

## **Online Purchase Intention: A Study of Automobile Sector in India**

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### **ABSTRACT**

The changing online environment across the globe has impacted various walks of consumer life. An ongoing investigation of the online impact on consumption is evident worldwide. School of thoughts such as technology shapes value, attitude and pattern or vice versa is not a new debate. Consumer's connectivity among themselves are far more impactful because of social networks. The social media and networking sites have given enough room and access to the marketers as well as consumers to create content which are readily available to the consumers. The time spent by consumers on the online domains has thrown challenges to marketers in order to segregate favourable and unfavourable aspects of their products or services. Therefore, marketers need to go back to their board room in order to carve out new marketing plan keeping social media as their focus. This study makes an attempt to investigate the relationship between the communication on social networks and its effect on purchase intention and more specifically the impact on young consumers with special reference to the automobile purchase in India. The integrated model developed in the study can be useful for academicians and industry practitioners.

**Keywords:** User generated social media communication, Firm created social media communication, Brand Equity, Purchase Intention.

### **1. INTRODUCTION**

Social media facilitates users to experience a virtual world for expressing, exchanging their opinions and control messages. Marketers are now able to reach them via this virtual world and involve them in interaction and thought exchange. Social media has already established its strong presence in the market and therefore, it is the reality for marketers. It is also challenging for marketers as the virtual world is dynamic and in short period of time many such platforms have mushroomed in this world of virtual connections. With the help of internet connectivity and smartphones, social networking and thereby social media has become the base of the communication between

consumers. The internet is working as a bridge in order to remove the distance of rural and urban consumer likings, choice and decision. Many such individuals who are very active on these platforms become advocate, reference leader and motivator for consumers connected to his chain of networks.

Human beings are social animal and therefore, they would like to be part of group such as family, work, hobby, sports etc. The development in internet platforms has added a lot of flavour to the groups. People can reach the best hobby group in the world and exchange thoughts. People can professionally get connected with the skill expert and exchange thoughts. In fact the internet era has reduced the physical distance and brought the whole world on same platform. The addiction of social media group chats and the motivation to express the desire has made consumers habituated of sharing information about the product or brand they desire to buy. Many such individuals who are either a customer of those products/ brands tend to respond to the message/information posted on these sites.

Purchase is an everyday process in the consumer base and therefore, to make purchase decision, information and the source of information becomes very relevant. Specific consumer behaviour is defined as “the activities we undertake when obtaining, consuming, and disposing of products and services” (Blackwell, Miniard &Engel, 2001). Consumer behaviours are influenced by personal and environmental factors (Blyth, 2008). A central part of consumer behaviour is, consumers’ purchasing decision that includes several steps. Generally social networks such as groups or individuals who own the power over consumers can affect consumers’ purchase decision (Solomon, Bamossy, Askegaard & Hogg, 2010). The online social networks provided facilities for consumers to interact with one another, accessing to information, comments, reviews, and rates that can help them for purchasing decisions in different ways (Heinrichs, Lim & Lim, 2011). Diverse ranges of people have influence on consumers such as family members, friends, co-workers, and group or individual that consumers would love to compare themselves with them (Schiffman, Kamk & Hansen, 2008).

The growth of online social networks provided many different additional online activities for consumers such as blogging, chatting, gaming, and messaging. Facebook.com is one of the most popular social networking sites. Individuals who are members of Facebook can construct dynamic profiles about themselves and sharing information with other individuals within the group (Boyd & Ellison, 2008). Social interaction with others created new behaviours and also affected on consumer’s daily purchase decisions (Rogers, 2003). The emergence of online social networks influences people in various ways and moreover, the effect is predicted to be high on the young consumers, the target group who is more exposed themselves to the online social media. It is believed that the social networks influence the purchase intentions and therefore it is important to study the potential impact of online social networks in this field.

It is critical to distinguish between firm-created and user-generated social media communication and study the impact of these two forms of social media communication independently. This is important as firm-created social media communication is under the control of the marketers and the brand leaders, on the other hand user-generated

social media communication is independent of the company's control. The present study attempts to investigate the relations between the communications on the social network platforms and its effect on the purchase intentions of the consumers and more specifically the impact on young consumers. Further, this study also attempts to investigate how these relationships vary across young people possessing different learning styles.

