

# the effectiveness of social media on consumer purchasing behavior with the moderating role of brand equity

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## ABSTRACT

Today, social media is regarded as one of the top communication tools for engaging with customers, as customer loyalty plays a crucial role in business success within today's competitive market. Therefore, it is essential to design and execute effective and practical strategies in virtual spaces and digital media, capture customer attention to the brand's products and services, influence purchasing decisions, and ultimately nurture loyalty. This research aims to examine the impact of social media as the leading platform for digital marketing on purchase intention, with brand equity acting as a moderating factor. In this study, a quantitative research approach was used to achieve the research goals. The study is applied in its purpose and descriptive, employing a survey method. Data were gathered from a sample of 170 online customers of the Ofogh Kourosh chain store in District 22 of Tehran province, utilizing convenience sampling and distributing an electronic questionnaire. Statistical analysis, including testing for data normality and scale reliability, was conducted using SPSS 24 software, while hypothesis testing and model measurement were carried out through Smart PLS 3 software. The findings from the validity of the measurement and structural models, along with analyses based on the research goals, supported the hypotheses. The results reveal that social media has a significant positive impact on purchase intention through digital marketing strategies. Finally, the research offers suggestions and strategies for enhancing the effectiveness of social media marketing on purchase intention in chain stores.

**Keywords:** Social Media, Digital Marketing, Purchase Intention, Brand Equity

## Introduction

### *Problem Statement*

Digital marketing refers to a broad category of targeted marketing activities. It involves the interaction of products and services through digital technologies with the main objective of acquiring customers. These activities encompass search engine optimization (SEO), content marketing, social media marketing, website design, mobile marketing, and other forms of digital media (Moradi, marzieh, 2022). The American Marketing Association defines digital marketing as the processes, institutions, and activities that facilitate the creation, communication, and delivery of value to customers and stakeholders via digital technologies. These activities cover marketing actions, institutions, processes, and customers. The number of touchpoints in digital marketing grows annually by over 30%, a significant increase driven by consumers' increasing

reliance on digital technologies (Bughin, 2015). Given the widespread use of the internet, especially on platforms offering digital services, content marketing has become one of the most effective and cost-efficient methods today due to its low cost, high efficiency, and high user engagement. This sector's popularity is further fueled by the growth of data, content, and information production by both users and non-professionals, as well as the rise in audience knowledge and awareness online. Virtual space consumers and audiences are eager for information, content, and data that address their queries and needs (Roshandel, Amali, and Haji, 2016). Social media marketing involves both direct and indirect strategies aimed at enhancing brand recognition and awareness. Today, various social media platforms are integral to these efforts. Research shows that social media offers significant opportunities for food companies. As food preferences constantly change, staying updated can be challenging for producers. However, social media analytics now provide valuable customer insights, giving food companies a

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competitive edge across various areas, such as brand monitoring, product development, and campaign management. Key advantages include adapting products quickly to evolving customer preferences, boosting sales by evaluating competitor performance, refining product portfolios, and improving profits by linking social data with sales results (Islampour, Bahraini, 2017).

### *Importance and Necessity of the Research*

In the modern era, the shift in people's lifestyles and the widespread adoption of digital technologies have prompted businesses to move away from traditional methods in favor of more modern approaches. The transition from traditional to digital marketing, especially in the competitive landscape that has emerged in recent years—particularly after the global COVID-19 pandemic, which led to a spike in online service usage—has resulted in an overwhelming number of brand options, causing confusion among consumers when selecting products and services. This presents a significant challenge. Digital marketing encompasses various methods and tools, each with its own set of advantages and disadvantages. Understanding these strengths and weaknesses is crucial for businesses looking to adopt these methods, enabling them to select the most appropriate ones based on their specific industry, budget, and time constraints, while considering the distinct characteristics of each approach. A key feature of digital marketing strategies is their reliance on the global internet, with companies aiming to reach at least a portion of their audience from the vast network of online users. Just like in the physical world, launching a business requires having a store, company, or any place where customers can obtain products and services. Today, websites serve as a fitting substitute for physical stores. Virtual stores have emerged, with their pages acting as storefronts, while social media, emails, online ads, and other digital tools function as the channels through which customers interact with these virtual shops. As such, social media stands out as one of the most crucial platforms for digital marketing. By employing effective strategies, businesses can optimize this space to achieve their goals, particularly by enhancing customers' purchase intentions.

