The Impact of Social Media Attributes on Purchase Intention in the Saudi Foodservice

Nora Al-Hadban*, Mohammed Almotairi

Department of Marketing, King Saud University, Saudi Arabia. *Email: Nalhadban@ksu.edu.sa

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ABSTRACT

This study aims to investigate the impact of social media attributes on customer purchase intention in the Saudi foodservice. It is a quantitative study based on the use of a questionnaire designed to fulfill the key purpose of this study. A judgmental sampling strategy is used to select the participants due to the wide population size. 380 questionnaires were collected and 357 were analyzed. SPSS.26 was used to analyze the data and to test the study hypotheses. The findings of this study revealed that social media attributes (perceived usefulness, perceived ease of use, critical mass and perceived playfulness) have a positive impact on purchase intention.

Keywords: Purchase Intention, Foodservice, Social Media Attributes, Saudi Arabia

JEL Classifications: M40, M41

1. INTRODUCTION

The rapidly changing business environment we are witnessing nowadays is creating new business forces that are shaping and leading the scope and nature of business. Organizations of different types are struggling to cope up with these forces and to survive in a highly competitive environment. The electronic revolution we live today has created opportunities for some business organizations and threats for others. One important factor that is leading to this rapid change is the spread of the social media and the increasing number of customers using social media. Social media offer different values to companies including: enhanced brand popularity (De Vries et al., 2012), facilitating word-of-mouth communication (Chen et al., 2012), increasing sales (Agnihotri et al., 2012), sharing information in a business context (Lu and Hsiao, 2010) and generating social support for consumers (Ballantine and Stephenson 2011). No doubt that the extensive use of social media has become an important influencer on the customers’ attitudes and behaviors including cognitive, affective and behavioral attitudes (Jones et al., 2009). However, this influential relationship is still to be discovered and explored in some details to provide a new business model that explains and effectively utilizes the social media attributes to positively influence the customers purchase intention.

In Saudi Arabia, social media is increasingly popular, mostly due to the low average age of the country’s population. Saudi Arabia a fast-growing internet population with 75% aged between 15-39 years. Therefore, understanding the social media usage between the Saudi consumers is very important. The above argument provides a real motivation towards investigating the impact of social media attributes on customers’ purchase intention as mediated by consumers’ attitudes. Therefore, this research explores the impact of social media attributes on purchase intention in the Saudi foodservice

2. PROBLEM STATEMENT

Today’s business environment can be described as technology–led environment. Effective use of modern technology and technological applications is therefore, considered as an organizational core competence in a highly competitive business environment. Among
the technological aspects of today’s environment is the social media applications. Additionally, the contribution of social media towards influencing customers’ purchase intention seems critical in such a technology-led business environment. In addition, the optimal use of social media for marketing purposes can enable effective and profitable utilization of these relationship in a way that help improving customer’s level of satisfaction and loyalty which can lead to directing the customers’ purchase intention (Clark and Melancon, 2013).

In spite of the fact that the selling and buying processes via social media is a recent phenomenon, it has proven to be just as effective as or even more effective than traditional marketing influencers (Icha and Agwu, 2016). The perception of social media as a business concern and as a driving force for customers’ purchase intention, as this research argues, is still to be realized (Garcia, 2012). Moreover, the scarcity of research studies concerning social media-business interaction dilemma is still a major issue within the context of Arab countries. It was found that there is an important lack of research explaining what the exact role is played by Social Media on purchase intention then at the different stages of consumers’ purchasing decision-making process (Khatib, 2016). Therefore, and in order to address this gap of knowledge, this research will present and test the model that examine the impact of social media attributes on consumer purchase intention.

3. LITERATURE REVIEW

3.1. Social Media Marketing

The advent of the internet revolution in the 1990s influenced many organizations as the internet technology and its tools offered many benefits and development for organizations (Hoffman and Novak, 2000). Social media and its various tools are considered as one of the most important results of this revolution. Strauss et al. (2011) defined social media as a term used to describe the type of media that is based on conversation and interaction between people online. However, Social media is seen by many people as a revolutionized phenomenon that is rapidly growing in a way that makes it unavoidable on the personal, group, organizational and society levels. Much of the relevant literature in social media indicates that social media is evolving and growing as a means of communication on a personal, academic, and corporate level (Angel and Sexsmith, 2009; Dutta, 2010).

