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Funde, Lesego

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Social Media factors impacting purchase intention of mobile devices amongst Working Generation Y in South Africa

Lesego Funde

A research report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Management in Strategic Marketing

Johannesburg 2016

ABSTRACT

Word-of-mouth (WOM) has been seen to be one of the most powerful resources of transmitting information. Progression in Information technology and the rise of on-line social network sites have changed the way information is being conveyed. This phenomenon sways consumers as this effortlessly accessible information could significantly influence their consumption decision.

The purpose of this paper is to investigate Social Media factors impacting purchase intention of mobile devices amongst Working Generation Y in South Africa. The target population for this study was defined those who are between ages of 24-35 years of age and are employed. This paper relies on a quantitative analysis of the results gathered through an online survey. Measurement of items have been adapted from existing scales found in the marketing literature. Researchers reviewed the items for validity and readability. A multiple regression model procedure and Structural Equation Model is applied to test the relationship between independent and dependent variables. The research model was tested using a sample of 250 people who are South Africa's Working Generation Y consumers and are regular social network users.

Based on the resulted yielded from this research paper, it is reasonable to argue that consumer engagement will affect eWOM which may influence consumer purchase intentions.

The paper outlines ways to promote a brand effectively through online consumer communities' also known as virtual communities, as well as general guidelines for website and forum moderators for facilitating such presentation in a manner useful to the members of their online communities. While there is a substantial research stream that examines the branding of consumer's goods and an increasing literature on product brands, little is known about social media, brand image and purchase intention in the context of online communications. This paper therefore extends existing measurement of these variables.

DECLARATION

I, Lesego Funde, declare that this research report is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Management in Strategic Marketing in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

Lesego Funde

Signed at ……

On the …….. Day of …… 2016

DEDICATION

This thesis is dedicated to my beloved family. To my loving husband, Kwanele Funde, for your unconditional support and for going above, and beyond. You have been my pillar of strength throughout all my endeavours. You are a source of inspiration and encouragement; I can't imagine doing this without you.

My precious children, Olona and Athini, thank you for allowing me this opportunity to grow and better myself, I truly appreciate it.

Family is very important, but the three of you make every impossible step possible.

I love you dearly.

ACKNOWLEDGEMENTS

I am overwhelmed in all humbleness and thankfulness to acknowledge my appreciation to the people who contributed to the final outcome of my thesis.

First and for almost, Thank you to God, when I let go and you took over. Without your blessings, it seemed impossible. Thank you for giving me courage, determination and purpose.

Secondly, I would like to take this opportunity to express my sincere gratitude and regards to Dr Yvonne Saini for her continuous support and encouragement throughout the development of this paper, for her valuable feedback and for challenging me to approach different angles to the topic.

Last but not least, I would also like to acknowledge and thank my mother, Mida Phage, for her unconditional support throughout. To my late dad, Gabonewe Phage, you would have been so proud of me. May your soul Rest in Perfect Peace. And to my sisters, your love and support does not go unnoticed. Thank you and I love you.

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1. CHAPTER ONE: INTRODUCTION TO THE STUDY

1.1. Purpose of the study

Marketers and academics are particularly fascinated by Generation Y's social media usage since it might be an indication of how people will behave in the near future. Word-of-mouth has been perceived as one of the most powerful sources of information transmission. Developments in information technology and the arrival of online social network sites have changed the way information is conveyed. This wonder influences customers as this effortlessly allows for access to information and can, as a result, affect the consumption decision.

The purpose of this paper is to investigate the relationship between social media factors and purchase intentions of mobile devices, focusing on working generation Y in South Africa.

1.2. Context of the study

One of the biggest challenges for both marketing researchers and practitioners is to solve the complexity of consumer behaviour. Products, product specifications, brands and shopping atmosphere which has different messages, affect consumer perceptions in various ways. While the messages sometimes could be appealing to some consumers, they are irritating to others. How consumers perceive each message also affects buying decisions (Bambauer & Mangold, 2011). Similarly, the source of the messages is another impact factor that modifies consumer purchase behaviour.

Factors such as product reviews, user experience or suggestions affect consumer perceptions in different ways. Some studies showed that consumers think word of mouth is the most reliable source of information (Bickart & Schindler, 2001; Trusov et al., 2009). The widespread use of the internet globally has started the spreading of electronic word of mouth (Jalilvand, 2012). Reliable information sources such as fora, sharing sites, blogs and customer reviews raise the importance of electronic word of mouth. Before making

purchase decisions nowadays, consumers attempt to find information about the products or service in which they are interested on the internet. However, electronic word of mouth is one of the favourite information sources for consumers (Adjei et al., 2009; Zhu & Zhang, 2010).

In parallel with the increase of internet users in the world it is estimated that the number of internet users in South Africa is about 24.9 million (GSMA, 2015). In this context, understanding the influence of social media (eWOM & on line consumer engagement) and brand image on purchasing decisions could be a useful insight in analysing consumer purchasing behaviour.

Generation Y is defined by Anantatmula et al. (2012) as persons born between 1980 and 2000. They are a cohort of digital natives and have access to information to help them reduce the purchasing decision stress. They command a very high purchasing power in the economy of the country because they have access money to spend, moreover they form one of the largest and most important segments to study.

It is vital for marketers to acknowledge the Generation Y cohort's addiction to virtual social media; it is equally important to also understand the influences of brand image. Strauss (2000) concluded that marketing on a web-based platform would be beneficial for marketers targeting the Generation Y cohort. This would allow marketers to engage with their target market, since it is their playground and where they live.

1.3. Problem statement

The admiration for digital devices among younger consumers has generated significant interest among marketers. Cellular phones have become one of the main devices and an indispensable element in our daily lives. Cell phone technologies have been improving dramatically and thus creating rigorous competition among companies. As a result, cellular phones have become one of the important products that attract consumers' attention and so are their reviews regarding the product. According to Bae. (2011), a majority of users consider their mobile phone as an intimate accessory and maintain a very personal relationship with it. Looking at Gen Y as they are popularly known, they can be broken down into three sub segments which are; school going, students and young working adults. Those who are employed within the sub-segment are financially empowered and active.

Previous studies have typically focused Generation Y consumers and their use of social media. There is no literature focused on Working Generation Y and their use of social media, Brand image and how they influence their purchasing intentions. The research gap was identified by Balakrishnan, Dahnil, and Yi (2014).

Marketers and firm management face a challenge regarding consumer behaviour in this particular segment of consumers. Consumers belonging to Generation Y possess a very high purchasing power, hence it is of paramount importance to understand this generational cohort, their media use and purchasing behaviour. Generation Y consumers are considerably more brand and image conscious than their predecessors in the Generation X and Baby Boomer cohorts (Deloitte, 2014). They also tend to establish a holistic relationship with a particular brand, meaning that the brand should play an important role in their lives (McAlexander et al., 2002).

With this segment of the population's overwhelming possession of purchasing power and decision making, the following problem statement signifies the foundation of this research.

To what extent does the use of social media impact purchase intention of mobile devices amongst Working Generation Y consumers in South Africa?

1.4. Main problem

The main problem is the limited understanding of the relationship between social media, brand image and purchase intention amongst Working Generation Y consumers in South Africa by marketing practitioners. This is mainly in the South African mobile device industry context. Manyika and Chui et al., (2012) state that social media provides marketers with a new set of tools to interact with consumers and to integrate them into their brands through innovative ways. Thus, companies need to understand which social sites to use to find the right audience and how the social media influence consumer buying behaviour.

1.4.1. Sub Problems

a) Investigate to what extent does eWOM affect purchase intentions

b) Investigate how online engagement affects information seeking behaviour and purchase intentions

c) The impact of brand image on purchasing intention

1.5. Objective of the study

The study addresses the following objectives:

1.5.1. Primary objective

The primary objective of this study was to determine the impact social media has on purchase intentions of mobile devices amongst Working Generation Y consumers in South Africa.

1.5.2. Theoretical objectives

In order to achieve the primary objective, the following theoretical objectives were formulated for this study:

- Define and review literature on Consumer Behaviour
- Describe and define Generational Cohorts.
- Identify the role of Social Media within the marketing strategy.
- Define and review literature on Brand Image.
- Define and review literature on purchase intention.

1.5.3. Empirical objectives

- To investigate the relationship between electronic Word of Mouth and purchase intentions amongst Working Generation Y consumers in South Africa

- To investigate the relationship between On Line Engagement and purchase intentions amongst Working Generation Y consumers in South Africa

- To investigate the relationship between Brand Image and purchase intentions amongst Working Generation Y consumers in South Africa.

1.6. Significance of the study

Many studies have looked at Generation Y consumers in general, their use of social media and purchasing behaviour, but very limited literature exists regarding Working Generation Y consumers. This research paper provides valuable insight into the measurement of eWoM, brand image and purchase intention in the mobile device industry and will offer a foundation for future product branding research.

1.7. Delimitations of the study

The study was limited to Nestle South Africa Working Generation Y individuals in South Africa, and as a consequence the findings cannot be generalised to South Africa. Similarly in terms of demographic characteristics, the study was limited to an age defining target generation, aged 24-35 years.

1.8. Definition of terms

Definitions used in the study are briefly discussed below:

Consumer Behaviour: According to Solomon, et al. (2010), this is the study of the processes involved when individuals or groups select, purchase, use or dispose of products, services, ideas or experiences to satisfy needs and desires.

Purchase decision: According to Wasson (1978), purchasing decision can be defined as Advertisements that develop self-concepts in order to induce purchase decisions. A purchase decision is composed of a sequence of decisions, and different age groups may play different roles at different stages.

Social Media: As defined by Kaplan and Haenlein (2010), social media are a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0 and allow the creation and exchange of User Generated Content.

Generation Y Consumers: According to Anantatmula et al. (2012), a Generation Y person is typically born between 1980 and 2000. The members of Generation Y have spent their whole lives in a digital environment, and their lives and work have been profoundly affected by information technology (Bennett, et al 2015).

Electronic Word of Mouth (eWoM): Phenomenon in consumer behaviour (Kozinetset al., 2010). It refers to all kinds of interpersonal communication (positive and negative)

about a company, brand or product between a receiver and a communicator, who is perceived as non-commercial (Arndt, 1967; Goyette et al., 2010).

Brand Image: Kotler and Keller (2009) define brand image as the perception and beliefs held by consumers about the brand.

1.9. Assumptions

Assumptions are equivalent to axioms, self-evident truths, and the sine qua non of research (Leedy & Ormrod, 2010). The study is underpinned by the following assumptions:

- Although a number of researchers differ on the age of the members of Generation Y, the study assumed that students partaking in the research are within the Gen Y age bracket, 24-35 years of age and are employed.

- Required data was collected efficiently using a structured questionnaire

- Targeted respondents are exposed to the internet and are frequent users of social media platforms and are possibly on line shoppers.

2. LITERATURE REVIEW

2.1. Introduction and Background to the Study

This section consists of a literature review on the areas that this study investigated. The study is organised as follows:

First the study provides literature related to *Consumer Behaviour.* This section includes factors that influence purchasing behaviour, followed by the *Decision Making Process* covering the decision making process model in great detail. The *Generational Theory* literature covers the different types of Generational Cohorts and their characteristics. Finally, the study provides an in-depth literature review on the constructs it investigated namely; electronic Word of Mouth, on line consumer engagement, Brand image and purchase intentions.

2.2. Consumer Behaviour

Consumer behaviour has evoked a lot of interest for marketing and communication experts. According to Schiffman & Kanuk (2000) Consumer behaviour is defined as the Manner in which consumers search for products or services as well as purchase, use, evaluate and consume these products or service to satisfy their needs. Pg. 26

The study of consumer behaviour has shifted from why people purchase to consumption behaviour (Blythe, 2008). One of the important aspects of consumer behaviour is market segmentation, because consumers within the segment are more or less similar in terms of products needs and desire (Lantos, 2011). Market segmentation consists of different categories, for instance, demographics (age, gender, social class), geographic (region, country differences), psychographic (personality, life style) and behavioural (brand loyalty, benefit desire) (Solomon, et al., 2010).

2.3. The consumer decision making process

It goes without saying that many organisations experience bottlenecks whereby key messages do not reach their consumers and prospects effectively and timeously, leaving them facing significant blocks in their decision process. This process forms a significant part of consumer behaviour during purchase decision.

A decision process involves several steps.

Today the accessibility and transparency of information has profoundly influenced the decision making process; therefore, it is important to examine what are the hurdles and friction points that hold potential consumers from becoming consumers, or keeps consumers hesitating from repurchasing. (Silverman, 2001).

According to Kardes et al. (2011) there are five stages in the customer buying decision process.



Figure 2.1 : Consumer decision-making process (Kardes, Cronley, Cline, 2011)

“The consumer decision-making process comprises the various steps a consumer passes through when making a purchase decision” (Olshavsky & Granbois, 1979). This process encompasses all steps from the recognition of a need through the pre-purchase search for information about potential ways to satisfy the need, the evaluation of alternative options to the actual purchase and the post-purchase processes including experience and evaluation of the product.

“Depending on the level of involvement, consumers need differing amounts of time to go through the phases” (Lavidge & Steiner, 1961). This means that for high involvement products like cars, consumers usually take more time when they, for example, search and process information and therefore need longer to get to the subsequent phase. With low

involvement products, the affective and conative phases could precede the cognitive one as consumers do not “think” when buying the product but build attitude after the purchase in the stage of using.

According to Maslow’s hierachy of needs, in order for a human being to be truly happy, all the needs of that individual should be met. The author hypothesised that human needs comprise physiological, safety, love, esteem, and self-actualisation needs.

2.3.1 Maslow’s hierarchy of needs theory

Maslow has designed a hierarchy of needs where all human needs are placed in order of importance. In other words, before a higher need can be satisfied, the primary need should be satisfied first.

“An individual has a hierarchy of motivational needs” (Maslow, 1954). The most basic needs are physiological, including the need for food and sleep. The next level is safety needs, including security and stability needs. In level three, we find needs of belonging and love that are also termed social needs, including love, being loved, and a sense of belonging. In level four, we find the needs for self-esteem, including achievements, respect and recognition from others. Finally, Maslow believes that in the highest level of needs are self-actualisation needs, which refer to people’s aspirations to achieve self-fulfilment and realise their potential. Sheldon et al. (2001) “reviewed Maslow’s hierarchy of needs theory and related research and proposed that pleasure-stimulation is one of the ten most basic human needs.” Pleasure-stimulation refers to “the feeling that you get plenty of enjoyment and pleasure rather than feeling bored and under stimulated by life” (Sheldon et al., 2001).

Personal attitudes towards products and brands has been underlined in the buying model, due to the fact that attitudes are closely related to consumers’ information process on which judgments are presumably based. Attitudes are learned through past associations/experience, through trials, as well as through information processing. Wu and Delong (2006) stressed that consumer *perception* is important and serves as a background for the understanding of consumers and a necessary approach to locate consumers in different cultures. It has been generally accepted that perception is defined

as the process by which consumers select, organise and interpret stimuli into a meaningful response and coherent picture (Lamb et al., 2004). Kotler and Armstrong (2008) have categorised three stages of perception into exposure, attention and comprehensive stages that influence the consumer to perceive the product differently in the market. *Learning* reflects changes in behaviour as a result of past experience. The definition is supported by Brassington and Pettitt (1997) who define learning as the more or less permanent change in behaviour which occurs as a result of practice. Kinnear, Bernardt and Kotler (1995) stress that learning affects values, attitudes, personalities and tastes.

According to du Plessis et al (2003), external factors influencing consumer behaviour can be defined as; *Cultural influences* which include beliefs, values, norms and customs that underlie and govern conduct in society and lead to a common pattern of behaviour. *Social Influences* speak to face-to-face situations and include the opinion of friends and family and the judgement of one's peers. *Reference groups* refer to any group that a person identifies with and holds as a standard for self-evaluation and as a source for values and goals. *Family* influences refer to members of a household who influence one another and, in some instances, this involves joint decision making.

2.3.2 The effects of consumption and learning

The utilisation of the purchased products will in all likelihood serve as a point of reference to the individual on future purchase decisions. Depending upon how consumers interpret the outcomes they experienced, different inferences may develop accordingly regarding the cause of the outcome, which can result in differing actions on future purchases (Bettman 1979). Since consumer behaviour and the decision making process has been discussed and outlined, it is important to consider who the Generation Y cohort is and how they make their purchase decisions on social media platforms.

The next section gives an overview of Generational Theory and the common general characteristics of Generation Y consumers.

2.4. Generational Theory and Generation Y

Berkowitz and Schewe (2011) suggest that Generational theory focuses on similarities and shared experiences within age groups, which allows the identification of similarities within and differences across age cohorts.

The belief is that consumers who fall within the same generation tend to be overtly similar in their behaviour. The reason is that their behaviour is shaped and formed as a result of being exposed to the same events during their transition from childhood to adulthood. Schewe and Meredith (2006) advocate that while many countries may experience the same defining global moments, socio-economic, cultural, geographical, religious and political differences can profoundly change the impact that these events have from country to country.

South Africa is a good example in that the country experienced the apartheid regime prior to 1994, whereas western society, in particular, shared similar dramatic events which influenced generational cohorts' developments (Schewe & Meredith, 2006). Moreover, Schewe et al. (2002) and Wilson et al. (2008) theorise that consumers in different countries experience very different social contexts. In addition to what has been proven, there have been world events broadcast widely which has a similar impact on people within generational cohorts, an example of this is the global financial crisis, the internet and social media.

According to Berkowitz and Schewe (2011), Generational theory suggests that behaviour is not only shaped by age but also by the social context that a generation is brought up in. Consumer attitudes, behaviour and consumption patterns are acquired via socialisation agents such as media, peers and family. The social context shapes their preferences, desires, attitudes and buying behaviour. Moreover, generational theory provides a broad socio-cultural approach rather than an individual focus on the consumer. Gurau (2012) advocates that generation theorists propose that changes in the macro-environment influence the profile of consumers born in a specific time period, forging a specific and common purchase and consumption behaviour.

With generational cohorts and generational theory being defined and discussed, a detailed description of the main generational cohorts is provided.

A detailed summary of each generational cohort is provided in accordance with Schewe and Meredith (2004).