### **1.1 Objectives of the Study**

The proposed study aims to fill a gap in the literature with respect to understanding the effects of firm-created (FCC) and user-generated (UGC) social media communication, a topic of relevance as evidenced by Villanueva, Yoo and Hanssens (2008), Taylor (2013) and many other authors on brand management. Moreover, it aims to compare the effects of social media communication, as they differ significantly in terms of company control and also are influenced by different learning styles. The first two major research objectives are relevant for companies, brand managers, and scholars (Godes and Mayzlin 2009; Kozinets et al. 2010; Dellarocas, Zhang, and Awad 2007) whereas, the third objective attempts to study how different learning styles influences these relationships as a moderating variable.

Thus, the objectives of this research are:

1. To investigate the effects of firm-created and user-generated social media communication on brand equity, brand attitude, and brand purchase intentions.
2. To evaluate and compare the effects of social media communication on brand equity, brand attitude, and brand purchase intentions in *Automobile Industry*.
3. To study whether the different learning styles affect the relationships between the constructs namely firm-created and user-generated social media communications, brand equity, brand attitude, and brand purchase intentions.

## **2. LITERATURE REVIEW**

### **2.1 Firm Generated Social Media Communication**

In comparison to conventional sources like print media, hoardings, radio broadcast and TV telecast, FCC (Firm-generated) and social media communications have been acknowledged as bulk phenomena with widespread demographic demand (Kaplan and Heinlein 2010). This acceptance of the implementation of social media communication among companies can be explained by the viral broadcasting of information via the Internet on social media websites (Li and Bernoff 2011) and the larger capacity to reach to the local public when matched with the conventional media (Keller 2009). Moreover, Internet users are now not preferring the conventional media and are progressively using social media platform to search for information and

views regarding brands and products (Mangold and Faulds 2009; Bambauer-Sachse and Mangold 2011).

As per the study Trusov et al.(2009) electronic word of mouth and social media advertising assists marketers in fascinating customers and attracting them towards brands at lower costs and in tangible time by promising faster service and free delivery as the internet allows customers to share their views, opinion, standpoints, likings, inclinations and experiences. From the benefits of social media marketing and advertising marketers are allowed to correct remarks, address questions and rapidly and professionally modify their online marketing and advertising policies and plans (Evans, 2010). Therefore, firm-created social media communication should be perceived by individuals as advertising and arousing brand awareness and brand perception (MacInnis and Jaworski 1989).

## **2.2 User Generated Social Media Communication**

User-generated content is a speedily growing factor for brand conversations and consumer perceptions (Christodoulides et al, 2012). From the study conducted by the Anindya et al, (2012) the concept of User-generated content on social media platforms and product search engines is fluctuating the way customers buy the products online. Product reviews by the users on the internet before buying and customers` concern of these reviews is the most significant aspect of communication by word of mouth using social media. Therefore, word of mouth using electronic medium critically affects customers` product reviews and their purchase intention and decision making. (Zhu and Zhang, 2010; Bambuer et al, 2011).

Nevertheless, present product search engines are unsuccessful to effectively influence information produced across miscellaneous social media platforms. Moreover, present ranking algorithms in these product search engines incline to encourage customers to emphasis on one single product specification. This method largely overlooks customers' multidimensional inclinations for products.

In this study, the authors recommend to generate a ranking structure that acclaims the products that deliver, on average, the greatest value for the customer's expenditure. From these studies, customer can use the ranking evaluations from several millions of other users, to validate the authority of the ranking system comparative to existing systems on several portable search engines. The interdisciplinary method provides several visions for using machine education methods in economics research and marketing exploration.