When using social media the content is not only generated as a corporate monologue, but also seen as a conversation where participants can upload content, discuss, edit and rate each other’s content. Social media networks are spreading widely and used for interaction and communication with family, relatives and friends which enhance building and maintaining relationships based on these communication tools. However, these interaction and high level in communication has given marketers the opportunity to reach consumers in a 24/7 capacity through a variety of mediums. Chi and Lieberman (2011) stated that social media marketing can be described as a “connection between brands and consumers, while social media marketing is providing a way to consumers for social interaction and centred networking.” Recently, consumers prefer using social media as a primary source for choosing a product. Kotler et al. (2010) argued that the fast growth in the social media and its application has expanded overwhelming most marketing activities.

Moreover, social media has become an important tool for all businesses as it allows them to communicate with, listen to, and learn from their customers in a way they have never been able to do before (Cronin et al., 2011). In social media environment, companies and consumers have direct interaction and relationship with one another (Parson, 2013; Tuten and Solomon, 2010). It seen as an opportunity for businesses to become more attractive not only on the local level but also globally (Chen et al., 2012).

Accordingly, Bertot et al. (2010) pointed out that social media has four major potential strengths including collaboration, participation, empowerment, and time. Social media is collaborative and participatory by its nature as a social interaction mechanism. It also a source of empowerment for its users as it gives them a platform to speak freely. Furthermore, Social media applications considered as interactive computer-mediated technologies that facilitate the creation and sharing of information, ideas, interests and other forms of expression via virtual communities and networks (Kietzmann et al., 2011). Users of these applications are connected with each other through similar interests, and content can be spread across the world within minutes which can improve individual learning experience and enrich their knowledge.

In other words “Social media is no longer a trend for marketers: It is a reality” (Chung and Austria, 2010). This new reality brought new challenges for business people who have to change the way they interact and communicate with consumers. In Saudi Arabia, there is a rapid increase in the number of social media users. According to the statistics from the Saudi communication and information technology commission (CITC), the number of social media users at the beginning of (2018) reached 30 million users. As well as, Purchasing through social media platforms and applications are quite widespread in Saudi Arabia. Instagram, Twitter, and Facebook are the most widely used social media platforms for online shopping. In fact, 42% of the shoppers who have shopped online during the last year have made their purchases on social media websites and applications.

3.2. Social Media Attributes

Due to social media valuable benefits and in order to bring them into reality, academics as well as businesses have started to explore the attributes of social media. Kaplan and Haenlein (2010) state that understanding of social media attributes and characteristics may help to better understand the nature of social media and its impact. Many previous research addressed and suggested many attributes for social media including but not limited to: ease of use, interaction and broad, participation, perceived usefulness, fun and entertainment, trust, duration of usage, ease of communicating information to the public, information satisfaction, and high credibility (Khatib, 2016; Hajli, 2014; Ross et al., 2009; Valenzuela et al., 2009; Wang and Benbasat, 2009). This research argues that social media attributes can be seen as a set of factors that can shape the attitudes of social media users and accordingly influence their
purchase intention. These attributes are: (perceived usefulness, perceived ease of use, critical mass and perceived playfulness).

Perceived usefulness (PU) refers to the degree in which using the social media enhances an individual’s effectiveness and is perceived by users as useful (Chung et al., 2007). It represents the perception of the social media users for the benefits of social media in their daily life. Benefits like instant and continuous communication, information sharing, news follow up, and self-expression are expected to be gained through the use of social media. TAM theorizes that PU can determine actual intentions and behavior (Davis, 1989). Perceived ease of use (PEU) refers to the degree to which an individual expects no physical and mental difficulties in adopting the technology at hand (Davis, 1986; Davis, 1989). It represents the perception of the social media users about the degree which using the social media is easy and free of difficulties.

Critical mass (CM) was originally defined as “a small segment of the population that chooses to make big contributions to the collective action” (Oliver et al., 1985). It also seen as the point where enough users have adopted an innovation so that there is an acceleration of adoption of it where upon it becomes self-sustaining (Van Slyke et al., 2007). Perceived Playfulness (PP) is defined as the extent to which the individual perceive that his or her attention is focused on the interaction with the world wide web; is curious during the interaction; and finds the interaction intrinsically enjoyable or interesting Moon and Kim (2001). Prabowo and Nugroho (2019), studied the perceived playfulness in their research, they call it as hedonic motivation. they defined perceived playfulness as esthetic and experience-based enjoyment that is derived from the entire buying decision process.