Depression cohort (Born 1912-1921) came of age during the great depression; aged 83-92 in 2004). This group's comings of age experience consisted of economic strife, elevated unemployment rates and having to take menial jobs to survive. Financial security was what they most lacked when coming of age ruled their thinking

Second World War cohort (Born from 1922-1927); came of age during the Second World War, aged 78-82 in 2004. Sacrifice for the common good was widely accepted among members of this cohort, as evidenced by women working in factories for the war effort and men going off to fight. Overall, this cohort was focused on defeating a common enemy and their members are more team-oriented and patriotic that those of other generational cohorts

Post-war cohort (Born from 1928-1945); came of age after WWII. Aged 59-76 in 2004. These individuals experienced a time of remarkable economic growth and social tranquillity, a time of family togetherness, the Korean conflict, McCarthyism, school dress codes and moving to the suburbs. Overall, this cohort participated in the rise of the middle class, sought a sense of security and stability, and expected prosperous times to continue indefinitely.

Leading-edge Baby Boomer cohort (born from 1946-1954, came of age during the turmoil of the 1960s, aged 50-58 in 2004). This group remembers the assassination of John and Robert Kennedy and Martin Luther King, Jr. It was the loss of JFK that largely shaped this cohort's values. They became adults during the Vietnam War and watched as the first man walked on the moon. Leading-edge boomers were dichotomous: they championed causes (Greenpeace, civil rights, women rights), yet they were simultaneously hedonistic and self-indulgent (pot, “free love", sensuality)

Trailing-edge Baby Boomers cohort (born from 1955-1965; came of age during the first sustained economic downturn since the Depression; aged 39-49 in 2004). This group witnessed the fall of Vietnam, Watergate and Pres. Nixon's resignation. The oil embargo, the raging inflation rate and the more than 30 per cent decline in the S&P share index led these individuals to be less optimistic about their financial future that the leading-edge boomers

Generation X cohort (born from 1965-1976, came of age during a time of instability and uncertainty; aged 28-38 in 2004). These are the latchkey children of divorce who have received the most negative publicity. This cohort has delayed marriage and children, and they do not take these commitments lightly. More than other groups, this cohort accepts cultural diversity and puts quality of personal life ahead of work life. They are "free agents" not "team players". Despite a rocky start into adulthood, this group shows a spirit of entrepreneurship unmatched by any other cohort

Generation Y cohort (born from 1977-1994; came of age during the "information Revolution; aged 27 and under in 2004). The youngest cohort is called the Y generation or "N-Gen" because the advent of the internet is a defining event for them, and because they will be the "engine" of growth over the next two decades. While still a work in progress, their core value structure seems to be quite different from that of Gen X. They are more idealistic and social-cause oriented, without the cynical, "what's in it for me?" free agent mind-set of many Gen-Xers.

2.4.1 Generational characteristics

The below figure 2.1 exhibits a snapshot of four different generational cohorts characteristics, as defined by Schewe and Meredith (2006)

Generation	Silent	Baby Boomers	Generation X	Generation Y
Year Born	1933-1945	1946-1964	1965-1976	1977-2003
Also Known as	Swing		Baby Bust	Millennial / Y-ers
Economy	Economic Growth	Economic Prosperity	Downsizing Economy	Capitalism rules
Cohort Experience	New technology	Vietnam war and cold war	Death of socialism	Rise of China and high technology
Core Value	Adaptive personality	Idealistic and individuality	Pessimistic and diversity	Positive and globalisation

Table 2.1 Generational characteristics (Schewe& Meredith, 2006)

2.5 About Generation Y

There are different views by various academics about the year of Generation Y, however the majority of academics agree that that Generation Y consumers were born between 1977 and 2003 (Evelyn, et al, 2011). Anantatmula and Shrivastav (2012) argued that the main characteristics of this generation are an inclination towards online Social Networks Service (SNS) amongst other characteristics.

2.5.1 Generation Y Characteristics

The following key characteristics have been identified by Adeline et al. (2007) which separates the Generation Y cohort from any other cohorts:

Diversity, according to the U.S. Census Bureau, Generation Y is the most ethnically diverse generation in history, with only 61 percent of its members identifying themselves as “Caucasian.” This generation’s social circles are also the most diverse with respect to religion and race.

Education, growing up in an internet age is the most distinguishing characteristic of Generation Y (Berner & Van Tonder, 2003; Kimberly, 2010). Thus they are very fluent and comfortable with computers and technology (Kotler & Armstrong, 2010). Knowledge of the crippling impact of the economic recession and the fact that one in four Generation Y is raised in single-parent/ income homes (Noble et al., 2008), may create a shift from the young consumers who are believed to be spendthrifts to those who may be thrifty and value oriented (Kimberly, 2010).

Generation Y cohort has high *Self-esteem* because they are brought up as go-getters, they have a positive, can-do attitude. This Generation Y members grew up in non-traditional settings that taught them to be autonomous. This background makes Generation Y comfortable and confident when making decisions and assuming individual responsibility.

Techno Savvy - Research by many academics, such as Eugene et al (2013) and Gross (2006) concur with one another that Generation Y consumers are technologically savvy and interconnected. Wilson (2007) states that these consumers often report, like and respond to brands that engage them and their social networks. Since they are perpetually connected to each other, peer opinion in decision making is important to Generation Y. In South Africa, Generation Y are the first generation that grew up in the post-apartheid era and are therefore presented with more opportunities for education, employment and wealth creation despite the continuing political and socio-economic implications of apartheid.

Spending power, born to the richest generational cohort in history – Baby Boomers Generation Y has more money at their disposal than any young group ever (Kotler & Armstrong, 2010: Paul, 2001). Noble et al. (2008) reported that Generation Y would have an unprecedented effect on the economy in the future due to their potential for significant purchasing power. Socialisation, feelings of accomplishment and connectedness with brands and purchases drive members of Generation Y as consumers. Consumers of the Generation Y cohort also referred to as Millennials, include approximately 75 million Americans who have significant purchasing power (Schewe et al., 2013).

2.6 Generational theory and Generation Y summary

From the literature review gathered on Generational theory, it is evident that countries across the globe experience various events which qualify the formation of cohorts. South Africa as a market can justify the formation of cohorts based on the country's defining moments. Because of the defining events, the mind-sets, attitudes, values and aspirations of different generations of South Africans vary, and are vestiges of their well-known historic, political and social past.

While previous Generations of South Africans may have been cynical about their future because of the apartheid struggles and lack of socio-economical mobility and other opportunities to grow and better themselves; the post-apartheid Generation Y South Africans are not only visibly authoritative but also technologically savvy.

This forms a good recipe for market segment attractiveness, profitability and economic growth. To successfully target Generation Y, marketers would have to be authentic and realistic. Because they possess high purchasing and spending power, they will only buy if a product or service appeals to them, this can be achieved by exploring the content and medium of communication they consume and how it influences their purchase intentions.

2.7 The impact of Social Media and Social media usage

Social network sites (SNS) have grown exponentially over the last ten years, with hundreds of millions of people worldwide visiting SNS such as Facebook, Twitter, LinkedIn and Instagram for social interaction, entertainment and information exchange (Hughes et al., 2012). During the past decade, the rapid evolution of the internet has offered consumers many new opportunities. Besides the obvious use of searching for information and communicating without boundaries, it is nowadays possible to express feelings and thoughts through social media. Kaplan and Haenlein (2010) define social media as "a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0 and allow the creation and exchange of User Generated Content." Showing explosive growth in just four to five years since their birth, social media are establishing themselves as the media of choice across the whole world (Dong-Hun, 2010). The dawn of social media has made the Internet a prosperous, "always on" environment where activity is constantly taking place, with near real-time postings, the latest videos being uploaded onto YouTube every minute of the night or day as well as constant chats and tweets. (Popular mechanics 2011).

The way in which people engage with the Internet has also undergone significant changes as social media created a world of constant, anytime, anywhere access. This is brought about by the popularity and abundance of smartphones like the iPhone, BlackBerry and Android (Popular mechanics 2011). The explosive growth of Facebook and the large adoption of blogs has facilitated in demonstrating the increasing role played by social media in the business world as well as its significance as a game-changing customer communication platform. It has been suggested that social media can no longer be considered as a choice as it is now a business transformation tool (Popular mechanics 2011).

The current and sophisticated Generation Y, who are also referred to Yers, have been exposed to the internet since childhood. Although social networking has always existed, the introduction of social media on the Web has made the Web significantly faster as well

as possessing more potent marketing power. Without even comprehending it, humans are living by social networks. This result in these individuals following the herd as they are being influenced in their decisions, by their friends and their friends' friend's decisions.

The primary focus of social networking sites is to connect people as well as the sharing of information with these individuals. These social networking sites are based on the principle of enabling users to create a profile where they describe themselves and connect to other users of the network, stating how they are connected. When users have a profile on these sites they are able to upload photos and videos that they share with others on the site. When a user is connected to other users on the site, they are provided with regular news feeds when logging onto the site. The news feeds keep the users informed and up to date with their friends' activities (Harvey 2010).

Attracted by the rapid penetration of social media into society, firms are increasingly using them as a part of their marketing and brand building activities (Gallaugher & Ramsbotham, 2010). These opportunities allow the marketer to create a dialogue with the consumer, fine tune the marketing message and maintain the brand's presence in online market places (Evans & McKee, 2010).

2.7.1. Classification of Social Media

With many definitions of social media, there are also different kinds of applications and platforms that represent social media. As a result, it is important to outline what is classified as Social Media. According to Mayfield (2008), there are basically seven kinds of social media, including social networks, blogs, wikis, podcasts, fora, content communities and microblogging. Kaplan and Haenlein (2010) propose a similar classification of social media which includes collaborative projects, blogs and microblogs, content communities, social networking sites, virtual game worlds, virtual social worlds.

Every SNS offers social interaction online, however they do not all provide identical services or have a similar focus (Hughes et al., 2012). The most prevalent and regularly used social network sites are Facebook, Twitter, Instagram, LinkedIn and Pintrest, but the

focus of this study skews more towards Facebook, as it is the largest SNS globally and as of September 2015, had 1.55 billion monthly active users (Facebook, 2015a), gaining 195 million new users from the previous year (Statista, 2015b). According to Amazon's web analytics company, (Alexa, 2015), Facebook is the most visited website on the internet, after Google. Facebook is a free social networking site founded in 2004 by Mark Zuckerberg.

2.7.2. Characteristics of Social Media

With the maturity of Web 2.0 technology, almost everyone has access to an internet connection across the globe and as a result, this has become an integrated part of our daily lives.

Nonetheless, when individuals are talking about the general concept of social media, not many have really comprehended the essence of the term. Understanding the qualities of social media is imperative for people as well as vital for organisations that need to contend in this market. Organisations utilising social media as a component of their marketing and advertising strategies without basically understanding the attributes and characteristics of this medium are bound to fail.

Mayfield (2008) pointed out five fundamental characteristics that are shared by almost all social media platforms: participation, openness, conversation, community and connectedness. Taprial and Kanwar (2012) identified five properties that are more powerful and distinguish social media from the traditional media. They are accessibility, speed, interactivity, longevity and reach.

Based on the literature review on social media, the following characteristics of social media are identified and summarised as follows:

Community, Community in social media share the same features with other online and virtual communities, which are formed based on people who share the same interests or background. *Connectedness,* Social connectedness is defined as interpersonal, community, and general social ties (Teixeira, 1992, p.36). From Mayfield's point of view,

connectedness is closer to integration in the sense that sites, resources, and people are connected through links and shared by users on various social media platforms. *Openness,* almost all the social media platforms are free to join and anyone can use social media as a medium to create, edit, communicate, consume and comment on contents (Mayfield, 2008). Social media creates a sense of encouraging participation and sharing information.

Speed, one of the benefits of on-line social networks in comparison to everyday life networks is the correspondence and spread rate. In contrast to traditional WOM, where opinions may disappear into thin air, electronic WOM spreads consistently resulting in a viral effect. Contents published on social media platforms are instantaneous and are available to everyone in your network as soon as they are published (Taprial & Kanwar, 2012). *Accessibility,* similarly to traditional media which is dependent on technology and various platforms to function, the same thought process applies to social media which is the result of Web 2.0 technologies and client created content. This platform is accessible to anyone who has a Smartphone or laptop and internet connection.

Participation, Burgoon et al. (2000) define participation as the extent to which two or more parties are actively engaged in the interaction, in contrast to lurking, passively observing or monologues. Consumer participation will take place when there is a platform such as on-line communities. This involves exchange of information, experiences of products/services and advice. *Conversation***,** traditional media is a one-way communication platform whereby content is created by media and distributed to the audience whereas social media is based on user-generated content which means everyone becomes the source for communication.

2.7.3. Facebook as Social Network Service (SNS)

Facebook is an exceptional marketing tool for people searching to acquire a product concept which is either virtual or physical. Facebook has an advanced campaign setup that allows companies to select a specific demographic region, meaning that they can target products to specific individuals living in a particular geographic region. This method of audience targeting is facilitated with research on demographics (Gerard, 2009). Whilst consumers move within their journey from basic to advanced attributes in Facebook Marketing, it is possible to take support from a choice of tools. Marketing and advertising by means of Facebook without any tools are like attempting to take care of a farm by working with hand tools. The tools that will enhance the efficiency for advertisements are on the medium.

Facebook is growing at a phenomenal rate in numbers and profitability, especially with all the possibilities accessible for advertising on this social media medium (Cape Coders, 2011). The Facebook marketing software program permits you to automate and target the method of becoming friends with individuals and exposing these friends to your fan page. The use of Facebook advertising gives organisations a competitive edge which is needed to sell their companies' products and services

2.7.4. The Impact of Facebook on the Advertising

Organisations can benefit from advertising on Facebook space. Facebook offers advertisers opportunities such as:

Engaging consumers: Facebook makes it easier and more flexible when it comes to engaging with customers. Customer engagement is the most important benefit of Facebook marketing and helps to retain existing customers and also increase brand credibility. *Enhancing brand reputation and image*: Companies can use Facebook to increase their compassion and trustworthiness which may ultimately result in better branding. Companies can have conversations with their customers through Facebook, which may result in a great amount of credibility among their customers.

Enhance customer relationship management: Customer relationship is an essential part of the growth of any company - at the point when customer relationships fail, the organisation and its operations will undoubtedly fall flat. Facebook channels assists in making strong bonds between the customer and the company much more easily and thereby increasing the stability of the company.

Announcing new products or services: There is no other better and cheaper medium than Facebook to inform the customers about the arrival or release of new products and services. Facebook creates a platform that allows for easier spread of new products and service arrivals to a targeted audience. Facebook advertising is the one of the most trending subjects in online marketing nowadays and from the important points listed above, it is easy to understand the reasoning behind this. Many organisations strive to engage themselves on Facebook for various purposes. The reasons for organisations turning towards Facebook advertising is that it is dependent on various factors such as the company profile, its products as well as its customers.

Based on literature review gathered on Facebook as a social media Network, eWOM, on line engagement and Brand image as constructs are discussed in detail in order to explore whether there is a relationship between the constructs and purchase intentions.
The next step elaborates a detailed literature review on the four constructs the research paper tested.

2.8 South Africa's mobile industry and SNS usage

South Africa has a strong economy, a rich cultural diversity, including 11 official languages and a wealth of natural resources (Mubangizi, 2005, Louw, 2011; Amos, 2010). In the absence of landline phones and low computer penetration rates, mobile phones and their multimedia capabilities are beginning to transform this situation for the better (Jiyane & Mostert, 2010). The authors go on to say that mobile phones have become the most commonly owned, accessible and utilised ICT tool in South Africa. All things considered, mobile phones continuously play a critical role in keeping South Africans connected to the internet.

According to Walton (2010), 90.16 in every hundred people use a mobile phone, a number far surpassing the number of landlines in the country. Euromonitor (2015) facts indicate that Nokia South Africa led feature phones in 2015 with a volume share of 42 percent, followed by Samsung Electronics SA and LG Electronics SA with respective volume shares of 19% and 11%. Nokia continues to benefit from its relatively affordable pricing, remaining particularly appealing to value conscious consumers.

Euromonitor (2014) stipulated facts that; mobile handsets sales accounted for 21 per cent of South Africa's consumer electronics spending in 2010. South Africa has experienced compound annual growth rate (CAGR) of 11 per cent in handset sales in the past five years, and is expected to grow at a CAGR of four per cent to US$1.8 thousand million by 2015. These figures indicate how lucrative the South Africa's mobile device market is and, therefore, highlight the importance of this study. With an increased purchase of mobile devices, new opportunities have opened up to Generation Y consumers in accessing and consuming digital information via online platforms like Facebook. Euromonitor (2015) also stipulates that the current mobile device market is dominated by the Generation Y cohort. Basson, Makhasi, and van Vuuren (2010) mention that Information regarding the exact magnitude, levels of popularity and diffusion rates, and demographic statistics of SNS users is quite limited in South Africa currently. Nevertheless, as seen from the information made accessible to the public by local marketing research reports shows that, although South Africa is a developing country, its consumers have embraced the use of SNS which is in line with trends seen across the world. According to Statista (2015), as at January of

2015, 22% of internet users in the country was active in the SNS with the majority owning a Facebook account. The global average is seen at 29%. GMSA (2015) revealed a snapshot of South Africa's key digital statistics. Of a total population of 54 million of which 62% are in urban areas, 24.9M accounts are for active internet users, 11.8M of people in South Africa have active social media accounts whilst 10.6M have active mobile social accounts.

In order to understand Generation Y and their purchasing intentions influenced by social media, the study has made use of an adapted purchasing intention scale by Shukla (2010). This granted the understanding of working Generation Y's purchasing intentions with relevance to mobile devices.

2.9 Electronic Word of Mouth - eWoM

Arndt (1967) defined Word-of-mouth (WOM) as an informal communication among consumers about the ownership, usage, or characteristics of products and services, including their sellers. Later, researchers attempted to make sense of the mechanism of WOM spreading. Early studies used psychological properties (e.g., customer satisfaction) to predict WOM behaviours (Swan & Oliver, 1989); the motivations for altruism, involvement, and self- enhancement are also conducive to generating positive WOM (Sundaram, Mitra, & Webster, 1998).The term electronic word-of-mouth (eWOM) has been defined as "any positive or negative statement made by potential, actual, or former customers about a product or company, which is made available to a multitude of people and institutions via the Internet" in the most cited article of eWOM (Hennig-Thurau, Gwinner, Walsh, & Gremler, 2004).