## **2.3 Social Network and Brand Equity**

The concept of brand equity is a strategic marketing strength (Styles and Ambler 1995) that can build a relationship that discriminates the links between a company and its customer and that encourages long-term purchasing behaviour (Keller 2013). The measurement of brand equity has come up from two major viewpoints in the literature. Some studies have focused on the financial aspects of brand equity (Simon and Sullivan 1993), while others have highlighted the customer-based aspects (Aaker 1991; Keller

1993; Yoo and Donthu 2001). Thus, the main stream of study has been grounded in reasoning psychology, concentrating on memory arrangement (Aaker 1991; Keller 1993).

The literature review supports the concept that branding communication influences brand equity by increasing the likelihood that a brand will be combined into a consumer's consideration set, thus assisting in the process of brand decision making and in the process of the choice becoming a habit (Yoo, Donthu, and Lee 2000). The study conducted by Farquhar (1989) opines that there are three elements that are important in structuring a strong brand with the user: positive brand assessment, positive brand attitude, and a reliable brand image. This indicates that positive attitudes are likely to endorse brand purchase, which is an outcome of brand equity. Faithful users tend to purchase more than moderately faithful or newly joined costumers (Yoo, Donthu, and Lee 2000). This also includes more positive consumer perceptions about the superiority of a brand are related with stronger purchase intentions and decision making (Aaker 1991)

It is critical to distinguish between firm-created and user-generated social media communication and study the impact of these two forms of social media communication independently. This is very important that as firm-created social media communication is under the control of the marketers and the brand leaders, on the other hand user-generated social media communication is independent of the company's control.

## **2.4 Brand Attitude**

Olson and Mitchell (1981) define brand attitude as a "purchaser's overall assessment of a brand". Brand attitude is normally conceptualized as a world-wide evaluation that is based on positive or negative reactions to brand-related motivations or philosophies (Murphy and Zajonc 1993). Another research work contributes to the fact that the central factor to be considered in consumer-based brand equity and interpersonal exchanges are brand related motivations or philosophies (Lane and Jacobson 1995; Morgan and Hunt 1994).

Brand attitude is based on product characteristics such as stability, durability, quality, deficiencies, defects, serviceability, structures, features and performance, or 'appropriateness and final display' (Garvin 1984). Nevertheless, brand attitude may also comprise of the affect that is not apprehended in measurable characteristics, even when a large set of features is involved. Researchers conducting study on Brand building multi-attribute models of customer inclination have incorporated a general constituent of brand attitude that is not clarified by the brand attribute standards (Srinivasan 1979).

It is standard that the communication between customers is an influential source of information broadcast from one to many (Dellarocas, Zhang, and Awad 2007). From the improvement and development of social media, communication between individuals who are not even related has enhanced (Duan, Gu, and Winston 2008). Research by Li and Bernoff (2011) revealed that social media channels are a cost-

effective substitute to provoke peer-to-peer communication. Online brand community members tend to share knowledge with each other and exchange useful information and knowledge. Irrespective of online or offline status, communication takes place in the brand communities, groups share information, view, opinion and knowledge with each other about the brand and its products offered. Study says more knowledge that is shared among members in the group, the stronger the relationships established with customers and the company. (Tai and Ho, 2010).

## **2.5 Learning Style**

Learning styles state the theory that differs from person to person in regard to what method of instruction or study is most effective for individuals. Proponents of learning-style or method valuation deal with that optimum instruction for identifying persons' learning style and revising the instruction accordingly. Valuations of learning style methods typically ask users to evaluate what kind of information demonstration they prefer (e.g., words against images against dialogue) and/or what kind of mental activity they find most engaging or congenial (e.g. analysis versus listening), although assessment instruments are extremely diverse (Harold Pashler, Mark McDaniel, Doug Rohrer, and Robert Bjork).

Online purchase is the decision which are usually made by the user based on the information and display provided. These information are provided by electronic catalogues available for choice online or the communications that takes place on the social network platform through chats and reviews. There are few studies carried out which emphasize on the impact of brand communication role in consumer learning on online shopping. The presentation, display of the products, designs and formats of these communications play an important role in preventing or enabling the decision –making to buy online (Li et al. 2003). In order to retain the customers' attention and influence purchases, communications have to be highly real, very interactive, vibrant, dynamic, and tailored to the customer's interests and the required information needs. For this purpose, communication strategists require techniques and methodologies to retrieve information from numerous sources and summarize it and modify the presentation of the information to satisfy the online consumer's learning needs. Social networks and websites can provide a high degree of interactivity, to satisfy consumers learning needs, and influence their purchasing decisions to buy product online.