### *Literature Review*

Digital communications play a key role in creating new opportunities for social media engagement in marketing activities, helping to manage and reduce the costs associated with traditional marketing methods (Rezaian, Hadi, 2021). Digital display advertising, or video marketing, is a strategy within search engine marketing that allows businesses to reach potential audiences through various digital ad formats, including text ads, image ads, banners, rich media, interactive ads, and video ads. The content and messaging can be tailored based on the customer's interests and context. However, digital display advertising can be costly and requires expertise to ensure a positive return on investment (Barary, Sarami, 2019). The user

experience strategy encompasses all strategies related to how users interact with a company across different environments or devices during their decision-making process. This includes development strategies that align with the company's objectives, technical capabilities, and customer needs (Alshurideh, 2020). Mobile marketing is an emerging area of marketing that involves two-way communication between businesses and customers via mobile devices. Websites, apps, and content are optimized for mobile use, and the number of mobile users continues to grow. This method has proven to be highly effective in marketing. Mobile marketing focuses on promoting products and services through mobile devices such as smartphones and tablets, utilizing modern mobile technologies, including location-based services, to create targeted campaigns based on individuals' geographical locations. It allows businesses to personalize advertisements for users who are always connected to a network (Alshurideh, 2021b). Videos serve as powerful communication tools, increasing sales and profits while capturing consumers' attention and providing valuable information about new products and services. Video marketing is also considered a tool for content marketing. The consumption of online videos is on the rise, and this trend will continue in the short and medium term. Mobile devices contribute to this growth. Brands can use video to build communities, generate goodwill, inform, explain, showcase products and services, and attract customers (Alshurideh, 2021c). Instagram, Facebook, and Pinterest are the most effective social networks for food-related topics, as they rely primarily on images and videos, making food a perfect subject for these platforms. The aesthetic appeal of food can be leveraged online to evoke sensory responses, which can be integrated into visual marketing strategies. As demonstrated, digitalization affects all areas of daily life, and companies are adapting their business methods to keep up with this shift. They must embrace the innovative tools offered by the internet, which have evolved significantly in recent years. In particular, the rise of digital marketing has created new business sectors. These businesses now depend on efficient tools that enhance their operations and offer numerous advantages. This leads to a new business model that streamlines current operations, opens up new markets and opportunities, and levels the playing field for both large and small businesses. Digital marketing should be viewed by companies not only as a priority but as a necessary transformation to remain competitive in the modern market (Moradi, marzieh, 2022). In this context, one can also mention advertising via mobile phones, social media, display advertising, and search engine marketing. Thus, advertising through digital technologies can be more accurately defined (Bughin, 2015). The three main components of social media marketing are entertainment, engagement, and trendiness (Chaffey, D.P.R. Smith, 2013). Social media marketing is a subset of search engine marketing. A website or business can be shared and promoted through social media platforms such as Facebook, Instagram, Twitter, Pinterest, Google, LinkedIn, and others, increasing visibility and appeal. To enhance visibility, content must be tailored for each social media platform. Social media activities can aid in brand development and sales growth.

The tools and methods for interacting with customers have changed dramatically with the rise of social media. Therefore, businesses must learn how to effectively use social media to align with their goals and maximize their impact on sales growth (Clarke, Svanaes, 2012, May). A brand reflects the degree of influence it has on consumers' minds. The true value of a brand lies in its recognition and effectiveness. It represents the added value of a product or service that reflects consumer perceptions and experiences with that brand, including aspects such as price, packaging, quality, market share, and brand profitability. A brand is a vital and influential factor in consumer decision-making, as consumers tend to purchase well-known products that offer various benefits and meet their expectations.