Previous research has focused on eWOM as a signal of product quality, a dimension of product reputation. Of late, study regards eWOM as spreading behaviours with consumers posting their personal experiences (e.g., online review; arguments; recommendations) of specific products or services and generating convincing effects on the targeted receivers by using the internet (Shih, Lai, & Cheng, 2013).

Chu and Kim (2011) indicated that eWOM in SNSs (i.e., Social Network Sites) conceptually included three aspects: opinion seeking, opinion giving and opinion passing. When consumers are making a purchase decision, some of them are more likely to search for information and advice from others because they had a high level of opinion seeking behaviour (Flynn, Goldsmith, & Eastman, 1996). In contrast, the opinion leaders who have a high level of opinion giving behaviour may have significant influence on others' behaviour and attitude by spreading their comments (Feick & Price 1987). Chu and Kim (2011) pointed out that opinion passing behaviour is a supplementary concept of eWOM in SNSs.

Balakrishnan, Dahnil and Yi (2014) state that eWoM was found to play a very important role in purchase intentions. Furthermore, the study found that positive eWOM is considered a powerful marketing force. It has also become very important due to the increasing importance of the internet.

Xue and Zhou (2010) declare that there is either positive or negative information in WOM messages because customers either recommend or warn others about products according to their own experiences. Positive WOM has a greater influence on customers than negative WOM because it enhances the positive perception of brands or products. Positive WOM has also been found to influence consumer buying decisions. When it comes to the source of WOM, customers tend to be more influenced when the information comes from people they know than when information originates from advertising and organisational sources. EWoM is becoming more and more important and companies are implementing 'social marketing strategies'' the number of eWOM users is growing (Kaplan & Haenlein, 2010), and the number of people who post or share their opinions or experiences is also increasing.

The eWoM construct consists of four items whereby respondents were asked about using electronic WOM, adopted from Bambauer-Sachse and Mangold (2011).

H_{10}: *eWoM negatively impacts purchase intention of mobile devices amongst working Generation Y in South Africa*

H_{1A}: *eWoM positively impacts purchase intention of working Generation Y on mobile device brands*

2.10 Consumer on line engagement

According to Wang (2011), engagement means giving consumers a voice. Practitioners and academics have begun to use the engagement concept when discussing online consumer behaviour. A study by Khammash (2008) looked into online consumer reviews, and the reasons as to why consumers rely on product reviews prior to drawing conclusions on whether or not to purchase a product online. He concluded that the drivers for seeking other's opinions in online consumer reviews bear differentiated levels of effect on different aspects of consumer behaviour. Therefore, a conclusion was made that online consumer reviews have been used as a basis for consumers' search for information and that they do have an effect on their purchasing behaviour.

Bae and Lee (2011) are also of the opinion that online reviews are adopted by consumers in the light of reducing perceived risk of negative effects of online shopping. This can influence their attitude towards a certain product and ultimately their purchasing decision. Almana and Mirza (2013) are of the same notion that online consumer reviews serve as decision aids, consumer feedback mechanisms, and a recommendation system in an online shopping platform. Consumer engagement is based on the existence of a consumer's interactive, co-creative experiences with a specific engagement object (e.g., a brand).

Social Media platforms like Facebook have changed the way companies market to consumers and how consumers respond to marketing efforts. Marketing no longer uses a restricted, one-way communication approach where organisations have control over the message. To be effective in the new media landscape, brand managers and marketers at large need to grasp a two-way dialogue approach where power and control are imparted to consumers. Social Media marketing is about organisations drawing in buyers through connections and conversations

Facebook provides unique engagement opportunities for consumers to engage and interact (Levy, 2010). Consumers like embracing the consumer participation opportunities on Facebook. Of all of the posts generated by companies on Facebook, on average more than two-thirds will receive feedback from consumers (Askanase, 2011).

Specifically, company posts will generate over 50 likes and nearly 10 posts from consumers (eMarketer, 2011).

Consumer engagement, as a concept, emerged recently in the marketing literature as an evolution of the relational paradigm advocating ongoing company–customer interaction (Patterson, Yu, & De Ruyter, 2006; Vivek, 2009), as a basis for gaining a better understanding of consumer needs and expectations, increasing chances of meeting those needs and expectations and, as a result, for fostering a series of transactional (repurchase, loyalty) and non-transactional behaviours (commitment, word-of-mouth and customer-to-customer recommendations). These behaviours do not usually have an immediate impact on company cash-flows as they are not directly linked to a transaction but are particularly valuable as they contribute to generating present and future value, enabling firms to better attend to customers, enhancing brand image and capturing new clients (Van Doorn et al., 2010).

Based on the literature review, it is clear that many marketers view engagement in the social web as a distinct "participation-centric place" (Evans & McKee, 2010).

For this variable, an on-line engagement scale was adapted from O'Brien et al. (2010) with four items. Respondents were asked about their level of on-line engagement based on the on-line engagement scale.

H_{20}: *Online engagement does not impact working Generation Y's information seeking behaviour and purchase decision on mobile devices*

H_{2A}: *On line engagement influences working Generation Y consumers seek information for product/brand to inform their purchase decision and intention on mobile devices*

2.11 Relationship between customer engagement and eWOM

Researchers have identified that engaged consumers play a key role in viral marketing activity by providing referrals and recommendations for specific products, services, or brands to others. Similarly, for repeat purchase to happen, the marketer not only has to keep the brand salient in the consumer's mind, but also has to keep the customer 'engaged' with the brand; the customer should not only be satisfied with the product but should also be willing to promote, defend and do battle with others, on behalf of the product (Tripathi, 2009). EWoM could be considered as one of these promotion behaviours. With that being said, Vivek, Beatty, and Morgan (2012) suggested that a consumer is positively associated with an individual's word-of-mouth activity.

Bowden (2009) argued that emotional bonds within a brand-relationship ultimately drive repeat support and WOM recommendation. Chu and Kim (2011) indicated that the relational bond between consumer and online consumer discussion fora, should play a key role in shaping eWOM behaviours. Cheung et al. (2011) suggest that a consumer willing to invest physical, cognitive and emotional effort into an online platform will also have a higher propensity to spread word-of-mouth communication about it.

From these viewpoints, it is reasonable to argue that consumer engagement will affect eWOM which may influence consumer purchase intentions.

2.12. Brand Image

Brand is the most valuable asset for any company and has been widely acknowledged as an essential reason for consumer choice and serves as a tool for consumers to check the differentiation of the products and their uniqueness whereby it enriches consumer trust and confidence in facilitating their decision-making process which alleviate some of the problems associated with their experience and credence qualities (Aaker, 1991; Chung et al., 2013; Emari et al., 2012; Huang & Sarigollu, 2011; Kremer & Viot, 2012).

Research by Keller (2009) and Bian and Moutinho (2011) has proposed that brand image is an important element of brand equity which refers to the consumer's general perception and feeling about a brand and has an influence on consumer behaviour. Another definition of brand image is related to the consumers' use of the brand to reflect their symbolic meaning of consumption and identity in self-expression (Lau & Phau, 2007). Consumers ascribe high quality to esteemed brands (Rubio et al., 2014). Brand image that is familiar to the consumer can help the companies to host new brands and improve the sales of current brands (Wu et al., 2011).

Integrated marketing communications and word of mouth strongly influence brand image (Romaniuk & Sharp, 2003; Šerić & Gil-Saura, 2012).

Brand strength, in contrast, is most often described as a global evaluation or an intention to behave, such as an intention to buy or pay for a brand (Netemeyer et al., 2004). In today's over saturated market, consumers often decide to purchase brands based on their image or identity, hence companies need to have a deeper insight into consumer behaviour and educate consumers about the brand in order to develop effective marketing strategies. According to Keller (1993), positive brand image could be established by connecting the unique and strong brand association with consumers' memories about the brand through marketing campaigns and communications.

Through reviewing relevant literature regarding social media, brand image and consumer purchase intentions, it helps to clarify the definitions relevant terms. First, the concept of social media has been well elaborated and the characteristics thereof have been reviewed. These characteristics not only distinguish social media from other types of media or internet applications, but also they may be considered as potential factors that influence buying behaviour and purchase intention.

Brand image is important for Generation Y customers as they use brand for their self-expression and also they want to be associated with a brand. The important values for Generation Y customer's image are success, wealth, class, style and being better. Brand image in the marketplace act as indicators to Generation Y customers, since they prefer to use the brand they have experienced before or have a good feeling about it, rather than being influenced by the value of the brand, but in contrast, Generation X customers are very value oriented and they purchase products very analytically (Pendergast et al., 2009).

A study by Deloitte (2014) suggests that brand image is one of the most prominent factors that influences Generation Y consumers in making a purchase decision.

For this variable, a brand image scale was adapted from Davis et al. (2009) with four items. Respondents were asked about the importance of brand image with regards to mobile devices.

H_{30}: *Brand image does not influence working Generation Y's purchase intentions of mobile devices*
H_{3A}: *Brand image influences working Generation Y's purchase intentions of mobile devices*

2.12 Purchase intensions

Because consumers have different preferences as well as decision making styles, it is therefore important to marketers to have the understanding of how, why and when consumers purchase products and services. Purchasing intention is the future intent of buying behaviour as well as the economic decision involved in the process (Doyle, 2011). Cabezudo et al. (2013), describe eWOM as an exchange of information and views on products or services among individuals, which takes place in a virtual, internet-enabled environment.

Advertisers strive to identify the factors that affect the strength of their marketing messages and how to improve their persuasive power (Buda & Zhang, 2000). Researchers have carried out extensive study of this new medium (King et al., 2014) and, according to Cheung and Thadani (2012), online word-of-mouth communication processes have a significant influence on consumers' buying intentions. Even though buying intentions are affected by different factors associated with communicators, receivers, stimuli and contexts of communication, individuals consider internet sites as performers or senders of word-of-mouth in online social fora, and hence, online communities can act as a substitute for individual recognition (Brown et al., 2007).

The internet has developed into a platform that enables individuals to exchange information and ideas on a wide range of topics. Products and services can be evaluated and recommended by different online consumer groups, and the more customers positively talk about a product or service, the more sales a company generates from these web-based interactions (Phang et al., 2013). Researchers have attempted to explore the extent of influence of electronic word-of-mouth in online discussion boards and found that the discussions in virtual communities are a significant factor in shaping the buying intentions of consumers (Fong & Burton, 2006).

A study by Online Testing eXchange, on behalf of DEI Worldwide (2008), showed that various types of online social networks have become a new source of information and consumers rely on them as much as companies' websites. The research also confirmed

60 percent of consumers reported online Word-Of-Mouth (recommendations from other consumers online) is powerful and valuable and could impact on their purchase decision. The companies, which participate in online social networks, have a greater opportunity to impact consumers' purchase decision. Using this powerful platform, consumers, who may be potential, former or actual customers of any particular brand, can make good or bad comments about a product or a service (Hennig-Thurau et al., 2004). By and large, the advances in information technology and virtual communication channels have not affected the amount of communication among individuals, rather the mode or channel of communication now takes many different forms (Pepitone, 2011).

Riegner (2007)'s research on online social networks and consumers' purchasing decision identified the following on line segments: Online insiders: very active on Internet and have huge influence on consumers' purchase decision. Social clickers: heavy online communicators but they are younger and less effective. Content kings: tend to be young and addicted to online entertainment. Everyday pros: participate in online shopping activities. Fast trackers: they are using the Internet to cover their immediate needs such as weather or news.

Based on the literature review and key findings of this report, on-line customer engagement has a strong impact on consumer's purchase decision. On the contrary, key finds of the report stipulates that there is no relationship between electronic Word-of-Mouth and purchase intentions

A purchasing intention scale was adapted from Shukla (2010) with four items. Respondents were asked about their intentions to purchase mobile devices.

In the next step, the conceptual model is provided, giving a view of dependent and independent variables which are tested in this research report.

2.13 Conclusion of Literature Review

This study intended to investigate the influence of social media and brand image on purchase intention of mobile devices amongst working Generation Y in South Africa. Literature reviewed implies that electronic word of mouth, on line engagement and brand image has a significant effect on purchase intention. Despite how marketers may feel about Generation Y and their unique characteristics, they need to recognize the importance of this generation on our society, our economy, and the impact they have on brands. With the exception of the aging Baby Boomers, Generation Y is the only future expanding market (Gronbach 2006). Generation Y will directly impact society and the economy by their work habits, purchase decisions, investment strategies, and general ways of life. Generation Y is a market segment that is too large to be ignored.

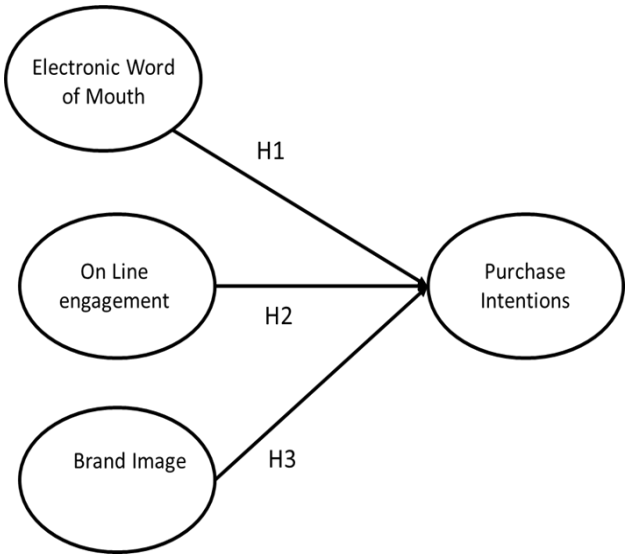


Figure 2.2: Conceptual Model of Social Media and Brand Image on Purchase intention

This study tested the relationships between social media factors (eWoM, on line engagement) impacting on purchase intentions of mobile device amongst WORKING Generation Y consumers in South Africa. The conceptual framework in Figure 4 presents the hypothesized relationship between the variables tested in this study. The social media factors (eWoM & OLE) and Brand Image are the predictor variables that have a relationship with purchase intentions (The outcome variable).

2.14 Summary of tested Hypotheses

H_{10}: eWoM negatively impacts purchase intention of mobile devices amongst working Generation Y in South Africa

H_{1A}: eWoM positively impacts purchase intention of working Generation Y on mobile device brands

H_{20}: Online engagement does not impact on working Generation Y's information seeking behaviour and purchase decision on mobile devices

H_{2A}: On line engagement influences working Generation Y consumers seeking information for product/brand to inform their purchase decision and intention on mobile devices

H_{30}: Brand image does not influences working Generation Y's purchase intentions of mobile devices

H_{3A}: Brand image influences working Generation Y's purchase intentions of mobile devices

CHAPTER 3: RESEARCH METHODOLOGY

This section encapsulates the base on which the research was conducted and discusses the overall components of the research design and methods. First, the research methodology is described then the quantitative research approach is presented, together with the chosen strategy of inquiry. Lastly, the tool used for creating the survey is presented, along with the guidelines used to develop the questions.

3.1. Research Methodology

Researchers distinguish between two major approaches that drive the logic of a study, deductive and inductive theories. This research followed a deductive approach, which is regarded as the most used view of the nature of the relationship between theory and social research (Bryman, 2011). Within the hypotheses, there are concepts that must be translated into researchable entities (Bryman, 2011).

Research strategies are mainly categorised as quantitative, qualitative and mixed-methods methods. This research was conducted based on a quantitative approach. Creswell (2009) defines quantitative research as a way of testing objective theories by scrutinising the relationship among variables. These variables can be measured, in order to statistically analyse numbered data. Researchers who use the quantitative approach test theories deductively, based on assumptions, control for other explanations, and are capable of generalising and replicating the findings (Creswell, 2009).

As this research paper takes its point of departure in deductive theory and the purpose was to test the hypotheses developed from the literature review, collecting and analysing data quantitatively was a prerequisite.

“Quantitative research is predominantly used as a synonym for any data collection technique such as questionnaires or data analysis procedure such as graphs that generates or uses numerical data" (Saunders, Thornhill & Lewis 2012.).

Wagner, Kuwulich and Garner (2012) refer to quantitative research as a research design that collects information in the form of numbers. Data is used to describe or explain social phenomena, determine relationships between variables and look for cause and effect.

This statement is further supported by Terre Blanche et al. (2014) stating that “Quantitative research is an approach for testing objective theories by examining the relationship among variables”. The benefits of using a quantitative research strategy in this study included allowing the process to be run quickly, and based on statistical significance, the research results are relatively independent from the researcher.

3.2. Research Design

Research design refers to “a framework for the collection and analysis of data” (Bryman, 2012). Saunders (2012) defines it as “the general plan of how you will go about answering research questions". Robson suggests it is a framework to guide research activity. Malhotra (2010) defines the research design as an essential foundation, framework and significant blueprint for conducting a research project. A good research design will result in an effective research project.

Bryman (2012) proposed that there are five generic research designs namely; cross-sectional, longitudinal, case study, comparative, and experimental. Based on the literature reviewed, the research report employed a cross sectional research design in order to guide the research activity.

Cross sectional design is defined by various researchers as “A research design that entails the collection of data on more than one case at a single point in time in order to collect a body of quantitative or quantifiable data in connection with two or more variables which are then examined to detect patterns of association” (Bryman, 2012). Saunders et.al (2012) defines a cross sectional design as “the study of a particular phenomenon at a particular time”.

Robson (2012) refers to cross sectional design as "A research design where data is collected at a single point in time (in practice over a short period of time)".

The rationale for employing cross sectional design in this report was that it permitted the researcher to analyse a wide range of variables at the same time. The aim was to attempt to understand the motivations behind people's decisions to engage on social media platforms and what informs their purchase decisions.

3.3. Population and sample

3.3.1. Population

Target population is described as the universe of units from which a sample is to be chosen (Bryman, 2012). The description is further defined by Malhotra (2010) as "the collection of elements or objects that possess the information sought by the researchers and about which inferences are to be made". Lawrence Neuman (2014) further defined population as "The concretely specified large group of many cases from which a researcher draws a sample and to which results from a sample are generalised."