## **2.6 Social Media Marketing Programs**

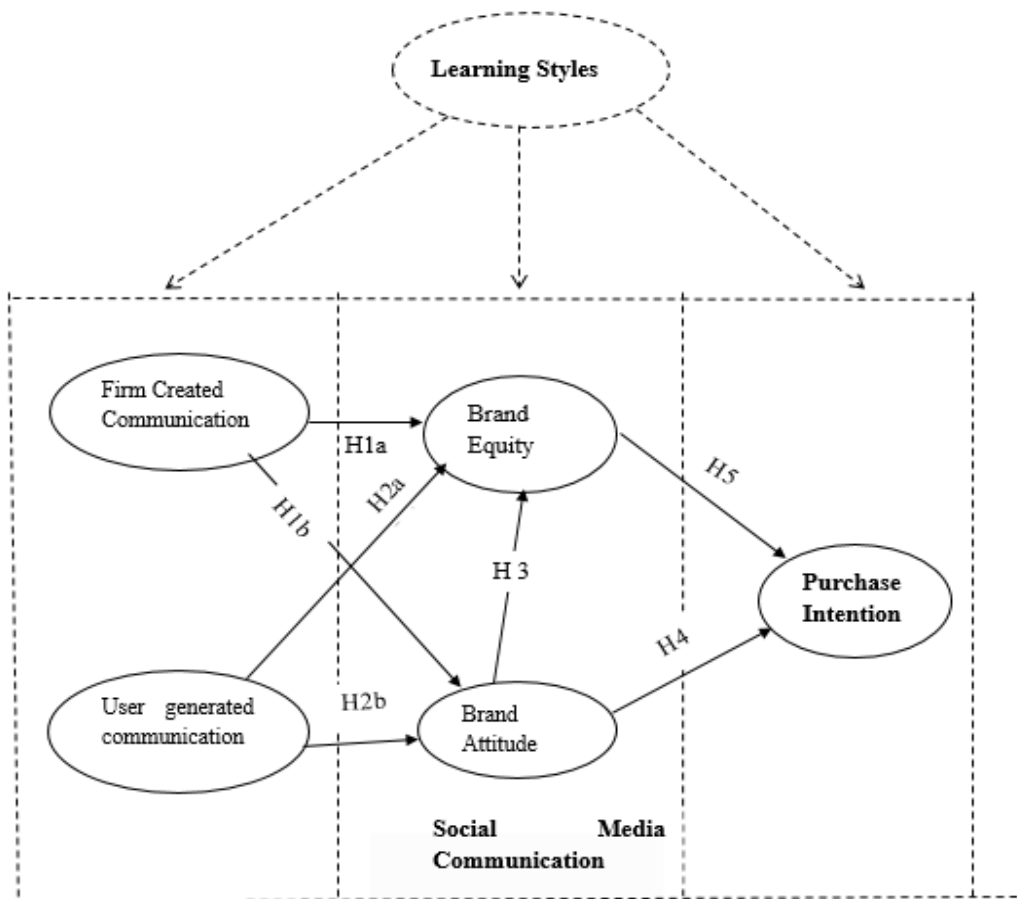
Word of mouth or publicity using electronic medium for the brand can be termed as a way of communication that delivers information to customers about suppliers and use of products and services through online shopping using internet-based technologies (Westbrook, 1987). For example twitter, Facebook, micro blogs, Instagram etc.