3.3. The Role of Social Media in Food Service Industry
Food is the biggest necessity of life. It is considered as one of the major industries around the world. The foodservice industry is defined as “the food operators who own, franchise, or manage a retail food service business. (Friddle et al., 2001).” The foodservice industry had witnessed a growing trend for online food ordering through online food applications. This new trend has been raising tremendously, the online food applications are defined as: “applications that offer information about the food provider, connect the customer with the food provider, allow the ordering process that starts by customer placing his/her order, and ends by delivering food, or take-away from (home chefs, local restaurants and other food co-operatives), and lastly allow the users to place their ratings, reviews, and recommendations to other users through an online food application or through a website.” (Jadhav, 2018).

Furthermore, the foodservice sector in Saudi Arabia is expected to have a strong growth in the next five years. The latest available data from the Saudi Commission for Tourism and Antiquities’ (SCTA) (2016) shows an impressive growth in revenues of restaurants and cafés over the past few years. According to SCTA, the total revenue generated from sales of food and beverages by consumer food service (restaurants and cafés) increased from $7.21 billion in (2006) to $12.13 billion in (2012). The dine-in, takeaway and delivery and online food industry is the Kingdom of Saudi Arabia is expected to reach SR36.6 billion by (2020). The total number of restaurants and cafés were estimated at 24,738 units and 5,355 units, respectively. Therefore, this research will examine the impact of social media attributes on purchase intention in the foodservice industry in Saudi Arabia.

4. RESEARCH HYPOTHESIS

- H1: Perceived Usefulness (PU) as one of the social media attributes has a significant statistical impact on the customer Purchase Intention in the Saudi Foodservice.
- H2: Perceived ease of use (PEU) as one of the social media attributes has a significant statistical impact on the customer Purchase Intention in the Saudi Foodservice.
- H3: Critical mass (CM) as one of the social media attributes has a significant statistical impact on the customer Purchase Intention in the Saudi Foodservice.
- H4: Perceived Playfulness (PP) as one of the social media attributes has a significant statistical impact on the customer purchase intention in the Saudi Foodservice.

5. RESEARCH CONCEPTUAL MODEL

This research will be based on the following model (Figure 1).

6. RESEARCH METHODOLOGY

This study adopted a descriptive and analytical approach. A quantitative survey was used to collect the necessary data to test the proposed hypotheses. This enables collecting data from the largest possible percentage of the population of the study. Quantitative analysis was conducted using aspects of Statistical Package for the Social Sciences (SPSS. 26). A questionnaire was adopted from previous research. The answers were classified according to Likert scale and were ranged from (1) (strongly disagree) to (5) to (strongly agree). The study population included Saudi food service applications user’s. There are numerous reasons for selecting the Saudi food service sector. This sector is moving to applied technological tools quickly as well as it response quickly to customer’s demand. Simple random sample technique was used in this research. The sample for this research was consist of Saudi food service applications user’s in Riyadh. 380 questionnaires were distributed. 357 questionnaires were analyzed within 93% response rate.

Figure 1: Research model
7. ANALYSIS RESULT

To achieve research objectives, 380 questionnaires were distributed, 360 questionnaires were collected, 3 were excluded and accordingly, 357 were analyzed. (52.7%) male, and 47.3% females. Cronbach’s alpha was applied to investigate internal consistency. The overall value of alpha test is (0.963) which is considered as an acceptable level of reliability according to Sekaran and Bougie (2016).

7.1. Hypothesis Testing

• H1: Perceived Usefulness (PU) as one of the social media Attributes has a significant statistical impact on the customer Purchase Intention in the Saudi Foodservice.

To ensure the validity of the model for hypothesis testing, the analysis of variance was used.

Table 1 shows that the regression model is significant (F = 191.040, α < 0.000) Where the Perceived Usefulness explain (59.1%) of the variance of customer Purchase Intention in the Saudi Foodservice and based on that we can test the hypothesis No.1.

The statistical results presented in Table 2 and the (t) value for the variable Perceived Usefulness represent there is a statistical significant impact on customer Purchase Intention and sig value <(0.05). Therefore, H1 was accepted.

• H2: Perceived ease of use (PEU) as one of the social media Attributes has a significant statistical impact on the customer Purchase Intention in the Saudi Foodservice.

To ensure the validity of the model for hypothesis testing, the analysis of variance was used.

Table 3 shows that the regression model is significant (F = 116.848, α < 0.000) Where the perceived ease of use explains (49.8%) of the variance of customer Purchase Intention in the Saudi Foodservice and based on that we can test the hypothesis No.2.

The statistical results presented in Table 4 and the (t) value for the variable (perceived ease of use) represent there is a statistical significant impact on customer Purchase Intention and sig value <(0.05). Therefore, H2 was accepted.