The targeted population for this study was made up of Nestle South Africa employees between 24-35 years of age. Strategy, as defined by researchers, says a population needed to represent a universe of units used to select a sample (Bryman, 2012; Bryman, 2004; Creswell, 2009a).

3.3.2. Sampling of respondents

Table 3.1: Sample size Profile of Respondents

Profile	**Number to be sampled**
• Nestle South Africa employees • Age group 24-35 years • Across race and gender • Social Network Account(s)	250

3.3.3. Sampling method

Sampling refers to the procedure of selecting units of observation (Babbie, 2013) or a collection of individuals on whom research is conducted (Wagner et al., 2012). Neuman (2014) refers to a 'sample' as small group of cases that a researcher picks from a larger group and uses to generalize to the population. In quantitative research, the sampling method can be based on one of two principles – probability sampling or non-probability sampling (Bryman, 2012).

The study employed a non-probability sampling technique. This technique entails a sample that has not been chosen through random selection and as a result, some cases in the population have a higher chance of being chosen than others (Bryman, 2012). In addition, individuals tend to be involved in the study due to their availability and willingness to participate (Wagner et al., 2012). Neuman (2014) also notes that while a non-probability sampling technique is less accurate when a representative sample is required, it can be an acceptable alternative when probability sampling is impossible, impractical, too expensive or time consuming. Three types of non-probability sampling techniques are described for a quantitative research strategy – convenience sampling (also referred to as 'generic purposive sampling'); snowball sampling; and quota sampling (Bryman, 2012; Neuman, 2014).

This study utilised a convenience sampling, which is simply a sample that is chosen due to their availability to the researcher (Bryman, 2012) rather than their appropriateness (Symon & Cassell, 2012).

A non-probability method allows the researcher to get a larger number of respondents in a short and limited time at a minimal cost. This study employed a non-probability convenience sampling method to select the sample participants.

3.3.4. Sampling Size

The sample size refers to the number of individuals in the sample (Neuman, 2014). In quantitative research, a more representative sample is likely to be achieved through bigger

samples, however ultimately sample sizes tend to be trade-off between various considerations, such as time and cost constraints, the need for accuracy, etc. (Bryman, 2012).

The study recruited a sample of 250 Nestle employees who were between 24 -35 years old, across race and gender, working and who have social networking site account(s). Because the study was concerned with purchase intent, participants have to make their own purchasing decisions.

The proposed sample size is sufficient to test the relationships between the variables using Structural Equation Modelling (SEM) statistical software (Byrne, 2013), which will be utilized for data analysis, as discussed in data analysis and interpretation. Details of the proposed research instrument are discussed in the following section

3.4. Research Instrument

This section discusses the aspects relating to the data collection methods this report employed

A data collection instrument is specifically designed to elicit information that will be required for analysis (Babbie, 2013). According to Neuman (2014), this can be categorised into two groups depending on the type of data gathered - collecting data in the form of numbers (quantitative) or in the form of words or pictures (qualitative). As previously mentioned, quantitative research strategy will be used for this study. Bryman (2012) identifies three main types of data collection instruments for quantitative research – interviewing, observation and self-completion questionnaires.

The study has employed a self-completion questionnaire (also referred to as self-administered questionnaire). Questionnaires are a technique that broadly falls within survey research – which involves asking a sample of many respondents the same questions, in order to measure several variables and simultaneously test multiple hypotheses (Neuman, 2014). This data collection instrument is administered without the assistance of an interviewer (Bryman, 2012) and therefore, the participants must read the

questions in the questionnaire and record the answers themselves (Neuman, 2014). Self-administered questionnaires come in several forms, including mail (postal) surveys; group-administered; and e-mail and internet surveys (Babbie, 2013; Wagner et al., 2012).

According to Bryman (2011) survey research method have the following advantages:

- *Surveys have internal and external validity*- A survey which is based on some form of random sampling technique will produce a sample which is representative of the particular population under study and will produce findings which may be generalised to the wider population.
- *Surveys are efficient*– Because this method can use random sampling techniques to gather data, a small sample size can easily be used to generate findings and draw conclusion about the whole population. Thus, a very cost effective way to find out what consumers do, how they behave and think.
- *Surveys can cover geographically spread samples*- Surveys can be undertaken using various techniques such as online, postal and telephonic to collect data. This implies members who are broadly scattered can be accessed and included into the sample.
- *Surveys are flexible*- Surveys can easily be combined with other methods to yield richer data, for instance, making use of focus groups or in–depth interviews.

The research instrument is made up of numerous types of closed questions, single choice, multi choice and ranking questions.

- Questions where the respondent has to choose one answer from a choice of only two possible answers
- Rating scale questions whereby the respondents will be given specific dimensions to answer the question. Rating scale questions encompass the respondent providing a rating that reflects an opinion from a limited variety of answers, and the Likert scale questions permits respondents to provide their opinion to some degree

In designing research instruments, Bryman and Bell (2011) suggest following guidelines in creating an instrument for ease of respondents understanding:

- Avoid ambiguous terms in questions such as the use of the words “often” or “regularly”.
- Avoid designing long questions as the respondent may lose the thread of the question.
- Avoid double-barrelled questions that ask questions about two things within the same question.
- Avoid leading or loaded questions that may influence the respondent.
- Avoid questions that include negatives as it is easy for the respondent to miss the negative word in their understanding of the question.
- Avoid using technical terms as the use of simple, plain language enables the respondent to answer as truthfully as possible.
- Ensure symmetry between close-ended questions and the answer.

The research instrument is intended to test Social Media factors impacting purchase intention of mobile devices amongst Working Generation Y consumers in South Africans.

The study measured four distinct constructs:

- Electronic Word of Mouth
- On line Engagement
- Brand Image
- Purchase Intentions

In the e-WOM section, with four items, respondents were asked about using electronic WOM communications (Bambauer-Sachse & Mangold, 2011). In the On line Engagement section, with four items, respondents were asked about using virtual communities and how it affects information seeking behaviour and purchase intentions (O’Brien et al., 2010).

In the brand image section, with four items, respondents were asked to rate their level of agreement on the importance of brand image regarding mobile devices (Davis et al., 2009). And lastly, in the purchase intention section, with four items, respondents were asked about their intention to purchase this automobile (Shukla, 2010).

Measurement of “Electronic word of mouth”, “Brand image” and “Purchase intention” were carried out using a seven-point Likert scale, ranging from strongly agree (1) to strongly disagree (7). The advantage of using an interval scale is that it permits the researchers to use a variety of statistical techniques that can be applied to nominal and ordinal scale data in addition to the arithmetic mean, standard deviation, product-moment correlations, and other statistics commonly used in marketing research (Malhotra, 1999).

This study measured whether social media factors have any impact in South Africa’s WORKING Generation Y consumer’s purchase intention in the mobile device industry

3.5. Procedure for data collection

Malhotra (2010) states that a questionnaire can be an instrument that is used to gather information, using a set of questions. The information in the questionnaire was easy and translated to questions participants were able to understand and respond to at ease. Collecting data from a larger sample by means of a questionnaire is convenient when a time period is specified (Jenn, 2006). Rattray and Jones (2007) conclude that questionnaires are mainly used to ease the collection of information in an orderly manner with a defined sample.

The survey was administered online using Google Forms technology. Google Form is a web-based survey tool that provides researchers the opportunity to create comprehensive surveys for academic purposes (Google, 2011). Moreover, Google Form generates a unique URL after a researcher has built a survey using Google form software that can be easily distributed and accessed online.

A total of 289 respondents participated in the data collection of which only 250 completed questionnaires were used. The questionnaire took approximately 10 minutes to complete. Data collection took place over a period of 2 weeks, from 22nd February – 14th March 2016. However, before distribution of the actual questionnaire, a pilot study was conducted to reduce the possibility of questionnaire failure.

3.5.1. Pilot testing of the questionnaire

Polit et al. (2001) refer to a pilot study as the small scale study that represents the feasibility of the major study. Van Teijlingen and Hundley (2002) suggest that by using a pilot test, the researcher can reduce the possibility of failure. Content validity represents a systematic, yet subjective method of assessing a scale's ability to measure what it is supposed to measure (Hair, 2011).

In order to assess the content validity of the questionnaire, a pilot test was run on 22 participants. None of these participants were included in the main study. Their remarks and comments were noted and the questionnaire was enhanced based on these statements.

The Cronbach's alpha was computed to determine internal reliability. The results met the standard and were acceptable; the Cronbach's alpha value for the pilot study was 0.74.

As the results indicated good internal reliability after testing, the main study commenced

3.6. Data analysis and interpretation

Data analysis involves interpreting the data in order to draw conclusions that reflect the ideas, interests and theories that initiated the research (Babbie, 2013). In quantitative research, the researcher utilises several data analysis techniques, usually through the use of computer software (Neuman, 2014) to condense the volume of data collected and to test for associations between variables (Bryman, 2012).

There are a number of different methods a researcher can use to analyse quantitative data, ranging from more basic analysis (such as univariate analysis) to more complex, multivariate analysis (such as factor analysis, cluster analysis, multiple linear regression, structural equation modelling, etc.) (Babbie, 2013; Blanche et al., 2006; Wagner et al., 2012).

The gathered data was analyzed by using a software package called Statistical Package for Social Sciences (SPSS) version 22, with a special emphasis on multivariate analysis

and structural equation modeling (SEM). Exploratory and confirmatory factor analyses were applied, as well as the multiple regression and correlation analyses as preconditions of SEM modeling.

Regression analyses can be categorized into simple regressions, seeking to predict an outcome variable from a single predictor variable; and multiple regressions, seeks to predict an outcome variable from several predictor variables. This method implies that the independent variables are entered in the equation in the order specified by the researcher, based on theoretical grounds.

The variables are entered in blocks (steps), and each independent variable is assessed, in terms of what it adds to the prediction of the dependent variable, after controlling for previous variables.

Structural equation modeling, or SEM, is a very general, chiefly linear, chiefly cross-sectional statistical modeling technique. Factor analysis, path analysis and regression all represent special cases of the software.

3.6.1. Structural Equation Model Approach

Data analysis was performed using the structural equation modelling (SEM). Structural equation modelling has become a popular statistical technique to test theory in several fields of knowledge (Anderson et al.1998; Schumacker & Lomax 2004).

Qureshi and Kang (2014 pg.3) describe SEM as “a multivariate, statistical technique largely employed for studying relationships between latent variables (or constructs) and observed variables that constitute a model”. Moreover, it was further reinforced by many scholars that it is a statistical method with which a researcher can create theoretical concepts and validate proposed causal relationships through two or more structural equations. It is also prestigious as being similar to regression analysis yet more dominating in that it analysis the casual relationship among variables while simultaneously accounting for measurement of error.

SEM’s ability to address numerous modelling difficulties, the endogeneity among constructs and composite underlying data structures found in various phenomena

(Washington et. al. 2003) can be assumed to be part of the reason for its popularity. SEM is fundamentally a framework that involves concurrently solving systems of linear equations and includes procedures such as regression, factor analysis and path analysis (Beran & Violato, 2010).

SEM with Smart PLS involve performing a procedure known as Confirmatory Factor Analysis (CFA) and path analysis (Chen, Zhang, and Liu & Mo, 2011) concurrently.

The function of Confirmatory Factor Analysis is to evaluate how well the latent variables are measured by the observed variables (Chen *et al.* 2011) while that of path analysis is to investigate causal relationships among unobserved variables (Nusair *et al.,* 2010).

Scholars have advocated many advantages of SEM. They are as follows:

- SEM has the ability to "tackle" research questions related to intricate causal relationships between unobserved variables (Nusair *et al.*, 2010) with empirical data.
- SEM can extend explanatory power and statistical efficiency for model examination with one complete model (Hair, *et al.*, 1998)
- It can include latent constructs in the analysis while accounting for measurement errors in the estimation process (Hair, *et al.*, 1998)
- SEM provides support for examining and validating hypotheses of causal relationships due not only to its ability to model measurement error, but also to its ability to do away with bias and distortion (Pugesek & Tomer, 1995)

3.6.1.1. Data coding using Excel spreadsheet

McDaniel and Gates (2010) refer to coding as assigning different codes to questions and responses. Proper coding enlightens the data capturing process. Welman and Kruger (2001) emphasise that once data is collected, it has to make sense. To do this, data must be organised and coded so it can be analysed with ease. Coding means to provide values to the numerical codes that were used in the survey.

Bryman (2012) emphasises that when using an on-line survey as a data collection tool, data coding errors will be greatly reduced through the use of instructions and rules that will be included in the questions via the online survey software. Hence this report used an on-line survey to gather data.

3.6.1.2. Descriptive analysis using Statistical Package for the Social Sciences (SPSS)

Statistical analysis of the data was conducted on Microsoft Excel, SPSS 2.2. With SPSS, the researcher can analyse data in three basic ways: To describe data using descriptive statistics for example frequency, mean, minimum and maximum; To examine relationships between variables, for instance, correlation, regression, factor analysis; and finally, to compare groups to determine if there are significant differences between these groups by using t-test and ANOVA.

Descriptive statistics analysis

Lombard *et al.* (2011) define descriptive statistics as a summary of the data obtained from the participants presented in a structured and easily understandable manner. To test the research hypotheses of the study, statistical package for the social science (SPSS) 22.0 was used for the analysis and data Organization collected from 250 respondents. Regression analysis was also conducted to test the relationship between dependent and independent variables.

According to Carmer and Howitt (2010), SPSS is a computer application that offers statistical analysis of data, and it allows in-depth data access and preparation, analytical reporting, graphics, and modeling. Basturk (2005) further indicated that SPSS will carry out almost all statistical analysis required at a professional level, and it is particularly good for the analysis of questionnaire data. Factor analysis was used to measure the variables and to examine the respondents' score for each variable for the study. As indicated in the report, a pilot test was conducted before the final dissemination of the research questionnaires so as to guarantee the reliability of the measurement items.

3.7. Reliability and validity tests of measurement scales using SPSS

According to Wilkens (2010), reliability and validity have to do with understanding the logic and accuracy of the measurement scales. Reliability requires better comparable experiments, while validity asks the question if the experiment is tailored to appropriately answer the questions being asked; i.e. if the experiment is valid in logical terms (Wilkens, 2010). According to Hair *et al.* (1998), reliability is measured at two levels: item reliability and construct reliability. Item reliability conveys "the amount of variance in an item due to underlying construct rather than to error and can be obtained by squaring the factor loadings" (Chau, 1997). Construct reliability relates to the extent to which a measurement scale reflects an underlying factor (Nusair *et al.*, 2010).

This study observed construct reliability in particular through conducting a Cronbach alpha test. Cronbach alpha is observed to be an SPSS tool for assessing the reliability of an observed instrument intended to measure a particular construct (Bryman *et al.*, 2003). A general rule to increasing reliability when it is not satisfactory is to eliminate one item or more from the scale (Bryman *et al.,* 2003). Once certain that the observed instrument met the required level of reliability, the next step was to evaluate the measurement scale's validity.

Validity refers to the degree to which a set of measurement items truly reflects the concept of interest (Hair *et al.*, 1998). There are various types of validity (Nusair *et al.,* 2010); the study focused on convergent and discriminant validity. Convergent validity was examined by observing the inter-correlation between measurement items and the study's construct. Discriminant validity was also examined by observing the correlation matrix as well as the Average Variance Extracted (AVE) and shared variance which were identified in the next phase. Furthermore, item reliability was also assessed in the next phase through running factor analysis and examining item loadings.

The second step of the SEM process consists of fitting the structural model (Blanche et al., 2006) which is mainly conducted through path modelling (Byrne, 2013). The two-step process used are summarised as follows:

3.7.1. *Confirmatory Factor Analysis (CFA)*

In CFA, the researcher specifies a particular number of constructs which are correlated and observed variables measuring each construct (Schumacker *et al.*, 2004).

Data analysis was conducted accordingly in this study and model specification was carried out as the first procedure in CFA. This procedure entailed identifying the set of relationships intended to be tested and determined how to specify constructs within the model (Nusair & Hua, 2010). Having specified the model, the next step was model modification (Chen, Zhang, Liu, & Mo, 2011). This implies that if the variance covariance matrix approximated by the model did not sufficiently replicate the sample variance-covariance matrix, the model would have to have been improved and re-examined on the condition that the model is made to be identifiable (Nusair & Hua, 2010).

3.7.2. Path Modelling

The next phase of data analysis through the use of SEM involved path analysis (Beran & Violato, 2010). Path modelling highlights the relationship between variables and theoretical constructs (Roche, Duffield, & White, 2011). It also tests and validates the structural paths of the conceptualised research model (Anderson & Gerbing, 1988).

The study's structural model was evaluated by examining the p-values as well as standardised regression coefficients (Matzler & Renzl, 2006).
In conducting path modelling, a particular responsibility is to explain standardised regression coefficients as well as predictive ability (Wu, 2010).

3.8. Demographic profile of respondents

The demographic characteristics for this research report encompassed working Generation Y consumers aged between 24-35 years of age, across gender and race.

3.9. Ethical considerations when collecting data

This research report has adhered to the principles of academic research by protecting the identities and interests of respondents, while conforming to the ethical writing standards of academic research. All information provided by the participants was treated confidentially and the responses provided were reported in aggregate.

3.10. Limitations of the study

Limitation (s) to this study have been identified and must be considered. The study relies upon the sampling of WORKING Generation Y Consumers employed by Nestle which limits the thesis. As the study was administered on line, there is no way of verifying that respondents are indeed between the ages of 24-35 years of age, however as a researcher, I relied on the honesty and credibility of the respondents. Another limitation associated with this research is that it has a low external validity due to the use of a sample from one organisation and as a result the findings may not be generalised. It is therefore recommended that a further study research be conducted

3.11. Summary

In this chapter, the research paradigm and research design were outlined followed by the demographic profile of the targeted respondents, the research instrument, and data analysis. In the latter part of chapter, the limitations of the study were also outlined.

Chapter 4. PRESENTATION OF RESULTS

4.1 Introduction

This Chapter provides the results for demographic data, measurement instrument reliability and validity and the path modelling statistics. The Chapter has two main divisions. The first section provides descriptive statistics for both the demographic data and the measurement instruments. The second section provides the results for hypotheses testing.