The literature review suggests that there are some key difficulties associated with implementing a social media marketing program and measuring its performance. Designing, managing and implementing a social media marketing strategy is a complex

managerial challenge in today’s competitive business environment. Globalization, deregulation, more demanding customers, and the advance in information technology all contribute to this complexity. Also the extremity of various uncertainties which are difficult to predict, for example, changing technologies, the corporate culture, and changing lifestyle of Indian customers make it more complex. Previous studies, specifically on Indian social consumers have not received much attention. With the increasing competition and the requirement to have online presence and push from the social media users for brand to remain competitive, marketing managers are under tremendous pressure to perform.

Figure 1 shows Social Media Brand Management (SMBM) model, which depicts the proposed relationships between five constructs that are proposed for investigation in this study. It is propounded in this model that User Generated and Firm Generated Communication will influence the Brand Attitude (BA) and Brand Equity (BE). Further, BE and BA affects the purchase decisions of consumers. The integrated model also suggests that the learning styles act as the moderating variable

Fig – 1 Social Media Brand Management (SMBM)



With the help of extensive literature review, following hypotheses are developed for the study.

*H1a. Firm-created social media communication positively influences brand equity.*

*H2a. User-generated social media communication positively influences brand equity.*

*H3. Brand attitude positively influences brand equity.*

*H1b. Firm-created social media communication positively influences the brand attitudes of consumers.*

*H2b. User-generated social media communication positively influences the brand attitudes of consumers.*

*H4. Brand attitude positively influences purchase intention.*

*H5. Brand equity positively influences purchase intention.*

### **3. RESEARCH DESIGN**

The instrument development involved structured interviews followed by a pilot study. Different statistical techniques were used to assess and validate the constructs selected for the study. Subjective content validity (based on structured interviews), Reliability tests (using Cronbach  $\alpha$ ) and confirmatory factor analysis (CFA) for evaluating the factor structure and initial validity were used for the investigation. The research design comprised two phases.

#### ***Phase I: Designing the Exploratory Study***

First phase comprised the development of the scale for survey instrument. An extensive literature review was first conducted to identify scales used in previous studies that were found to have strong validity and reliability. The selected respondents for face validity were mainly academic experts and industry practitioners (brand management experts).

#### ***Phase II: Instrument Development, Statistical Validity and Final Survey***

The second stage consisted of using the items developed from the first phase for the various constructs and testing for convergence, discriminant validity and reliability of the assessment scales. This adopted procedure aims to identify the most suitable scales for social media communication (includes the constructs Firm created communication and User generated communication), Brand effect measures (includes the constructs Brand equity and Brand attitude), Purchase intention and the moderating variable selected for the study i.e. Learning Styles.

The questionnaire items were based on the studies conducted earlier by Hong (2012), Schivinski and Dąbrowski (2013), Rehmani and Khan (2011), Kolb (1985) and modified based on the experts comments. Validity and reliability tests were conducted to select and assess the final items of the independent constructs that were used for statistical testing. The field study was performed on a sample of 301 students pursuing their management education in Delhi, Mumbai, Chennai and Bangalore. As a requisite for the study, the respondents were required to receive news feeds both from the company and from other users with respect to the brand that they had previously "Liked" on the social network site and have developed a purchase intention.



### 3.1 Profile of Selected Respondents

Table gives a brief snapshot of the selected respondent's profile. It can be observed that the selected respondents represented 65% male students and the other 35% female students. 21.5% per cent of the respondents belonged to the commerce stream, 15.2% from Science, 27.9 % from Management and 24% from Engineering background as their bachelor degree.

**Table 1: Profiles Details of Respondents**

Characteristics Description	No of Respondent	% of Respondent
<b>Gender</b>		
Male	196	65.1
Female	105	34.8
<b>Stream</b>		
Commerce	65	21.5
Science	46	15.2
Management	84	27.9
Engineering	75	24.9
Others (Specify)	31	10.2

The sample was decided with reference to the time spent on the social networking sites. Care was taken to have a representative distribution of the sample respondents. No respondent was selected for the study that doesn't spend any time on these networks. Almost 65% of the selected respondents spent more than 7 hours per week on the social media sites.