### *Foreign Research Background*

Haki Chai et al. (2018) conducted a study on the impact of product features on perceived value, brand trust, and repurchase intention. The results indicated that product features have a positive and significant effect on perceived value, brand trust, and repurchase intention. Santana and Moreno (2017) investigated how tourists utilize information from digital media and social media. The study aimed to explore differences in customer behavior when using multiple digital information sources and to define the impact of various information sources on social media on customer behavior. The results of this study are useful for decision-making regarding digital development strategies and social media loyalty programs. Dr. Madhubala (2018) critically examined digital marketing in his paper, acknowledging that businesses can greatly benefit from digital marketing tools such as SEO, content marketing, influencer marketing, search engine marketing, content automation, e-commerce marketing, campaign marketing, social media marketing, social media optimization, direct email marketing, display advertising, e-books, optical discs, and emerging technologies in the marketing field. Kramer and Wolfart (2017) discussed the economic significance of digital media services and their impact on the power structure in media marketing. The paper addresses three important areas for identifying the unique characteristics of the digital market: 1) challenges in assessing market power in digital markets, 2) challenges in adapting various regulatory commitments to digital services, and 3) the crucial role of data and data protection in business models based on data. Ryan (2016) in his study "Marketing Strategies for Engaging the Digital Generation" pointed out that advertising media, which may be part of digital marketing strategies, can include efforts generated through the internet, social media, mobile devices, electronic billboards, and digital radio and television channels. Digital marketing is a subfield of traditional marketing and uses modern digital channels for product placement, such as downloadable music, to communicate with stakeholders like customers and investors about brands, products, and business advancements. Bertoliti (2016) in his study on the impact of digital marketing in the food industry introduced tools such as email marketing, search engine

optimization, social media marketing, mobile advertising, and display advertising as digital marketing instruments. Specifically, in the food industry, tools such as website design, social media, food blogs, e-commerce, and food-related applications were identified as effective tools for digital marketing.

### *Background of Domestic Research*

In his 2020 research, Safavi concluded that: 1) Most agree that digital marketing positively impacts the success of B2B companies, 2) Referral and content marketing have a positive impact on the revenue of these companies, 3) Income generation and customer value are the most important company goals, 4) A good company website, social media, and SEO are crucial, 5) The largest share of the budget is allocated to digital advertising, 6) Websites are the most important sales factor, and 7) Content marketing is one of the main priorities. In his 2017 research, Eshghian found that communication, distribution, and interaction marketing strategies, when using digital marketing tools, increase the number of collected umbilical cord blood samples and the revenue derived from them. He found that branches using interactive, communicative, and distributive elements in their digital marketing strategies were more successful in converting potential customers into actual ones compared to those who used these elements less. In 2014, Rezaei's study examined the impact of social media marketing on brand loyalty and consumers' purchase intentions. The results showed that social media marketing significantly affects brand loyalty and consumers' purchase intentions. From his perspective, there is a positive and significant relationship between electronic service quality, perceived quality, and trust to repurchase.

### *Research Objectives*

The objective of this study is to examine the impact of social media, as the most important platform for digital marketing, on increasing customers' purchase intention in the chain stores of Ofogh Kourosh, in Region 22 of Tehran Province, considering the moderating role of brand equity.

### *Research Hypotheses*

Social media has a positive and significant impact on purchase intention. Social media, with the moderating role of brand equity, has a positive and significant impact on purchase intention.

### *Materials and Methods*

This research is applied in terms of its objective and descriptive survey in nature. The study uses a convenience (accidental) sampling method, and the sample population consists of customers of the Ofogh Kourosh chain stores in Region 22 of Tehran Province. The sample size is determined to be 170 people using Cochran's formula for populations with unknown variance.