The chapter is structured with four main headings. Firstly, Descriptive statistics are presented. This involves a description of the sampled population with corresponding statistics and accompanying tables. Thereafter, data analysis tools which also encompass reliability and validity assessment, Confirmatory Factory Analysis results are tabled, followed by path modelling results.

4.2 Descriptive Statistics

The primary purpose of descriptive statistics is to offer abridged characteristic information about the sample and form the basis of quantitative data analysis (Burns & Bush, 2006). When the researcher commences drawing inferences from the information analysed, the descriptive statistics reduce the risk of basing all decisions on probability indicators (Kumar, 2005), and also help the researcher understand emerging characteristics of the sample (Mukher & Albon, 2010).

Researchers have also identified another role played by descriptive statistics (Krommenhoek & Galpin, 2013) which suggests that they are intended to confirm the normality of the data collected and analysed. As this study seeks to make comparisons, it is important that the unique features of the sample are clearly tabled in order to make meaning of the patterns discovered (Santy & Kneale, 1998).

4.2.1. Respondents Profile

The statistics below were run on SPSS in order to establish the respondent profile and to do comparisons on the respondents. The research is based on 252 respondents, and the details are outlined below:

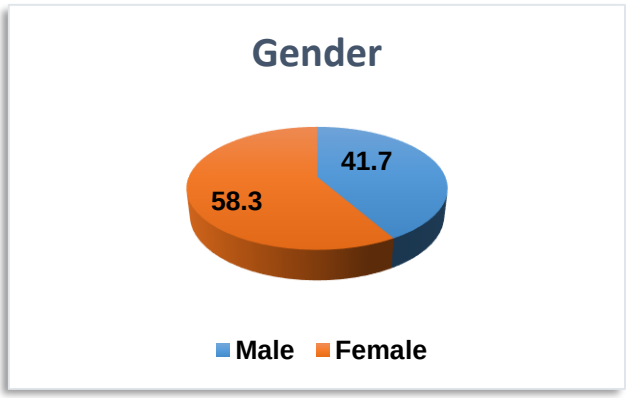


Figure 3: Gender

As observed in **Figure 3** an illustration of gender in the sample. Most of the participants were Female representing 58.3% of the sample. The remaining were Male (41.7%) of the total sample.

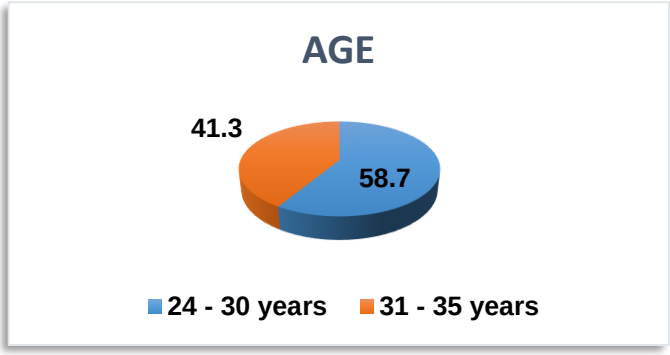


Figure 4: Age

The above figure is an illustration of the respondents' age. Most of the respondents were 24 – 30 years and represented 58.7% of the sample. The remaining percentage represent 31 – 35 years of the total sample.

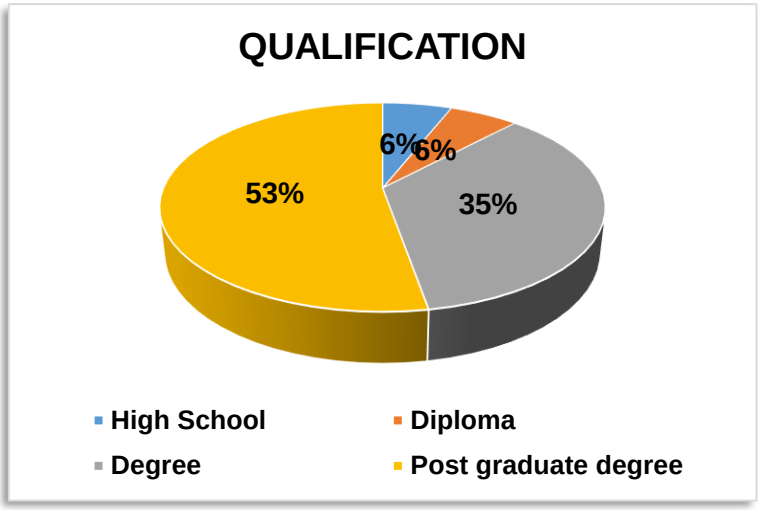


Figure 5: Qualification

The figure above is a clear illustration of the respondents' qualification. Most of the respondents had post graduate degrees and represented 52.8% of the sample. These were followed by those who had degrees represented by 35.3%, those who had diplomas and high school representing 6% of the total sample.

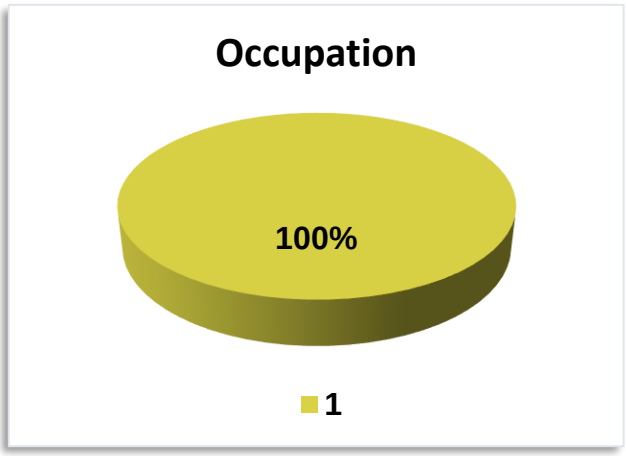


Figure 6: Occupation

Figure 6 is an illustration of the respondents' occupation. All the respondents were employed (100%).

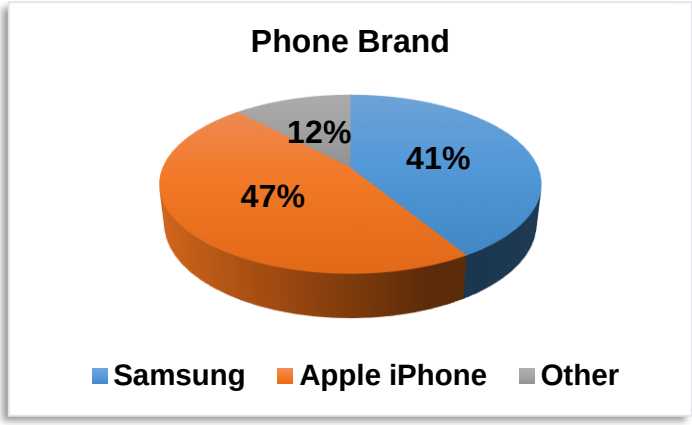


Figure 7: Phone-Brand

Figure 7 is an illustration of the respondents' phone brand. Most of the respondents' use Apple iPhone and represented 46.8% of the sample. These were followed by those who use Samsung represented by 41.3 and finally other use phone brand representing 11.9% of the total sample.

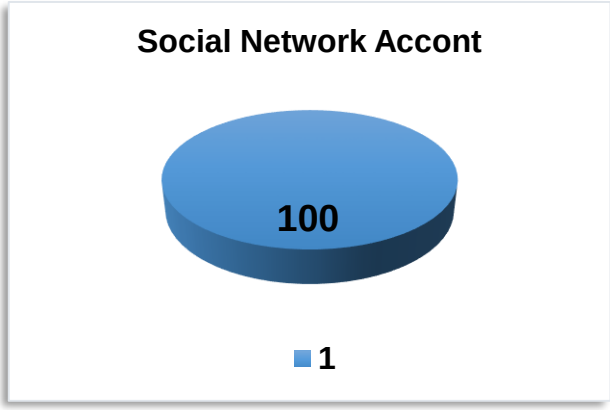


Figure 8: Social-Network Account

Figure 8 is an illustration of the respondents' social network account. All the respondents' have social network accounts (100%)

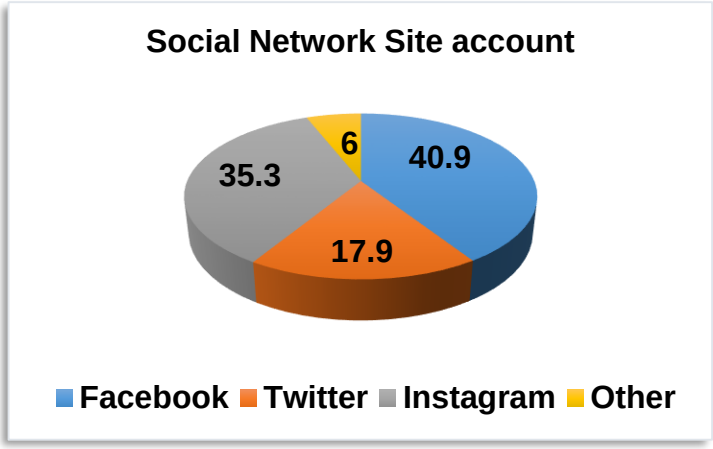


Figure 9: Social-Network Site account

Figure9 is an illustration of the respondents' social-network site. Most of the respondents' had Facebook social network site and represented by 40.9% of the sample. These were followed by those who had Instagram site represented by 35.3%, those who had Twitter site represented by 17.9% and finally, those who had other social network sites 6.0% of the total sample.

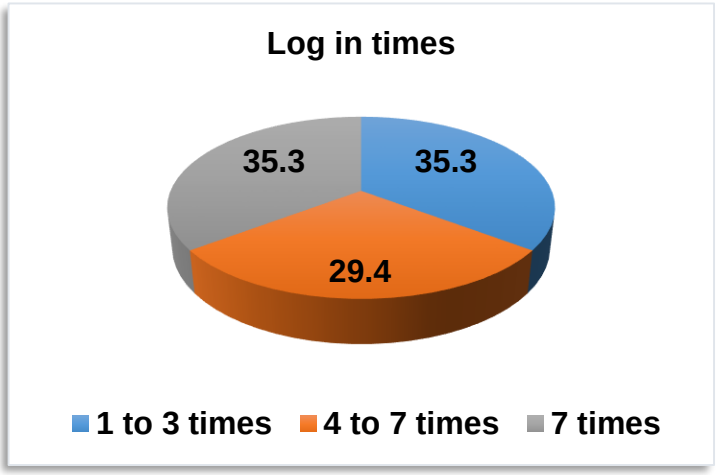


Figure 10: Login times

Figure 10 is an illustration of the respondents' login time. Most of the respondents' use 1 to 3 times and 7 times and represented 35.3% of the sample and finally, the remaining use 4 to 7 times representing 29.4% of the total sample

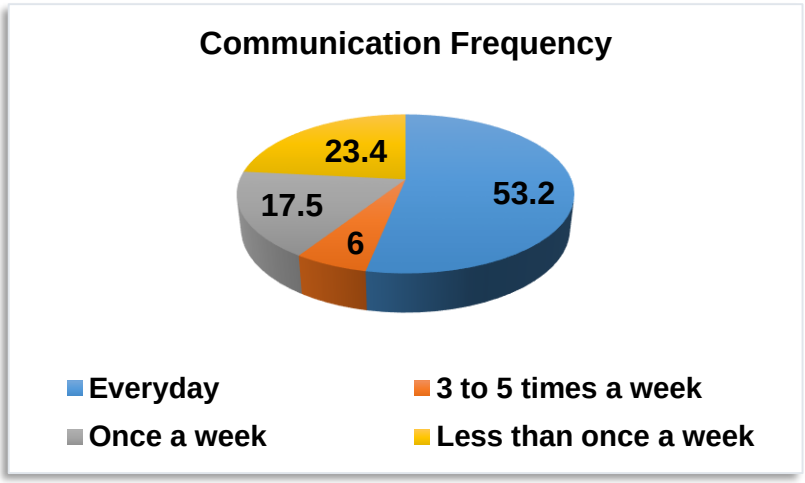


Figure 11: Communication Frequency

Figure11 is an illustration of the respondent's communication frequency. Most of the respondents' use every day and represented 53.2% of the sample. These were followed by those who use less than once a week represented by 23.4%, those who use once a week represented by 17.5% and finally those who use 3 to 5 times a week representing 6.0% of the total sample.

4.2.2. Descriptive Results

I. Electronic Word of Mouth (eWoM) and Purchase Intention (PI)

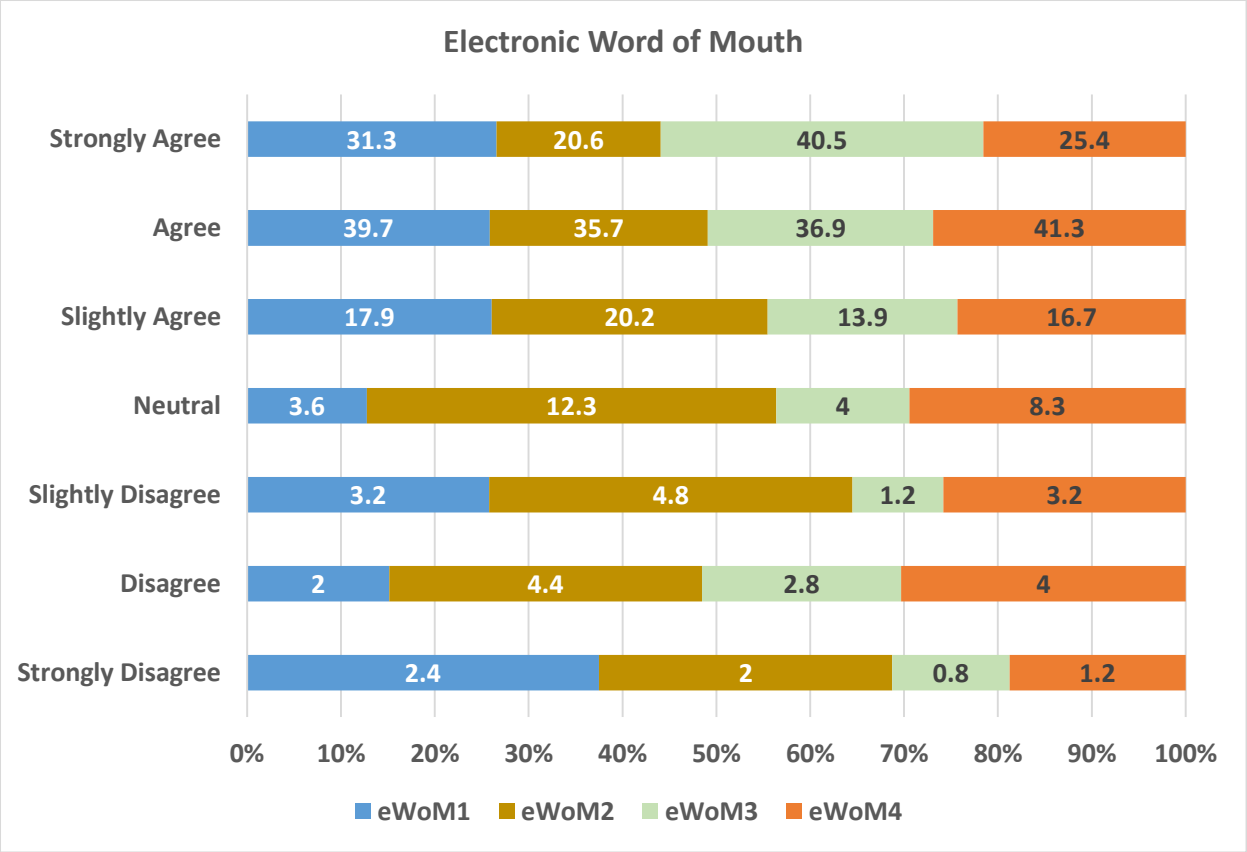


Figure 12: Electronic Word of Mouth Items

The above figure illustrates four statement pertaining to Electronic Word of Mouth items.

EWoM1 statement ***"I often read consumers online reviews on Facebook to know what brand of mobile device makes impressions on others***" illustrates that most of the participants agreed with the statement and represented 39.7% of the total sample. These were followed by those strongly agreed (31.3%), those who slightly agree (17.9%), those were neutral (3.6%), those who slightly disagree (3.2), those who strongly disagree (2.4%) and finally those who disagreed with the statement representing 2.0% of the sample.

EWoM2 statement, ***"To make sure I buy the right brand of a mobile device. I often read others consumers brand reviews on Facebook"*** Illustrates that most of the participants agreed with the statement and represented 35.7% of the total sample. These were followed by those strongly agreed (20.6%), those who slightly agree (20.2%), those were neutral (12.3%), those who slightly disagree (4.8%), those who disagree (4.4%) and finally those who strongly disagreed with the statement representing 2.0% of the sample.

EWoM3 statement ***"I often consult other consumer's online brand reviews posted on Facebook to help choose the right mobile device brand*** "illustrates that most of the participants strongly agreed with the statement and represented 40.5% of the total sample. These were followed by those agreed (36.9%), those who slightly agree (13.9%), those were neutral (4.0%), those who disagree (2.8%), those who slightly disagree (1.4%) and finally those who strongly disagreed with the statement representing 0.8% of the sample.