**Table 1: Time (approx.) spent on social media sites per week**

Time Spend	Frequency
0 hour	-
1 – 3 hours	47
4 – 6 hours	54
7 - 9 hours	168
10 hours or more	32

All respondents (95%) used social networking sites and are having a parallel usage of other social services available on the social platforms like photo and video sharing

services, using blogs/forums etc. 69% of the respondents believed that social media helps them to trigger the purchase decisions on the internet, whereas, the remaining of them felt that it is just an additional source of information used by them.

Enough care was taken to see that the sample respondents selected for the study represented the student community. So that we get meaningful results which can help us to come out with effective social media strategies.

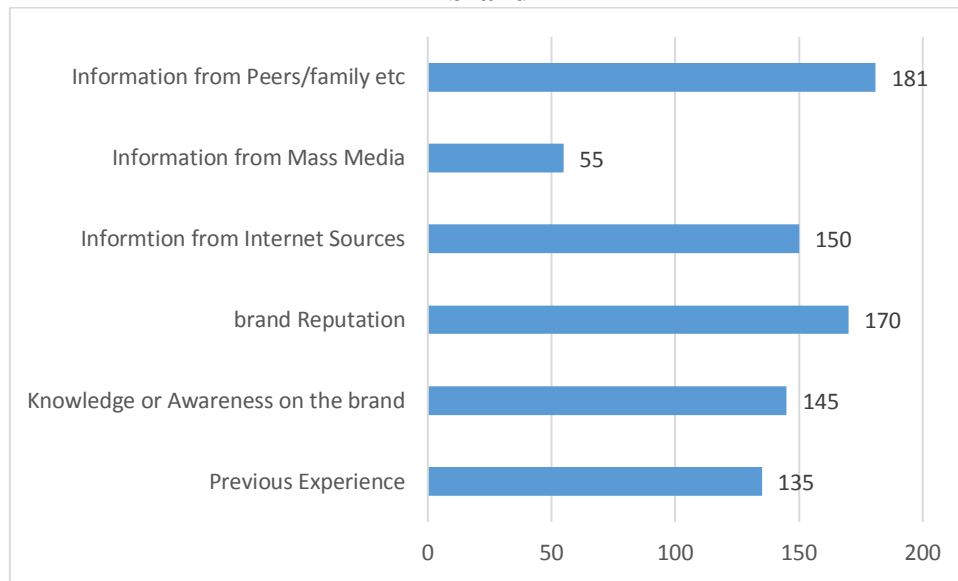
### **3.2 Analysis and Validation of the Measurement Items**

This study analysed the data in three parts. The initial was an exploratory study which consisted of maintaining and excluding those items which enabled the analysis of other dimensions or factors with a suitable degree of reliability or uni-dimensionality. The second part was an exploratory and confirmatory factor analysis and the third being the structural equation modelling, which discarded those items which did not enable suitable dimensionality for the entire construct in the model. Confirmatory Factor Analysis (CFA) and Structural Equation Modelling (SEM) is used to test the present model using AMOS 21 software and basic calculations in statistics such as mean, standard deviation, factor analysis, correlation is performed using SPSS 21.

#### ***Validation and Model Testing:***

Majority of the respondents use the social networking sites like Facebook, followed by photo and video sharing sites like Flickr, YouTube etc. Very few (12 out of 301) felt that the social media was able to provide them with the product/services information actively. Majority of them had a neutral feeling in this regard. This finding shows that there exists a huge gap on the expectations versus the amount of information that is available on the social media. The social marketers should take this as a very important finding and start building a good social interface with the customers. Very few respondents carry strong prejudgement (positive/negative) towards a particular product and/or service before an actual consumption or usage. This finding proves that there is no predetermined mind sets of the customers and their perceptions are built based on what they see and hear on these social network platforms.

Figure 2, gives the various reasons that influence a person to develop his/her perception towards a brand. This may also lead to develop some prejudgements regarding a brand in future.