Data collection was done using a two-part electronic questionnaire, with the first section focusing on respondents' demographic information (personal and demographic characteristics) and the second using a five-point Likert scale (ranging from strongly disagree to strongly agree). Statistical methods were employed to analyze the variables within the population, where social media is the independent variable, purchase intention is the dependent variable, and brand equity is the moderating variable. The relationships and causal links between these variables were examined. This study used a quantitative scientific method with a positivist model to test the hypotheses. The questionnaire was distributed via a link using social media platforms such as WhatsApp and Telegram in local and regional virtual networks. The hypotheses were tested using Smart PLS software, and data were analyzed using statistical models. Various statistical analyses were conducted, including demographic analysis, normality testing, and reliability assessment using IBM SPSS 24. The data were evaluated through factor analysis and structural equation modeling using Smart PLS. The validity and reliability of the measurement model were also assessed using Smart PLS software. After testing the hypotheses, the results were reviewed.

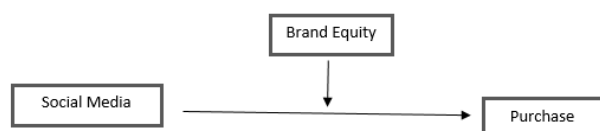


Figure 1. Conceptual Model of the Research

## Results

Table 1. Descriptive Statistics

Personnel Characteristics	Maximum Percentage Frequency	Minimum Percentage Frequency
Age	Under 30 years old, 94.42%	Above 50 years old, 7.06%
Gender	Male, 54.12%	Female, 45.88%
Educational Qualification	Bachelor's degree, 40.59%	Doctorate, 5.29%
Employment	Employees of private companies, 34.12%	Doctorate, 5.29%

Table 2. Description of Research Indicators

	Number	Average	Standard Deviation	Variance
Brand Equity	170	3.184	0.748	0.560
Social Media	170	3.175	0.761	0.580
Purchase Intention	170	3.337	0.727	0.528

To better understand the research community and become more familiar with the research variables, it is necessary to describe the data before performing statistical analysis. Therefore, before testing the research hypotheses, the descriptive statistics of the variables used in the research were examined. The mean, as one of the central parameters, represents the center of gravity of the community and indicates that if the mean is used instead of all the observations in the community, no change will occur in the total data of the community. Additionally, the maximum and minimum values show the highest and lowest values of the variable in the statistical population, respectively. According to the above table, it can be observed that the highest mean response of individuals to the intent to purchase is 3.33 with a standard deviation of 0.72.

## Inferential Statistics

Table 3. Normality Test of the Variables under Investigation

	Number	Skewness	Kurtosis	Status
Brand Equity	170	-0.390	-0.801	It is normal
Social Media	170	-0.174	-0.1006	It is normal
Purchase Intention	170	-0.314	-0.522	It is normal

As seen in the above table, the skewness and kurtosis coefficients of all variables fall within the safe and acceptable range (between +3 and -3). Therefore, it can be inferred that the distribution of the variables' data follows a normal statistical distribution.

Table 4. Constructs under Study

	Alpha Coefficient	R Square	Composite Reliability (CR)	Average Variance Extracted (AVE)
Brand Equity	0.836	-	0.891	0.671
Social Media	0.758	0.884	0.861	0.674
Purchase Intention	0.856	0.779	0.897	0.635

As seen in the above table, all the alpha coefficients obtained are above 0.7, which demonstrates the good, reliable, and trustworthy scale of the questionnaire. R<sup>2</sup> is a measure used to link the measurement section and the structural section in structural equation modeling and indicates the effect that an exogenous variable has on an endogenous variable. This value is zero for exogenous variables and is reported only for endogenous variables in the model. The higher the R<sup>2</sup> value for the endogenous constructs in a model, the better the model fit.