• H3: Critical mass (CM) as one of the social media Attributes has a significant statistical impact on the customer Purchase Intention in the Saudi Foodservice.

To ensure the validity of the model for hypothesis testing, the analysis of variance was used.

Table 5 shows that the regression model is significant (F = 83.153, α < 0.000) Where the Critical mass explains (43.6%) of the variance of customer Purchase Intention in the Saudi Foodservice and based on that we can test the hypothesis No. 3.

The statistical results presented in Table 6 and the (t) value for the variable (Critical mass) represent there is a statistical significant impact on customer Purchase Intention and sig value <(0.05). Therefore, H4 was accepted.

| Table 1: The results of the analysis of variance |
|-----------------------------------------------|
| Sum of squares | df | Mean square | F | Sig. |
| Regression | 65.735 | 1 | 65.735 | 191.040 | 0.000 |
| Residual | 122.151 | 355 | 0.344 | |
| Total | 187.886 | 356 | |

| Table 2: The results of multiple regression analysis |
|---------------------------------------------------|
| B | Std. error | Beta | t | Sig. |
| Constant | 1.818 | 0.137 | | 13.262 | 0.000 |
| Perceived usefulness | 0.522 | 0.038 | 0.591 | 13.822 | 0.000 |

| Table 3: The results of the analysis of variance H3 |
|-----------------------------------------------|
| Sum of squares | df | Mean square | F | Sig. |
| Regression | 46.528 | 1 | 46.528 | 116.848 | 0.000 |
| Residual | 141.358 | 355 | 0.398 | |
| Total | 187.886 | 356 | |

| Table 4: The results of regression analysis H2 |
|------------------------------------------------|
| B | Std. error | Beta | t | Sig. |
| Constant | 1.330 | 0.218 | | 6.089 | 0.000 |
| Perceived usefulness | 0.435 | 0.052 | 0.498 | 10.810 | 0.000 |

| Table 5: The results of the analysis of variance H3 |
|-----------------------------------------------|
| Sum of squares | df | Mean square | F | Sig. |
| Regression | 35.657 | 1 | 35.657 | 83.153 | 0.000 |
| Residual | 152.229 | 355 | 0.429 | |
| Total | 187.886 | 356 | |

| Table 6: The results of regression analysis H3 |
|------------------------------------------------|
| B | Std. error | Beta | t | Sig. |
| Constant | 2.281 | 0.156 | | 14.661 | 0.000 |
| Perceived usefulness | 0.416 | 0.046 | 0.436 | 9.119 | 0.000 |
Table 7: The results of the analysis of variance $H_3$

|                      | Sum of squares | df | Mean square | F      | Sig. |
|----------------------|----------------|----|-------------|--------|------|
| Regression           | 41.495         | 1  | 41.495      | 100.627| 0.000|
| Residual             | 146.391        | 355| 0.412       |        |      |
| Total                | 187.886        | 356|             |        |      |

Table 8: The results of regression analysis $H_3$

|                      | B    | Std. error | Beta | t     | Sig. |
|----------------------|------|------------|------|-------|------|
| Constant             | 2.403| 0.130      |      | 18.455| 0.000|
| Perceived usefulness | 0.401| 0.040      | 0.470| 10.031| 0.000|

8. DISCUSSION AND CONCLUSION

The findings of this study emphasized the impact of Perceived Usefulness and perceived ease of use on the customer Purchase Intention in the Saudi Foodservice industry. This result reflects the importance of PEU, PU and the degree to which an innovation is perceived not to be difficult to understand, learn, or operate (Parasuraman et al., 2002). Within the context of social media, the user may assess the site based on how easy it is to use and how effective it is in helping them accomplish their social-media-related needs. This finding agrees with the findings of some previous studies (e.g. Agarwal and Prasad, 1999; Moon and Kim, 2001; Venkatesh, 2000). Critical mass seems to be a critical factor that has impact on customer purchase intention. This finding agrees with the findings of some previous studies that found that, the achieving a critical mass of active users will help accelerate the collective acceptance of interactive media (Van Slyke et al., 2007), improve users’ contribution value (Zhao et al., 2013), and reduce efforts required in social communication (Markus, 1987).

Perceived Playfulness is also another influential factor that has an impact on customer purchase intention. It considers as an intrinsic motivator, influenced by the user’s experience with the environment (Moon and Kim, 2001). Additionally, individuals with a more positive playfulness belief in the specific technology should view their interactions with the technology more positively than those with a less positive playfulness belief. This result however supports the findings of previous research (e.g. Hwang and Lee, 2005; Nysveen et al., 2005).

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