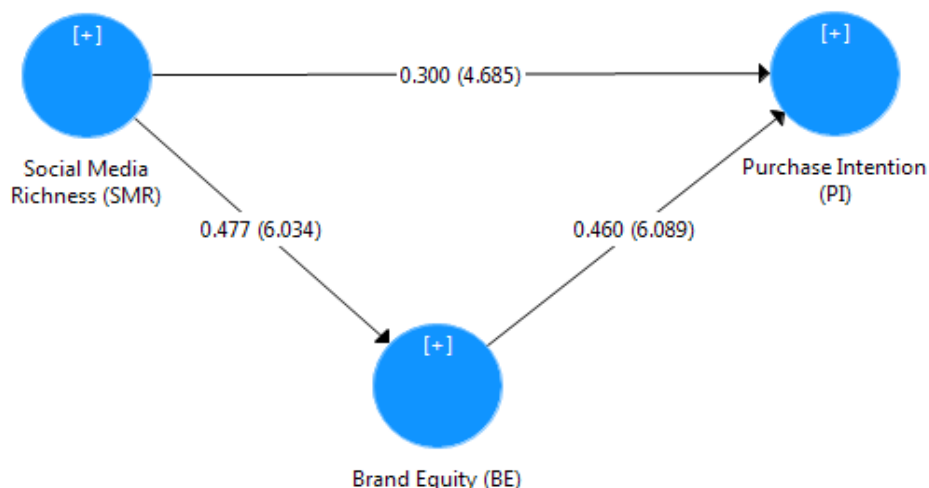
Table 3: Fornell and Larcker's Table

	Brand Equity (BE)	Purchase Intention (PI)	Social Media Richness (SMR)
Brand Equity (BE)	0.674		
Purchase Intention (PI)	0.653	0.900	
Social Media Richness (SMR)	0.518	0.562	0.701

Structural Model Assessment Summary

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

Figure 1: PLS-SEM Structural Model



Through bootstrapping steps, the result of path coefficient, T-Value and P-Value is obtained. Table 4, hypothesis testing summarises the reading

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)	0.300	4.685	0.00	Yes
H ₂	Social Media Richness (SMR) → Brand Equity (BE)	0.477	6.034	0.00	Yes
H ₃	Brand Equity (BE) → Purchase Intention (PI)	0.460	6.089	0.00	Yes

Based on Table 4, it was found that T and P values are significant. Thus, it showed that Social Media Richness has a significant and direct impact on Brand Equity. Moreover, the result also shows that Brand Equity has a direct 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 guided by Hair et al. (2017). The mediation was conducted in order to address the following research hypothesis:

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

In conducting the mediating test, the researcher should follow Hayes & Preacher's (2014) approach and bootstrap the sampling distribution for indirect effect, which is suitable for simple and multiple mediators. Mediating test for BE is started by bootstrapping. Subsamples 5000, consistent bootstrapping, bias-corrected and accelerated (BCa), bootstrap two tailed was selected prior to running the bootstrapping process. The result of the mediating test is shown 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 Equity (BE) → Purchase Intention (PI)	0.256	0.049	5.333	0.000	Significant, Supported

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

Discussion

This study has found a significant direct correlation between social media richness, brand equity and purchase intention. It also found significance in the mediating effect of brand equity (indirect effect) between social media richness and purchase intention. In other words, a strong emotional connection concerning the brand through perception of brand name has a strong influence as a mediator between social media richness and purchase intention. The study also shows that social media richness explains a medium percent of variation in purchase intention. Social media richness has medium explanatory power to predict purchase intention which explains 49.4% of the variance.

This positive relationship between social media richness and purchase intention means that if consumers perceive a positive influence on social media richness on Instagram (in terms of attractiveness, content, and user interface), they have an increasing intention to purchase. This behaviour also occurs when consumers are triggered by an interesting approach provided by social media e.g. Instagram promoting a product online which leads to purchase intention. When the consumers are effectively exposed to social media richness on Instagram, there is a high probability that they will avoid looking to other social media applications promoting the same products or services. Therefore, marketers should focus on social media richness as it plays a vital role in influencing purchase intention among consumers. This study highlights that content richness can influence consumer intention to purchase.

Conclusions and Future Research

A positive relationship between social media richness and purchase intention means that consumers have the aim to purchase if they are provided with appropriate media richness



from the social media platform i.e. in this case Instagram. More specifically , attractiveness, media content and user interface become indicators to measure the degree of richness offered by the media . Brand equity was found to be partially mediated between social media richness and purchase intention. Therefore, both direct and indirect relationships are significant with brand equity as a mediator. All hypotheses in this study are accepted. To conclude, Gen-Z in Kuala Lumpur, Malaysia is sensitive and thoughtful about media richness and brand equity 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 a Malaysian setting as it was conducted in the capital city of Malaysia. In addition, the scope of research only focuses on Gen-Z among undergraduate students. There may be differences in terms of findings if this study was tested in different nations. Future studies may consider using a national sample which may more accurately reflect the population of current and potential online consumers. The influence of social media richness may vary between Gen-Z and other generations such as Generation X and Generation Y. Otherwise, future studies also need to consider discovering other variables, applying different social media platforms, as well as different product brands.



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