**Figure 2: Reasons that influences a person to develop his/her perception towards a brand**

Substantiating the above finding of the growing importance of the effect of internet sources, almost 70% of the respondents admit to the influence of social media triggering the purchase of product/services. However, the effect of mass media still has a major impact on the minds of the customers with 86% of the respondents agreeing to it. Television acts as the major (176 out of 301) mass media channel found attractive by the respondents followed by Newspaper. This shows that social media though considered being an influencer for the purchase decisions, it can act as only a supporting medium and not the core media source. However, the social media users felt that the social media platforms provides them the ease of searching the relevant information as compared to the information included in the mass media channels like TV, Newspaper etc. Only 8% of respondents do not check for online information before making any purchases. This makes it mandatory for all the companies to have the product/service information available online.

The findings in the table 3 shown below the source of information referred before taking a purchase decision. The respondents were requested to rate them on a scale of 1- 5, where 1 was considered as least and 5 as most important source. It can be observed from the table that mean rank for Facebook and YouTube (3.11) is the highest followed by Online Forums/Communities/Blogs. This ascertains Facebook and YouTube as the most popular and widely used social media platform for searching and sharing the information.

**Table 3: Source of information referred before taking a purchase decision**

Source	Mean	Standard Deviation
Facebook	3.11	1.23
Twitter	2.23	1.22
Online Forums/Communities/Blogs	2.97	1.34
Social Bookmarking Sites	2.45	1.17
YouTube	3.11	1.28
Flickr	2.18	1.23

When asked about the likelihood to share the comments/reviews/blog posts/related articles etc. to peers or friends via social media after a purchase, the response was highly encouraging with almost all of them giving a positive response for its likelihood. Only around 20% of the respondents felt that that they may not share their experience online on the social networking sites.

The respondents were asked about their agreement to the statement that “*information regarding products and services have a higher credibility on social media than on mass media channels because the information is beyond the company's control?*” Majority of them showed strong consent to this statement. This finding becomes very important for the companies, because whatever information is available or passing on the social platforms needs to be monitored or controlled as that may damage the brand and affect it badly if left to the socialisers. The company has to be vigilant online and keep a tab on the social network communications continuously.

Table-4 gives the perceptions of the respondents , on which stage of their buying decision has been affected mostly because of social media?. The response from them was collected on a scale of 1-5 where 1 being least, 5 being most. It shows, that search for the alternatives was perceived to be the most affected followed by exposure to product/service information and information evaluation.

**Table 4: Stage of buying decision affected of social media**

Decision Process	Mean Score	Standard. Deviation
Exposure to product/service information	3.47	.954
Problem Recognition	3.18	.955
search for the alternatives	3.72	.980
Evaluation of information	3.50	.980

Post-purchase Evaluation	3.13	1.14
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Similarly recourse (e.g. time, finance) was perceived to be affecting the length of the customer's decision making process followed by perceived risk and availability of information for decision making. It means that the marketing managers should aim at providing the required information to the users.

**Table 5: Factors affecting the Decision Making**

Factors affecting Decision Making Process	Mean Score	Standard Deviation
Recourse (e.g. time, finance)	3.7250	1.00
Amount of available information	3.0000	1.06
Personal factor (e.g. pressure)	2.9500	1.07
Uncertainty	2.9750	.98
Risk	3.3875	.93

### 3.3 Exploratory Study: Content Validity

The sample composition for exploratory study included the marketing heads of leading retail organizations and academicians from India. A structured interview was conducted with ten members each. The results of the exploratory study are summarized in table 6. The experts opinion pertaining to the items included in each constructs based on the review of literature and the reasons of any for their deletions are given below.

**Table 6: Results of Exploratory Study (n = 20)**

Constructs	No. of items (Identified from Literature)	Experts Opinion	Total of items Used for Final Survey
Firm Generated Communication	4	All the variables are valid	4
User Generated Communication	4	All the variables are valid	4
Brand Attitude	3	All the variables are valid	3
Brand Image	4	All the variables are valid	4
Purchase Intention	3	All the variables are valid	3

<b>Total No. of Items</b>	<b>18</b>		<b>18</b>
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It may be observed from the above table that the experts selected for the exploratory analysis validated all the identified variables from the literature for its use in the further analysis and gaining more insights

### 3.4 SMBM Model Validation for the Automobile Brands

#### *Reliability of the Measures for Automobile Brands*

Reliability coefficient i.e. Cronbach's Alpha ( $\alpha$ ) scores for various scales / sub-scales were found more than 0.6 (the minimum value that is acceptable as per standard norms) which indicates the reliability of all the measures used for the study.