Davari and Reza Zadeh (2017) citing Chin (1998) introduced three values, 0.19, 0.33, and 0.67, as benchmarks for weak, moderate, and strong  $R^2$  values. For the variable of purchase intention, the value was 0.779, and for the variable of social media, it was 0.884, both of which are at an acceptable level. The average variance extracted (AVE) value is always greater than 0.5, and the composite reliability value is greater than 0.7 in all cases, which is also higher than the average variance extracted (AVE), thus confirming convergent validity.

## Discussion and Conclusion

Finally, after the final analysis, the significance of the relationship in the first hypothesis is 4.06, which is greater than 1.96. Therefore, the relationship is significant, and the first hypothesis is confirmed. In the second hypothesis, the path coefficient is 0.37, and the significance of the relationship is 2.06, which is greater than 1.96. Thus, the relationship is significant, and the second hypothesis is also confirmed. The path coefficient is 0.47. Therefore, the results confirm the positive and significant impact of social media, as the most important platform for digital marketing, on the increase of purchase intention, and also confirm the moderating role of brand equity in the positive impact of social media on increasing customer purchase intention. It is worth mentioning that the results of this research align with the studies of Bakhshi et al. (2018), Toloei et al. (2014), Badiser et al. (2017), Zarei Pour et al. (2018), Mis et al. (2021), Loulian et al. (2016), Larousse et al. (2018), Pias et al. (2020), Nina et al. (2018), and Routers et al. (2017).

### Suggestions

Store management should improve brand value by increasing brand awareness through digital marketing methods such as social media platforms. According to the findings of this study, brand equity requires combining new marketing techniques with a focus on common purchasing behaviors to effectively respond to vital changes. Additionally, marketing managers should use the most effective digital marketing tools, like social media, to capitalize on their benefits. They should also leverage beneficial marketing programs to achieve brand equity for making profitable decisions for customers. To create a productive buying process, the following suggestions are made: First, focus more on investing in the current technological infrastructure to enhance product and service quality and maintain product priority and differentiation. Second, use influencers as social media influencers to strengthen brand impact and guide customers toward frequent future purchases. Third, respond to the diverse and growing needs and expectations of customers by considering variety in all aspects and accommodating different tastes. Fourth, consider that customers prefer easy and advanced marketing methods that are updated to meet their needs, expectations, and current conditions. Fifth, digital marketing graphics should have visually appealing effects since online store websites are key tools for attracting customers and increasing

purchase intent. It is recommended to pay more attention to enhancing website infrastructure, improving information quality, updating product images, and using light background colors for websites and related apps to enhance impact. Sixth, create appropriate informational content that can be found in search engines, develop SEO content, and create engaging materials while reducing content dispersion to attract customers and lead them to make purchases. These materials should be simple and brand-related. Seventh, it is necessary to introduce the brand on social networks, especially Instagram and LinkedIn, and utilize advertisements. Using various advertising methods, including social media, national television, SMS, and email ads, is highly effective in attracting customers. Eighth, build trust with customers by ensuring the security of online payment gateways and the store's commitment to keeping customers personal and financial information confidential, creating confidence in customers to provide their complete credit details for the purchase and payment process. Ninth, ensure easy access to website services, transparency in the purchase process, and clear communication with banking gateways, while providing security against online shopping frauds. Tenth, include the electronic trust symbol at the top of online store websites, which is a certification issued by the Center for E-Commerce Development, affiliated with the Ministry of Industry, Mine, and Trade of Iran, and include explanations about the store's mission and objectives on the website. Future researchers are encouraged to develop the conceptual model of this study by adding other digital marketing channels to expand digital marketing concepts and investigate their impact on consumer buying behavior. It is recommended to use qualitative and exploratory methods to provide a more comprehensive and reliable model. It is also suggested that this study be conducted in other cities and provinces, as there are very few studies related to this topic.

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