EWoM4 statement" ***I gather information from online brand reviews from Facebook before I buy any brand of mobile device"*** Illustrates that most of the participants agreed with the statement and represented 41.3% of the total sample. These were followed by those who strongly agreed (25.4%), those who slightly agree (16.7%), those were neutral (8.3%), those who disagree (4%), those who slightly disagree (1.2%) and finally those who strongly disagreed with the statement, representing 0.8% of the sample

II. On Line Engagement Items (OLE) and Purchase Intention (PI)

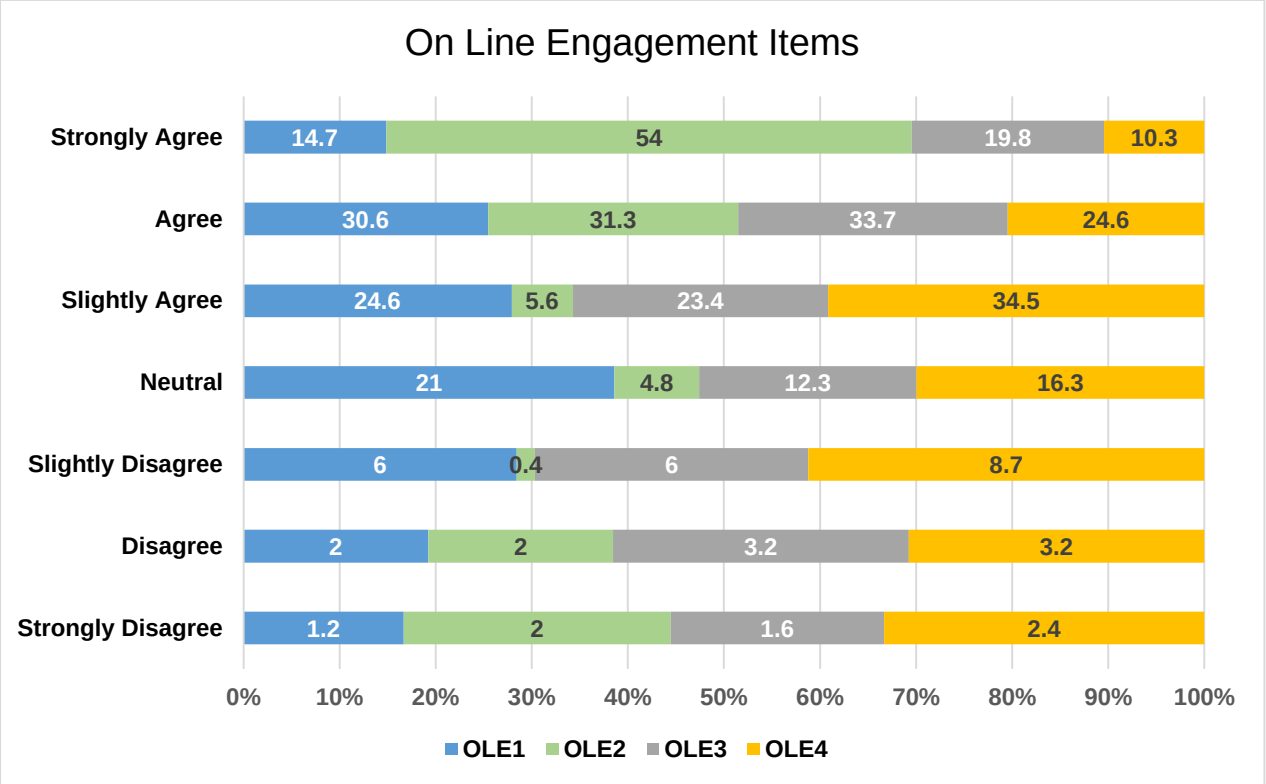


Figure 13: On Line Engagement Items

The above figure demonstrates four statement pertaining to On Line Engagement items

OLE1 statement ***"When I am on the company's Facebook page that I 'like" I am absorbed in the page.*** Demonstrate that most of the participants agreed with the statement and represented 30.6% of the total sample. These were followed by those who slightly agreed (24.6%), those who slightly disagree (21.0%), and those who strongly agree (14.7%) those who slightly disagree (6.0%), those who disagree (2.0%) and finally those who strongly disagreed with the statement representing 1.2% of the sample.

OLE2 statement ***"On the company's Facebook page that I "like" I have... Read fan comments, responded to fan comment and posted comment on the Company's page"*** Demonstrates that most of the participants strongly agreed with the statement and represented 54.0% of the total sample. These were followed by those who agreed (31.3%), those who slightly agree (5.6%), and those who are neutral (4.8%) those who slightly

disagree and strongly agree represents (4.0 %) of the total sample whilst those who slightly disagree represent insignificant number of 0.4%

OLE3 statement ***"I feel like I receive a tremendous amount of information about the company featured on the company's page that I "like" on Facebook*** *"Demonstrates* that most of the participants agreed with the statement and represented 33.7% of the total sample. These were followed by those who slightly agreed (23.4%), those who strongly agree (19.8%), and those who are neutral (12.3%) those who slightly disagree (6.0%) and strongly agree represents (3.2%) whilst those who strongly disagree represent insignificant 1.6% of the total sample.

OLE4 statement ***"Overall, my experience on the Company's page that I "like" are intense*** *"Demonstrates* that most of the participants slightly agreed with the statement and represented 34.5% of the total sample. These were followed by those who agreed with the statement (24.6%), and those who are neutral (16.3%) those who strongly agree (10.3%) and slightly disagree represents (8.7%) whilst those who disagree (3.2%) and those who strongly disagree represented 2.4% of the total sample.

III. Brand Image (BI) and Purchase Intentions (PI)

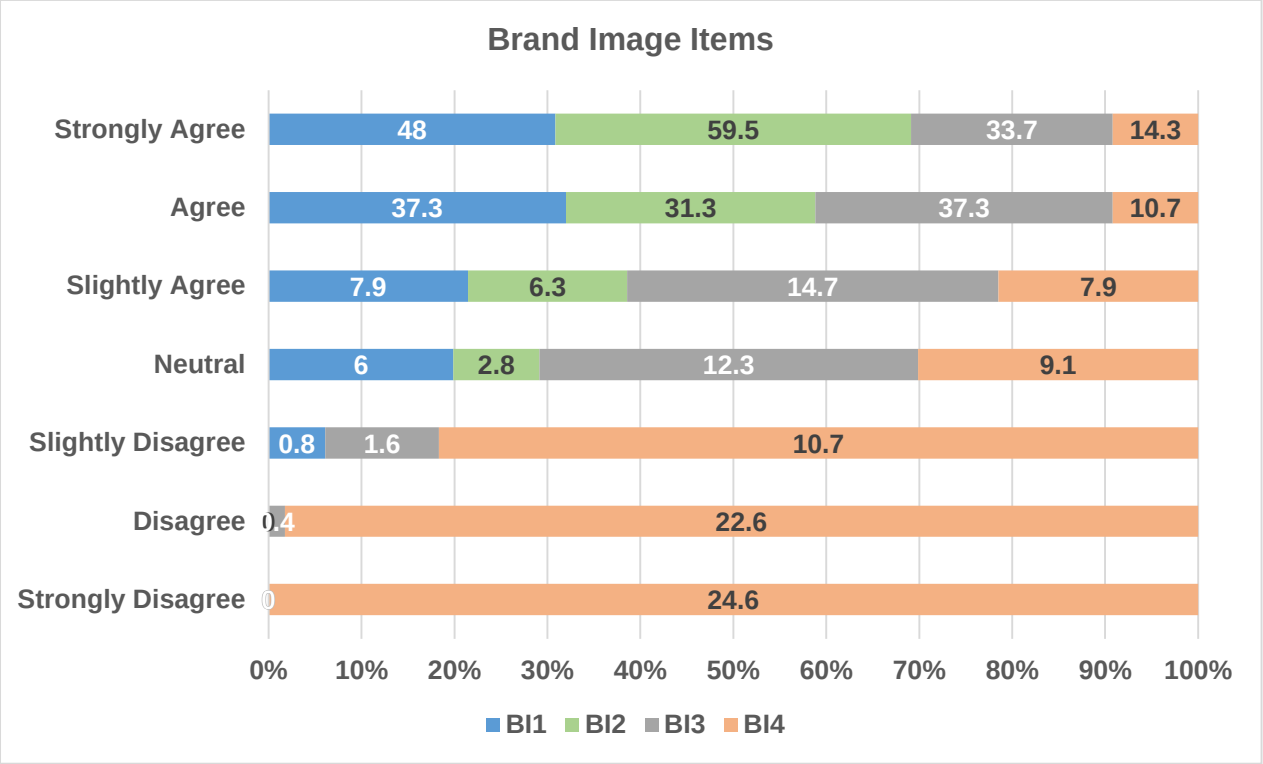


Figure 14: Brand Image Items

The above figure exhibits four statement pertaining to Brand Image items

BI1statement ***"In comparison to other mobile brands, this brand is of high quality*** "reveals that most of the participants strongly agreed with the statement and represented 48% of the total sample. These were followed by those who agreed with the statement at (37.3%), those who slightly agree (7.9%) and those who are neutral represents (6%) whilst those who slightly disagree is of insignificant contribution of 0.8% of the total sample.

BI2statement ***"This particular mobile device brand has a differentiated image in comparison to other mobile device brands"*** revealed that most of the participants strongly agreed with the statement and represented 59% of the total sample. These were followed by those who agreed with the statement at (31.3%), those who slightly agree (6.3%) and those who are neutral represents 2.8% of the total sample.

BI3 statement ***"Customers (we) can have reliably predict how this mobile device brand will perform"*** reveals that most of the participants agreed with the statement and represented 37.3% of the total sample. These were followed by those who strongly agreed with the statement at (33.7%), those who slightly agree (14.7%) and those who are neutral represents (12.3%), and those who slightly disagree and disagree represents 1.6% and 0.4% respectively.

BI4statement ***"This particular mobile device brand is well established*** "reveals that most of the participants strongly disagreed with the statement and represented 24.6% of the total sample. These were followed by those who disagreed with the statement at (22.6%), those who strongly agree (14.3%) and those who are agree and disagree represents (10.7%), and those who are neutral (9.1%) and finally those who slightly disagreed represents 7.9% of total sample.

IV. Purchase intentions (PI)

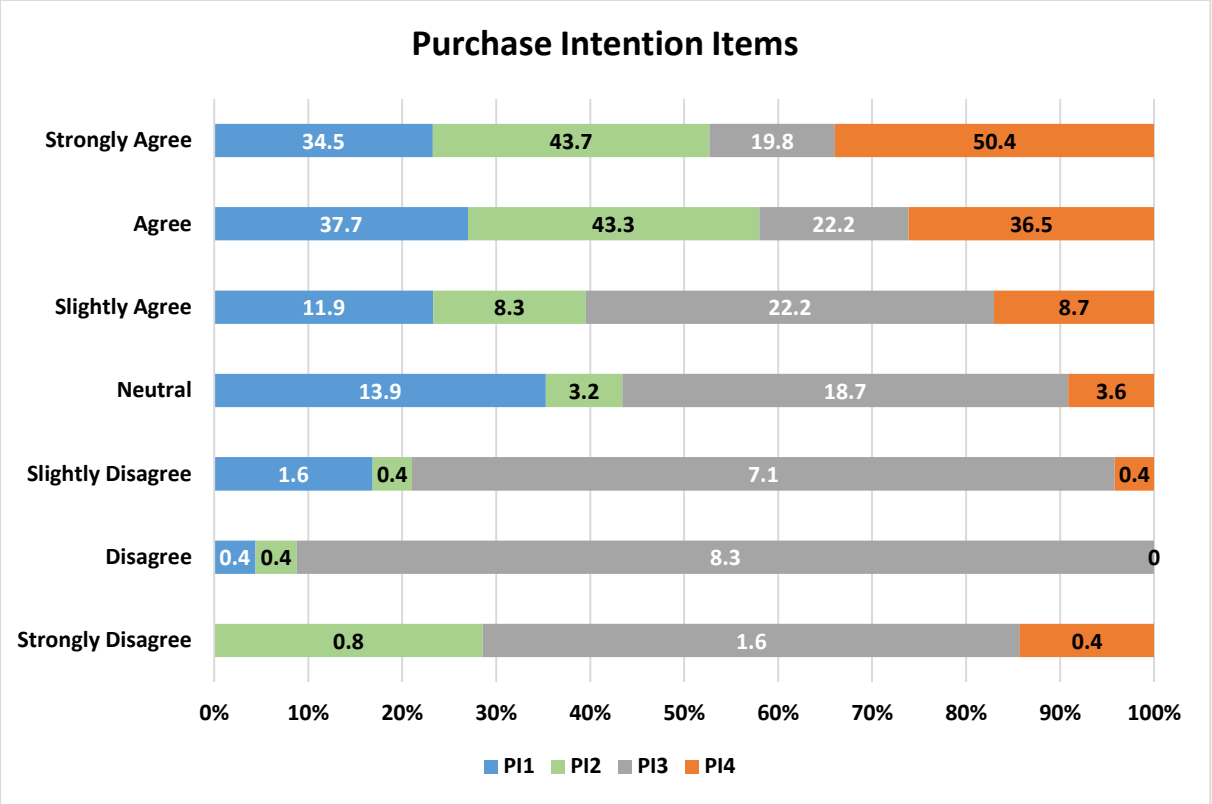


Figure 15: Purchase Intention Items

The above figure illustrates four statement pertaining to Purchase Intention items

PI1statement ***"I would like to buy this brand of mobile device"*** illustrates that most of the participants agreed with the statement and represented 37.7% of the total sample. These were followed by those who strongly agreed with the statement at (34.5%), those who slightly agree (11.9%) and those who are neutral represents (13.9%), and those who slightly disagree and disagree represents 1.6% and 0.4% respectively.

PI2 statement ***"I plan on buying this brand of mobile device in the near future"*** illustrates that most of the participants strongly agreed with the statement and represented 43.7% of the total sample. Not far behind that are participants those who agreed with the statement at (43.3%), those who slightly agree (8.3%) and those who are neutral represents (3.2%), those who strongly disagree (0.8%) whilst those who slightly disagree and disagree equally represents 0.4% of total sample.

PI3 statement" ***I consider this brand as my first choice in the mobile device market*** "illustrates that most of the participants slightly agreed and agreed with the statement and equally represented 22.2% of the total sample. Not far behind that are participants those who strongly agreed with the statement at (19.8%), those who are neutral (18.7%) and those who disagree represents (8.3%), those who slightly disagree (7.1%) whilst those who strongly disagree represents an insignificant 1.6% of total sample.

PI4statement ***"I say positive things about this brand mobile device to other people***" illustrates that most of the participants evidently strongly agreed with the statement and represented 50.4% of the total sample. Followed by those who agree (36.5%), those who slightly agree (8.7%) and those who are neutral (3.6%), those who slightly disagree and strongly disagree equally represents an insignificant 0.4% of total sample.

4.2. Regression analysis Results

A regression analysis was completed for constructs this research study aimed to test. The highlights of the regression analysis are presented in **Table 4.1**. Regression analysis is one statistical method used to relate two or more variables (Aaker, et al., 2007). The dependent variable (Y) is related to one or more independent variables (Xs). Regression analysis allows for building a prediction equation or regression model using these linked variables.

The general form of a multiple regression model is expressed below.

$Y = \alpha + \beta 1X1 + \beta 2X2 + \ldots. BiXi + \varepsilon$

The regression analysis tries to solve the values for α and β in the equation in a way that the error of prediction is minimized and the prediction is thus optimized (Aaker, et al., 2007).

Using SPSS, a programme used for statistical analysis, a regression model summary was developed and is presented below:

Table 4.1 Results of the Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.626[a]	0.391	0.384	0.67697

a. Predictors: (Constant), Brand Image, EWoM, Online engagement
b. Dependent Variable: Purchase Intention

From **Table 4.1** above, it is clear that the R Square explained .626 of the variance which shows that other factors also contribute to the purchase intention of the consumers apart from brand image, e-word-of-mouth as well as on-line engagement.

Table 4.2 below exhibits the results of the ANOVA test, summarising the results of analysis of variance (Cooper & Schindler, 2011).

Table 4.2: ANOVA Test

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	73.115	3	24.372	53.18	.000[a]
	Residual	113.655	248	0.458		
	Total	186.77	251			

a. Predictors: (Constant), Brand Image, EWoM, Online
b. Dependent Variable: Purchase Intention

Table 4.2 above shows a statistical significance result of the model where, sig = .000 which is less than p < .005. It then explained that there was a significant relationship between the three independent variables and the dependent variable.

The significance level indicates the percentage of the sample means that it is outside the cut-off limit (Aaker et al., 2007).

Table 4.3 Coefficients Table

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.531	0.345		4.434	0
	E-word	0.124	0.056	0.161	2.239	0.026
	Online Engagement	0.181	0.062	0.213	2.931	0.004
	Brand Image	0.478	0.057	0.434	8.429	0

A. *Dependent variable: Purchase intention*

Table 4.3 above evaluates each of the independent variables that were included in the final analysis. In comparing the contribution of each variable, the beta values under the Standardised coefficients were used.

A value with a greater number was considered first and all the negative signs in front of the values were ignored. In that case, the largest beta coefficient was .434 which was a factor for “Brand Image”, which means that variable makes the strongest unique contribution to explaining the dependant variable. Followed by “Online engagement” with .213, while eWoM was the least with .161 as the lowest value which indicated that it made less of a unique contribution.

It then explains that, brand image has a greater influence on consumer purchase intention than e-word and on-line engagement.

4.3. Normal P-P Plot of Regression Standardised Residual

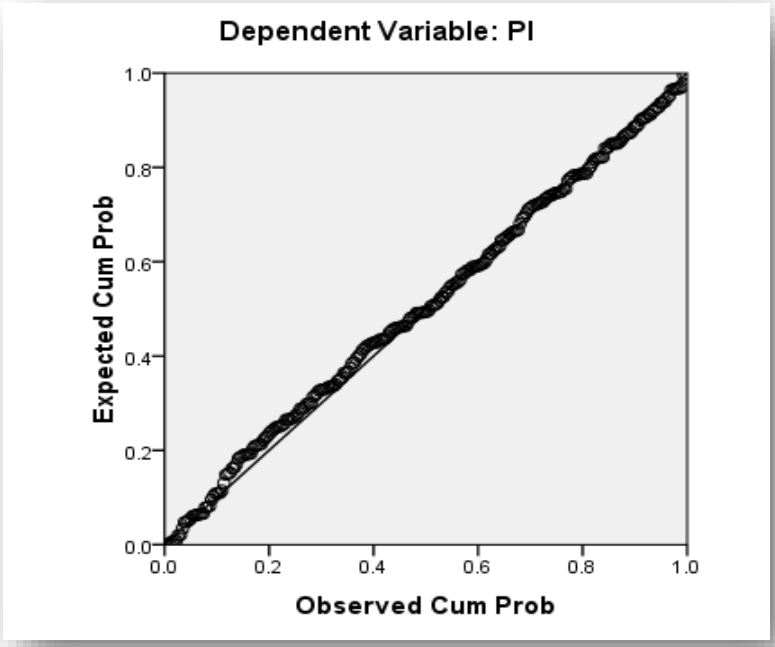


Figure 4.1: Normal P-P Plot of Regression Standardised Residual

4.3.1. Normal probability plot of the Regression Standardised Residual

A normality test was carried out to determine that the linear regression model which was normal such that the best linear unbiased estimators were achieved. The linear regression model had a dependent variable, purchase intention, while the independent variables - brand image, on-line engagement as well as e-word were normally distributed.

