Factors influencing purchase intention based on Facebook advertising: A study on Generation Y consumers in UUM

by

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ABSTRACT

This purpose of this paper to is to discuss the phenomenon of social media advertising, and investigate the effectiveness of social media advertising on Malaysian Generation Y consumers. The framework as described in the study is adopted from the new model of website advertising effectiveness proposed by a group of Macedonian researchers in 2009. The significance of this study is to illustrate the idea how businesses can strategize on how they can improve their advertisement on social media by improving purchase intention towards their products. For this purpose, the study was focused on advertising on one of the most popular social media platforms, namely Facebook, on Malaysian Generation Y consumers. The study embarked to find out the relationship between Facebook advertising attributes, Facebook page credibility, and communication towards purchase intention. A quantitative study was employed using questionnaire-based survey. The survey took place in Universiti Utara Malaysia, where it received participation from 200 respondents. Data gathered from the survey were analyzed with Pearson correlation coefficient, using SPSS 2, in order to test the hypothesis. The study found that Facebook advertising attributes, Facebook page credibility and communication have positive relationships towards purchase intention. The study contributes on how businesses can strategize their advertisement on Facebook by putting emphasis on the factors that influences purchase intention.

Keyword: Generation Y, Facebook, advertising, purchase intention, Malaysian
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CHAPTER 1: INTRODUCTION TO THE STUDY

1.1 Introduction

This chapter outlines the research problem, research questions, objectives of the research, context of the current study, potential contributions, research methodology and thesis outlines.

1.2 Research problem

The development of internet has affected the way businesses are done. Many people nowadays prefer online instead of conventional shopping. Despite this ever-growing phenomenon a study indicated that although Generation Y demonstrate the higher usage of the internet and social media in comparison to Generation X and Baby Boomers, they are less likely to make online purchases as opposed to their older cohorts (Moore, 2012). In the context of Facebook, this is an area that can really use an improvement in advertising where business can tap into the potential consumer base, considering that Generation Y Facebook users in Malaysia alone are more than 10 million people, about 80 percent of the overall users in the country (MalaysiaAsia, 2013).

Not only that, there are only a handful of studies addressing the relationship of social media and advertising/marketing with the majority of the studies were conducted in the context of the developed countries (Okazaki & Taylor, 2013). Thus, it shows that the studies about the social media advertising in developing countries are lacking. In order
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