Quantile- Quantile plot (Q-Q plot) was used to test normality of the data which resulted in points lining in a straight diagonal line from bottom left to top right which signified that there was no major deviation from the normality with a very high positive relationship as shown in **Figure 4.1** above.

4.3.2. Reliability and Validity tests in CFA

Once an appropriate overall fit was established, the following step was to assess reliability and validity, under the guidance of previous literature (Byrne *et al.,* 1994). As advocated by Chau (1997), the squaring of factor loadings was conducted to assess item reliability. Item reliability recognizes “the amount of variance in an item due to underlying construct rather than to error” (Chau 1997). Discriminant and convergent validity was also examined by using the AVE as suggested by Fornell *et al.* (1981).

According to Nusair *et al.* (2010), a low-cross correlation signifies discriminant validity while the strong loading of items on their familiar construct is an indication of convergent validity. Sarstedt *et al.* (2014) describes discriminant validity as the degree to which a construct is empirically different from other constructs in the model, both in terms of how it links with other constructs and in terms of how specifically the items represent only this single construct. Convergent validity alternatively is referred to as the degree to which a construct is represented by its measurement items (Sarstedt *et al.,* 2014).

4.3.3. Path Modelling

The next phase of data analysis through the use of SEM involved path analysis (Beran *et al.,* 2010; Stein *et al*., 2012). Path modelling describes the relationships between observed or measured variables and theoretical constructs (Roche, Duffield & White 2011) and tests the structural paths of the conceptualised research model (Anderson et al. 1988). This SEM procedure was carried out in order to demonstrate and test the theoretical underpinnings of the study and the significance of the relationships between models’ constructs (Jenatabadi *et al*., 2014). The study’s structural model was evaluated by examining the p-values as well as standardised regression coefficients (Matzler & Renzl 2006).

In conducting path modelling, a particular responsibility is to explain standardised regression coefficients as well as predictive ability (Wu 2010).

4.4. Summary of Measurement Accuracy Statistics

Table 4.4: Scale accuracy analysis

The table below presents the results elicited following reliability and validity assessments. These results are discussed hereafter

Table 4.4: Scale accuracy analysis

Research constructs		Scale item		Cronbach's test		CR	AVE	Factor loadings
		Mean	SD	Item-total	a value			
EWoD	EWoD 1	3.75	0.969	0.606	0.737	0.834	0.559	0.789
	EWoD 2	3.79	0.934	0.66				0.836
	EWoD 3	3.276	0.933	0.665				0.64
	EWoD 4	4.04	1.031	0.558				0.71
BI	BI 1	4.03	1.026	0.518	0.64	0.808	0.587	0.836
	BI 2	4.36	0.822	0.568				0.818
	BI 3	3.98	0.807	0.5				0.641
OLE	OLE 1	3.97	0.806	0.612	0.758	0.847	0.58	0.706
	OLE 2	3.67	0.896	0.605				0.786
	OLE 3	4.09	0.821	0.608				0.793
	OLE 4	4.15	0.926	0.633				0.758
PI	PI 1	3.34	1.166	0.538	0.763	0.834	0.586	0.601
	PI 2	4.09	0.821	0.564				0.807
	PI 3	3.6	1.083	0.573				0.79
	PI 4	4.01	1	0.661				0.843

***Note: EWoM** = E-Word of Mouth; **BI** = Brand Image; **OLE** = Online Engagement; **PI** = Purchase Intention.*

***SD**= Standard Deviation* ***CR**= Composite Reliability* ***AVE**= Average Variance Extracted*

4.5. Measurement instrument assessment

4.5.1. Reliability of Measurement Instruments

a. *Cronbach's Alpha test*

Proceeding from the discussion of Cronbach's Alpha in chapter four, literature asserts that a higher level of Cronbach's coefficient alpha indicates a higher reliability of the measurement scale (Chinomona, 2011). From the results provided in **Table 4.4**, the Cronbach's Alpha value for each research construct ranges from 0.640 to 0.763 and as these are above 0.6 as recommended by Nunnally and Bernstein (1994), validity is indicated. Furthermore, the item to total values ranged from 0.500 to 0.665 and were therefore above the cut-off point of 0.5 as advised by Dunn, Seaker and Waller (1994). The Cronbach's Alpha results indicated in **Table 4.4** therefore validate the reliability of measures used in the current study.

b. Composite Reliability (CR)

The Composite Reliability test was also conducted in order to examine the internal reliability of each research construct, as recommended by Chinomona (2011) and Nunnally (1967).

The formula below is applied when examining Composite Reliability:

CRη= (Σλyi) 2/ [(Σλyi) 2+ (Σεi)]

Composite Reliability = (square of the summation of the factor loadings) / {(square of the summation of the factor loadings) + (summation of error variances)}

A Composite Reliability index that is greater than 0.7 signifies sufficient internal consistency of the construct (Nunnally 1967). In this regard, the results of Composite Reliability that range from 0.808 to 0.847 in **Table 4.4** confirm the existence of internal reliability for all constructs of the study.

c. Average Variance Extracted (AVE)

According to Chinomona (2011), “The average variance extracted estimate reflects the overall amount of variance in the indicators accounted for by the latent construct”. A good representation of the latent construct by the item is identified when the variance extracted estimate is above 0.5 (Sarstedt *et al*., 2014).

The formula below was applied when examining Average Variance Extracted.

$V\eta=\Sigma\lambda yi2/ (\Sigma\lambda yi2+\Sigma\varepsilon i)$

AVE = summation of the squared of factor loadings / {(summation of the squared of factor loadings) + (summation of error variances)}

Therefore, the results of AVE that range from 0.559 to 0.587 in **Table 4.4** authenticate good representation of the latent construct by the items.

4.5.2. Validity of measurement instruments

Validity test was carry out to assess convergent validity. It is discussed below.

a. Convergent Validity

Convergent validity determines the degree to which a construct converges in its indicators by giving explanation of the items’ variance (Sarstedt *et al.,* 2014). Apart from assessing the convergent validity of items through checking correlations in the item-total index (Nusair *et al.,* 2010), factor loadings were also examined in order to identify convergent validity of measurement items as recommended by Sarstedt *et al.* (2014). According to Nusair *et al.* (2010) items exhibit good convergent validity when they load strongly on their common construct.

Literature maintains that a loading that is above 0.5 signifies convergent validity (Anderson *et al.,* 1988). In this regard, the final items used in the current study loaded well on their respective constructs with the values ranging from 0.601 - 0.843.

(See Table 4.4). This therefore indicates good convergent validity where items are explaining more than 60% of their respective constructs. Furthermore, since CR values are above the recommended threshold of 0.7, this substantiates the existence of convergent validity.

b. Discriminant validity

Proceeding from the discussion of discriminant validity in chapter three, Hair, Hult, Ringle and Sarstedt (2014) assert that when determining if there is discriminant validity or not, what must be done is to identify whether the observed variable displays a higher loading on its own construct than on any other construct included in the structural model.

To check if there is discriminant validity is to assess if the correlation between the researches constructs is less than 1.0 as recommended by Chinomona (2011). As indicated in **Table 4.5** below, the inter-correlation values for all paired latent variables are less than 1.0 hence confirming the existence of discriminant validity.

Table 4.5. Correlation between the constructs

RESEARCH CONSTRUCTS	EWoM	OLE	BI	PI
E-Word of Mouth (EWoM)	1			
Online Engagement (OLE)	0.652	1		
Brand Image (BI)	0.493	0.391	1	
Purchase Intention (PI)	0.465	0.536	0.242	1

Note: *EWoM = E-Word of Mouth; BI = Brand Image; OLE = Online Engagement; PI = Purchase Intention*

4.6. Structural Model Testing

As the second procedure in Structural Equation Modelling (Chen *et al.,* 2011), structural modelling was conducted. Essentially, the procedure is conducted for the purpose of evaluating causal relationships among latent variables (Nusair *et al.,* 2010). This procedure includes "multiple regression analysis and path analysis and models the relationship among latent variables" (Chen *et al.,* 2011).

Figure 4.2 below is a representation of the path model. Much like the CFA model, the ovals represent the latent variables while the rectangles represent the observed variables. The unidirectional arrow signifies the influence of one variable on another.

Structural Equation Model

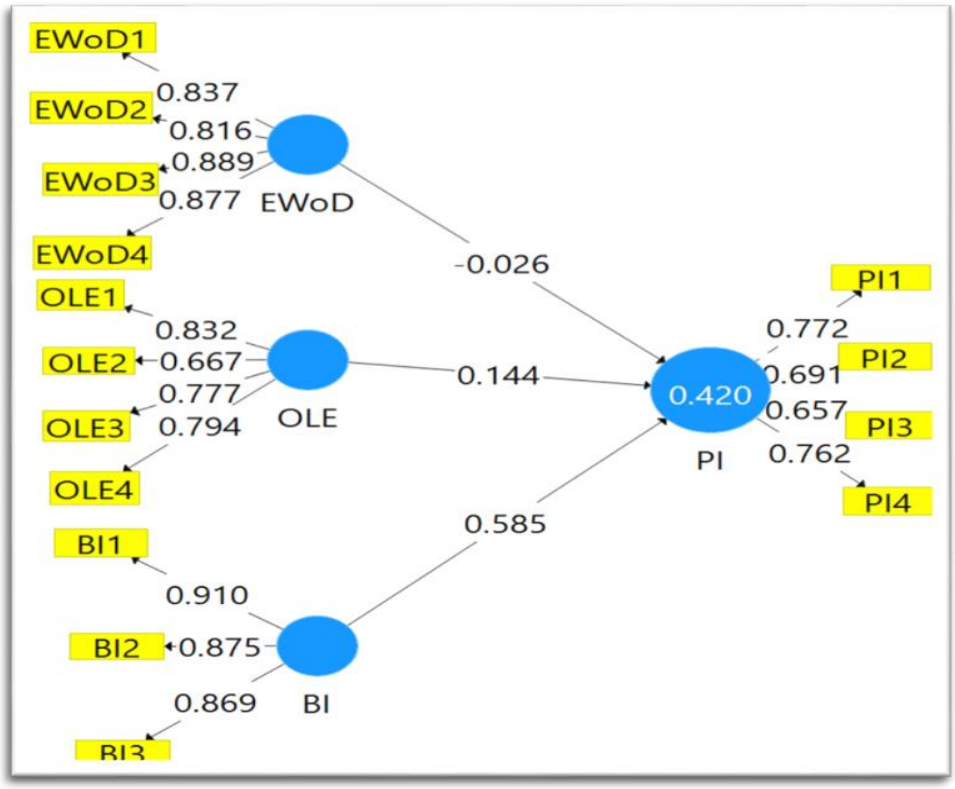


Figure 4.2: Structural model

Note: *EWoM = E-Word of Mouth; BI = Brand Image; OLE = Online Engagement; PI = Purchase Intention.*

4.7. Hypothesis testing

As the hypothesized measurement and structural model has been assessed and finalized, the next step was to examine causal relationships among latent variables by path analysis (Nusair *et al.,* 2010). According to Byrne (2001) and Nusair *et al.* (2010), SEM asserts that particular latent variables directly or indirectly influence certain other latent variables with the model, resulting in estimation results that portray how these latent variables are related.

For this study, estimation results elicited through hypothesis testing are indicated in **Table 4.6.** The Table indicates the proposed hypotheses, path coefficients, t-statistics and whether a hypothesis is rejected or supported. Literature asserts that t >1.96 are indicators of relationship significance and that higher path coefficients indicate strong relationships among latent variables (Chinomona, Lin, Wang & Cheng 2010).

Table 4.6. Correlation between the constructs

Proposed hypothesis relationship	Hypothesis	Path Coefficients	T-Statistics	Rejected/ Supported
E-Word of Mouth (EWoD) → Purchase Intention (PI)	H1	-0.026	1.006	Rejected and insignificant
Online Engagement (OLE) → Purchase Intention (PI)	H2	0.144	3.786	Supported and significant
Brand Image (BI) → Purchase Intention (PI)	H3	0.585	5.067	Supported but significant

Note: *eWoM = E-Word of Mouth; BI = Brand Image; OLE = Online Engagement; PI = Purchase Intention.*

Drawing on the results in **Table 4.6** above, H1 (t=1.006) and H2 (t=3.786) are supported but are both insignificant since the t statistics are less than 1.96. Finally, H3 (t=5.067) is strong and supported since both the t statistics are above 1.

4.7.1. Hypothesis Results

Relationship between Electronic Word of Mouth and Purchase Intention

The results obtained following the test of H1 confirmed that there is an association between E-Word of Mouth (E-WoM) and Purchase Intention (PI). A path coefficient of -0.026 was realized after testing H1. This means that E-Word of Mouth has a negative influence on Purchase Intention. Furthermore, the results indicate that the relationship of E-Word of Mouth (E-WoM) and Purchase Intention (PI) is insignificant way (t=1.006).

Relationship between On Line Engagement and Purchase Intention

The results obtained following the test of H2 confirmed that there is an association between Online Engagement (OLE) and Purchase Intention (PI). A path coefficient of 0.144 was realised after testing H2. This means that Online Engagement has a strong relationship with Purchase Intention. Furthermore, the results indicate that the relationship between Online Engagement and Purchase Intention is positive and significant (t= 3.786).

Relationship between Brand Image and Purchase Intention

The results obtained following the test of H3 confirmed that there is an association between Brand Image (BI) and Purchase Intention (PI). A path coefficient of 0.585 was realised after testing H3. This means that brand image is significantly related to Purchase Intention. Moreover, the results indicate that the relationship between Brand Image is positively related to Purchase Intention in a significant way (t= 5.067).

4.8. Summary of the results

Chapter 4 explored the research methodology and design this study used following quantitative guidelines.

It is evident from the results delivered in this chapter that the relationship between eWoM and PI is negative and insignificant. However, OLE has a positive relationship with PI whilst BI appears to have the strongest relationship with PI amongst Working Generation Y consumers in the mobile device industry.

This insight is critical to marketers in this category bearing in mind the competitive nature of the South African mobile device environment which has an assortment of brands competing and targeting this segment.

The following chapter provides further interpretations of the findings. Chapter 6 will provide recommendations and conclusions for the study.

Note: *EWoM = E-Word of Mouth; BI = Brand Image; OLE = Online Engagement; PI = Purchase Intention*

CHAPTER 5. DISCUSSION OF THE RESULTS

5.1. Introduction

The purpose of this chapter is to make deductions from the results presented in chapter 4. The chapter first provides an overview of respondents' demographics, followed by an overview of the findings. Herein, major findings of the study are reviewed once more. Finally, the conclusion of the chapter is provided.

5.2. Demographic profile of respondents

5.2.1. Gender and Age

Majority of the respondents are female, representing a total of 58.3% of total sample. Almost 60% of these participants are between the ages of 24-30, followed by those who are between 31-35 years of age. All the participants who took part are employed

5.2.2. Brand of phone and social media consumption

Whilst there is loyalty use of iPhone (46.8%) and Samsung (41.3%) mobile device brands amongst the Working Generation Y, "other" phone brands only represents 11.9% of total sample. These results clearly talks to the fact that these consumers are image conscious. The results established that all participants have a SNS account and the most popular SNS amongst the participants is Facebook at 40.9%, followed by Instagram at 35.3%.

The participants are considered to be very heavy SNS users based on their communication frequency levels. 35.3% log in 7 times a day, and those who log on everyday represents 53.2% of total sample.

5.3. Overview of findings

The study sought to investigate the predicting role of e-word of mouth, online engagement and brand image on purchase intention amongst Working Generation Y in South Africa. The three hypotheses identified by the study were examined.

In the purchasing decision processes, two of the most important factors in the influence of eWOM and on-line engagement are the tie-strength between the source and the recipient. According to the findings presented by this research report, Brand image has proven to play an integral part in purchasing decision for Working Generation Y consumer in South Africa.

Findings regarding each of the hypotheses are discussed below:

5.3.1. E-Word of Mouth (eWOM) and Purchase Intention (PI)

The study's first empirical objective was to investigate the influence of e-word of mouth on purchase intention. Many researchers have posed this question and have revealed that word of mouth has significant effects on consumer's purchase intentions. However, findings obtained from this report revealed that e-word of mouth has a negative influence on purchase intention at t-statistics of 1.006 confirming that the relationship between these two variables is insignificant. From the results of this report, it can be argued that participants did not understand or see the difference between eWOM and OLE hence the negative results from this variable.

This proves that if consumers are not engaged with a brand through consumer reviews, the e-word of mouth will not be effective in creating that intention to purchase the brand. Nevertheless, literature emphasises that there is a relationship that exists between eWoM and on-line engagement which induces talkability between individuals to share information about product or service.

It has been established by researchers that eWoM recommendations influence consideration and choice of the consumer's friend network. In other words, if consumers take their friend's recommendations and reviews into consideration, it can be turned into purchase action instantly. Chu and Kim (2011) say that the relational bond between

consumer and on-line consumer discussion fora should play a key role in shaping eWOM behaviours. Moreover, literature by Bowden (2010) argues that emotional bonds within a brand-relationship ultimately drive repeat support and WOM/eWoM recommendation. Cheung et al. (2011) put forward that a consumer willing to invest physical, cognitive and emotional effort into an on-line platform will also have a higher propensity to spread word-of-mouth communication about it.

These outcomes have implications on the study which suggest that for a purchase to happen, the marketer not only has to keep the brand salient in the consumer's mind but also has to keep the customer 'engaged' to the brand; Tripathi (2009) supports the argument and says that the customer should not only be satisfied with the product but should also be willing to promote, defend and do battle with others, on behalf of the product.

In conclusion, this study can safely conclude that eWoM and on-line engagement are related by arguing that consumer engagement will affect eWOM which may influence consumer purchase intentions.

5.3.2. On-line Engagement (OLE) and Purchase Intention (PI)

The study's second empirical objective was to investigate the influence of on-line engagement on purchase intention. The findings realised after analysis identified that indeed on-line engagement has to some extent a direct effect on purchase intention. It is proven based on a t-statistic of 3.786. Moreover, consumer's tie-strength with the source is a major factor when it comes to which degree the information influences the recipient.

Findings revealed by this research report are also supported by Chueng *et. al*. (2011) who stipulate that if the consumer is prepare to voluntarily invest his/her personal energy into an on-line social platform, they will have a higher inclination to take an interest to participate on the on-line social platform which can influence their purchasing decisions.

In addition, this thesis shows that the friend's opinions are more important to Working Generation Y purchase decision making. Furthermore, the perceived knowledge of the source is a key aspect on how reliable the information seems to be to the receiver.

On-line consumer reviews provide product information and recommendations from the customer perspective and encourage engagement with the on-line community (Lee *et al.,* 2008). As we have seen from the results, OCR has become prevalent amongst the Working Generation Y consumers because they purchase products on-line. When consumers are not able to judge a product in person, they often rely on this eWOM transfer to mitigate risks regarding product quality and the truthfulness of the seller.

On-line consumer reviews play a major role in the decision to purchase products or services. Earlier studies concluded that consumers ascribe more value to recommendations by fellow consumers than to recommendations by professional reviewers. According to these studies, consumers perceive fellow consumers' opinions to be less biased. They also find fellow consumers' experiences easier to relate to (Bickart & Schindler, 2001). Also numerous empirical studies (Dellarocas *et al.,* 2006) show that buyers seriously consider on-line feedback when making purchasing decisions.

Hence it can be accepted that on-line engagement has a positive direct influence on purchase intention and that the relationship between the two variables is significant, as such an influence is more pronounced through other interacting variables such as brand image. As previously alluded in findings from eWoM a PI, there is an interaction between eWoM and on-line engagement which affect purchase intention. It is evident that eWoM and OLE are powerful tools to drive effective communication.

It is therefore suggested by the study that when compared to other constructs in the conceptual model, on-line engagement is the second most important factor in influencing purchase intention.

5.3.3. Brand Image (BI) and Purchase Intention (PI)

The study's third empirical objective was to investigate the influence of brand image on purchase intention. Literature asserts that Brand image gives the highest value to related organisations and consumers also derive an emotional benefit from using the brand and it also has a direct impact on consumer's purchase behaviour. Khanna *et al.* (2007) advocate that positive purchase intention is attached to a strong brand image.

The findings indicate that Working Generation Y consumers trust the brand of phone they have or wish to have because of the perceived high quality, reliability and that it is well known. Furthermore, these consumers like the fact that the brand of phone is different from any other phone brands, and that gives them a certain level of status and confidence. On the other hand, when observed from the loading factor perspective, it suggests that brand image significantly affects the buying intent of the respondents at t-statistics of 5.067, proving the strength of the relationship between BI and PI. It is also observed that the average responses of the respondents in the purchase intent of the participants is high.

This suggests that brand image has a positive and significant role on purchase intentions amongst Working Generation Y consumers in South Africa in the mobile device industry. So, the better the brand image of the mobile device, the better the purchase behaviour of the Working Generation Y cohort. Many academics have tirelessly studied the relationship between brand image and purchasing behaviour. Navarro *et al*. (2005) argue that brand image is an important asset for the organisation, because brand image affects consumer perception. Brand image plays an important role in the formation of perceptions that developed the basis for a specific purchase behaviour.

Based on research objectives, the results of analysis suggested that brand image has positive and significant influence to purchase intention among Working Generation Y consumers in South Africa. Brand reliability and quality is also identified and has a mediating role from the relationship between brand image with purchase intentions. This research reinforces and extends the findings of previous research that focused on social media, brand image and purchase intentions.

The study also revealed that brand image directly or even through the mediating effect of brand distinctiveness has a dominant role to influence purchase intentions amongst South Africa's Working Generation Y consumers.

Brand image is a powerful tool that drives purchase amongst the working Generation Y consumers and therefore should be seen as a strength for the marketers to strategically drive repurchase and loyalty. Key take out to note is that indicators for quality, reliability and the fact that the brand they intend to buy is differentiated from the rest drives the intention to buy the brand. This feedback implies organisations playing in this industry should focus on more innovative ways of making the product unique.

It is also being found to be an influential factor towards mobile device purchase intention which shows that Working Generation Y consumers demonstrate their distinctiveness by purchasing mobile device products which have a strong brand image in their mind. Results of this report emphasise that brand image is one of the most powerful characteristics that establish the reputation of brands in the market.

5.4. Implications to the study

This study has generated a few key implications that need to be taken into consideration by both marketing practitioners and academics.

Managerial Implications

This research report brings about important implications for the ongoing debate about eWOM as a consumer decision aid. As noted earlier, the value of eWOM (including on-line engagement) as a consumer decision has implications for managers. It provides and supports the view that social media can deliver useful sources of information for consumers. If managed and maintained appropriately, marketers can utilise the power of social media marketing to promote the brand, gain insight into the market and assess how consumers feel about the brands (Court *et al*., 2009).

From a managerial perspective, the results in this study underpin the relevance of social media for brand management. As the main purpose of marketing communication is to improve customer equity drivers by strengthening the customer relationship and creating purchase intent, Social Media Marketing (SMM) activities contribute as effective marketing communication methods. SMM appears to be an appropriate medium to attract and engage consumers, particularly that of Working Generation Y; this is supported by literature stipulating that Generation Y are immersed in the internet and social media. As such, marketers should participate in social media activities to anticipate positive contributions to brands by providing value to customers. This study argues that social media is an important and integral part of the marketing communication strategy.

The positive effects of consumers' social media engagements on brand image, eWOM activities and purchase intention are strong arguments for the relevance of social media in respect to the management of brands. Social media should not be something companies engage in because everyone else is doing so or because it is thought to be important for a modern and open image of brands.
Likewise, brand managers today use social media activities mostly as a means to gather information and learn about consumers and their attitude towards the products and the brand. Those reasons to be active in social media are relevant, but managers have to realise that social media is a viable marketing instrument as well, which, if applied correctly, can have positive economic effects for the brand and the company.

It is also clear that the company's brand community on Facebook has the potential to exert a significantly positive influence on purchase intentions. Accordingly, Brand managers or e-marketers recognise the important role of Facebook communities and should make every effort to engage in the active management of their company's brand community on Facebook. Therefore, it is the responsibility of the marketer to initiate point-of-sale activities in the form of product trials with the intention of motivating electronic WOM communication by enabling consumers to form their own impressions.

In the light of the analysis and interpretations, this thesis implies that together with brand image, the development of strategic social media marketing activities can create a

favourable company perception which in turn, can reduce promotional and advertising spend. In the absence of a positive and strong Brand Image, companies will not grow their market share. For that, companies ought to frequently observe and review their marketing and branding strategies and practices.

Academic implications

The study has proven key relationships between on-line engagement and purchase intentions and an even more significant relationship between brand image and purchase intentions. However, a negative relationship between eWOM and PI was realised.

This study makes a contribution to the scholarship on the use of social media marketing and brand image in South Africa as it clearly puts forward an argument that on-line engagement has an effect on eWOM which may influence purchase.

The study also reveals that consumer interactions with company's brad community on Facebook have direct and significant effect on purchase intentions. These findings show that the focal purpose of the social media based brand communities, i.e. Facebook, is to bring people with certain similar characteristics together and to facilitate among them. This is also consistent with research by Fournier and Avery (2011) on brand communities in social media.

5.5. Conclusion

In this chapter on results, the demographic profile of respondents was presented, a discussion on each hypothesis and a comprehensive discussion of implications for each hypothesis was also presented. It should be taken in to consideration that H1 was rejected and insignificant whilst H2 and 3 are supported at t>1.96 level of significance

The results from the research analysis as discussed in chapter four and five, supports the literature by Gallaugher and Ramsbotham (2010) in their arguments that social media is a useful tool for marketers to engage with consumers during the consumer's purchase decision journey. The analysis further supports many researchers that social media and the internet (i.e. company websites) must be utilised effectively to supply consumers with sufficient information in terms of the consumer's decision criteria.

This will enable consumers to use social media and the internet as research tools to learn more about mobile device brands and evaluate and compare the brand and/or product information. Based on the results from the field study and enhancement of eWoM as part of communication platform, it is concluded that social media and the internet are appropriate marketing tools to reach out to the South African mobile device consumers and encourage them to communicate and engage with the brand.

CHAPTER 6. CONCLUSIONS &RECOMMENDATIONS

6.1. Introduction

The literature reviews in chapters four and five exposed that to some degree, Working Generation Y consumers seeks peer advice over social networks thus social media has promoted consumer-to-consumer communication and has made it possible for consumers and brands to interact with each other. As primarily stated, the study sought to examine how Working Generation Y use of social media and brand image impacts on purchase intentions in the mobile device industry.

Chapter 6 provides conclusion of the study. The implications that findings have on the current study are described. This is followed by the recommendations and suggestion for further research with regard to the findings.

6.2. Conclusions of the study

The outcome of the study was consistent with the hypothesis this thesis put forward. The study has proven that there is a negative relationship between eWOM and PI and confirmed a positive relationship between OLE and PI and that of BI and PI. The below table gives a brief summary.

Proposed hypothesis relationship	Hypothesis	Path Coefficients	T-Statistics	Rejected/ Supported
E-Word of Mouth (EWoD) → Purchase Intention (PI)	H1	-0.026	1.006	Rejected and insignificant
Online Engagement (OLE) → Purchase Intention (PI)	H2	0.144	3.786	Supported and significant
Brand Image (BI) → Purchase Intention (PI)	H3	0.585	5.067	Supported but significant

Table 6.1: Hypothesis results

Individual coefficients of H1, H2 and H3 were -0.026, 0.144 and 0.585 respectively. Brand image has a highly significant relationship with purchase intention, whilst on-line engagement also influences purchase intention. However, eWOM relationship with PI proved to be insignificant, this affirms that marketers should ensure the presence of OLE as it affects eWoM and as a result, may influence consumer purchasing intentions. Nevertheless, the results specify that all hypothesised relationships are valid.

6.3. Recommendations

The purpose of this study was to investigate social media factors impacting purchase intention on mobile device amongst Working Generation Y in South Africa. Achieving marketing objectives on-line has become more difficult (Lapido *et al*., 2013) however according to Fauser *et al*., (2011) thousands of users visit social media platforms daily, social media marketing allows marketers to reach and talk to a mass audience at little or no cost. It is up to marketers to ensure they have an understanding of social media marketing.

The findings of this study can aid marketers who are currently using social media, marketers that are considering shifting to a social media approach, or marketers that want to increase their understanding of the consumer behaviour of Working Generation Y.

6.4. Suggestions for further research

The primary limitation of this research relates to the ability to generalise the findings beyond the scope of this particular study. A single industry (i.e. mobile device) in a single geographic region (i.e. South Africa) and limited to Working Generation Y consumers was considered. Nevertheless, this study somewhat provides insights into Working Generation Y purchasing behaviour.

it would be of interest to analyse the effects of social media factors (eWoM & OLE) on brand image in other categories, such as financial services, motor vehicles, because

eWoM and OLE may have a particularly important influence on consumers' perceptions of products/services that have high credence qualities (Sweeney et al., 2008).

6.5. Conclusion

This chapter was intended to make inferences from the findings and to make recommendations. The chapter was structured under five main headings. Firstly, a recapitulation of the findings was provided. This was followed by a highlighting of implications that these findings have. Thereafter, the chapter provided final deductions of the study. Recommendations were then made. The chapter ended with a discussion on the limitations that were encountered and suggestions were made for future studies.

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APPENDIX A

The University of Witwatersrand
Graduate School of Business Administration
Email: zafundele@gmail.com
Date: 22 February 2016

Dear Sir/Madam

RE: COMPLETION OF QUESTIONNAIRE

I am a post graduate student at the University of Witwatersrand – Business School, undertaking a Master of Management in the field of Strategic Marketing. I am conducting research **"Social Media factors impacting purchase intention of mobile devices amongst Working Generation Y in South Africa"**

I am therefore requesting your assistance by completing the attached questionnaire. Please be assured that this is an anonymous and confidential survey. The answers you provide will purely be used for the purpose of this academic research ONLY.

It will take you approximately 10 minutes to complete the questionnaire.

Yours Sincerely

STUDENT
Lesego Funde

Please answer the following questions by marking the appropriate answer(s) with an X. This questionnaire is strictly for research purpose only.

SECTION A: GENERAL INFORMATION

The section is asking your background information. Please indicate your answer by ticking (X) on the appropriate box.

A1 Please indicate your gender

Male	
Female	

A2 Please indicate your marital status

Married	
Single	

A3 Please indicate your age category

24 – 30 years	
31 – 35 years	

A4 Please indicate your highest academic level

High School	
Diploma	
Degree	
Post graduate degree	
Other (specify)	

A5 Please indicate your occupation

Student	
Employed	
Self-employed	
Unemployed	
Other (specify)	

A6 Please indicate which brand of phone you have.

- Samsung
- Apple iPhone
- Nokia
- LG
- Other ……

A7 Do you have an account on Social networking account?

Yes	
No	

A8 Which of the following social networking sites have you joined (you can choose more than one option)

Facebook	
Twitter	
Instagram	
Other	

A9 On average, how many times a day do you log on to a social networking site?

1 to 3	
4 to 7	
7	

A10 Approximately how frequently do you communicate with your contacts on social networking sites?

Everyday	
3 to 5 times a week	
Once a week	
Less than once a week	

SECTION B:

Please indicate to what extent you agree/disagree with the following statements in this section

1	2	3	4	5	6	7
Strongly Disagree	Disagree	Slightly	Neutral	Slightly Agree	Agree	Strongly Agree

1. Electronic Word of Mouth (eWOM)

Please indicate to what extent you agree/disagree with the following statements regarding electronic word of mouth (eWOM)								
		Strongly disagree	**disagree**	**Slightly disagree**	**neutral**	**Slightly agree**	**agree**	**Strongly agree**
		1	**2**	**3**	**4**	**5**	**6**	**7**
1	I often read consumers online reviews on Facebook to know what brand of mobile device makes impressions on others							
2	To make sure i buy the right brand of a mobile device, I often read others consumers brand reviews on Facebook							
3	I often consult other consumers on line brand reviews posted on Facebook to help choose the right mobile device brand							
4	I gather information from on line brand reviews from Facebook before I buy any brand of mobile device							

2. On Line Engagement

Please indicate to what extent you agree/disagree with the following statements regarding On line engagement								
		Strongly disagree	**disagree**	**Slightly disagree**	**neutral**	**Slightly agree**	**agree**	**Strongly agree**
		1	**2**	**3**	**4**	**5**	**6**	**7**
1	When I am on the company's Facebook page that I "like," I am absorbed in the page.							
2	On the company's Facebook page that I "like," I have … Read fan comments, responded to fan comment and posted a comment on the Company's page,							
3	I feel like I receive a tremendous amount of information about the company featured on the company's page that I "like" on Facebook.							
4	Overall, my experience on the Company's page that I "like" are intense.							

3. Brand Image

Please indicate to what extent you agree/disagree with the following statements regarding Brand Image								
		Strongly disagree	**disagree**	**Slightly disagree**	**neutral**	**Slightly agree**	**agree**	**Strongly agree**
		1	**2**	**3**	**4**	**5**	**6**	**7**
1	In comparison to other mobile device brands, this brand is of high quality							
2	This particular mobile device brand has a differentiated image in comparison to other mobile device brands.							
3	Customers (we) can reliably predict how this mobile device brand will perform							
4	This particular mobile device brand is well established							

4. Purchase intentions

Please indicate to what extent you agree or disagree with each statement regarding Purchase Intentions								
		Strongly disagree	disagree	Slightly disagree	neutral	Slightly agree	agree	Strongly agree
		1	2	3	4	5	6	7
1	I would buy this brand of mobile device again							
2	I encourage friends and family to purchase this mobile device							
3	I consider this brand as my first choice of mobile device							
4	I say positive things about this brand mobile device to other people							

Thank you for your time and taking part in this survey

CONSISTENCY MATRIX

Main Problem: The growth of mobile phones and use of social media in South Africa clearly states how lucrative the mobile device industry is, however there is no literature pertaining to the study on South Africa's working Generation Y consumers and how social media and brand image influence their purchase intentions towards mobile devices. The research gap has been identified by Balakrishnan, Dahnil, and Yi (2014).

Sub-problem	Literature Review	Hypotheses	Source of data	Type of data	Analysis
Investigate the impact of e-WOM on purchase intentions	Cheung, C. M. K. & Thadani, D. R. (2012). The Impact of Electronic Word-of-Mouth Communication Balakrishnan B., Dahnil M., Yi W.J. (2014). The Impact of Social Media Marketing Medium toward Purchase Intention and brand Loyalty among Generation Y Cheung, Lee & Rabjohn (2008). The impact of electronic word-of-mouth. The adoption of online opinions in online customer communities	**H1**	Journal Directory: Science Direct and Emerald Insights	Primary data	Structural Equation Modelling and Confirmatory Factor Analysis.
Investigate how online engagement affect information seeking behaviour and purchase intentions	Wang, C.L., Siu N. & Hui, A. (2011). Consumer decision-making styles on domestic and imported brand clothing. Bae S and Lee T., (2011). "Gender differences in consumers perception of online consumer reviews," Electronic Commerce Research, pp. 201-214, Evelyn, T. B. H., Eva, L. W. L. & Robin, C. (2011). Generation Y and Choice of mobile service provider: a study on purchasing decisions in choosing a mobile service provider.	**H2**	Journal Directory: Science Direct and Emerald Insights	Primary data	Structural Equation Modelling and Confirmatory Factor Analysis.
The impact of brand image on purchasing intention	Balakrishnan B., Dahnil M., Yi W.J. (2014). The Impact of Social Media Marketing Medium toward Purchase Intention and brand Loyalty among Generation Y Echo Huang, 2011. Online experiences and virtual goods purchase intention Mohammed & Alkubise (2012) how do Online Advertisements Affects Consumer Purchasing Intention	**H3**	Journal Directory: Science Direct and Emerald Insights	Primary data	Structural Equation Modelling and Confirmatory Factor Analysis.