The reliability values for all constructs were greater than 0.85; it was found that brand attitude got highest value of 0.939 which is considered acceptable (Nunnally, 1978). Table-7 presents the statistical descriptive measures like mean, standard deviation and range of item correlations for the constructs selected in the study. From the ranges of item to item correlation ( $R^2$ ) it was interpreted that the items show high positive correlation with the each other, with a significant level of 0.05. The factors which have scored high value of correlation have shown considerable positive range of correlation amongst themselves. The percentage of variance is a popular and intuitive index of goodness of fit in multivariate data analysis the higher the percentage of variance a proposed model manages to explain, the more valid the model seems to be from the above table all the constructs are showing higher percentage of variance ranging between 70 to 89%.

#### *Validity of the Measures: Confirmatory Factor Analysis (CFA)*

The results given in table-8 indicates that the values for all the identified constructs were by and large found to match such acceptable standards. In view of such observation, it may be concluded that the construct of the various measures adopted for the purpose of the study were validated well.

**Table 7: Descriptive Statistics and Reliability Measures for Automobile Brands**

<b>Constructs</b>	<b>Total No. of Items</b>	<b>Mean Value (N=301)</b>	<b>S.D.</b>	<b>Range of Item to Item Correlation</b>	<b>Cronbach's Alpha (<math>\alpha</math>) Score</b>	<b>% of Variance</b>
(A_FCC)	4	3.4502	.98486	.646** - .782**	0.906	78.277
(A_UGSMC)	4	3.3995	.99809	.576** - .699**	0.885	74.845
(A_OBE)	4	3.6271	.96997	.436** - .770**	0.850	69.173

(A_BA)	3	3.4864	1.2414 5	.792** - .895**	0.939	89.297
(A_BPI)	3	3.5404	1.1248 4	.702** - .752**	0.892	82.256
<b>Total Items</b>	<b>18</b>					
<i>Firm Created Communication :(A_FCC), User Generated Social Media Communication: (A_UGSMC), Overall Brand Equity: (A_OBE), Brand Attitude: (A_BA), Brand Purchase Intention :(A_BPI)</i>						

**Table 8: Confirmatory Factor Analysis: Construct Validity Test of Various Scales for Automobiles Brand**

Scale	No. of Items*	Range of Standardized Regression Weights	Goodness-of-fit Indices				
			CFI	NFI	GFI	RMR	CMIN/DF
(A_FCC)	4	0.768 – 0.903	.998	.996	.995	.010	1.599
(A_UGSMC)	4	0.755 – 0.859	.994	.991	.990	.015	3.121
(A_OBE)	4	0.613 – 0.891	.998	.999	.999	.004	1.211
(A_BA)	3	0.857 - 0.968	-	-	-	-	-
(A_BPI)	3	0.841 – 0.895	-	-	-	-	-
<i>Firm Created Communication :(A_FCC), User Generated Social Media Communication: (A_UGSMC), Overall Brand Equity: (A_OBE), Brand Attitude: (A_BA), Brand Purchase Intention :(A_BPI)</i>							

### 3.5 Structure Equation Modelling For Automobile Brands

Structural Equation Modelling (SEM) was used to test the relationship between the five constructs at  $\alpha = 0.05$ , Firm Created Communication (A\_FCC), User Generated Social Media Communication (A\_UGSMC), Overall Brand Equity (A\_OBE), Brand Attitude (A\_BA) and Brand Purchase Intention (A\_BPI)

From the loading values it is observed that Firm Created Communication (A\_FCC) positively affects the Brand Equity with a regression weight of 0.31, supporting the stated hypothesis:

***H1a. Firm -created social media communication positively influences brand equity***

From the loading values (= 0.56) it is observed that User Generated Social Media Communication (A\_UGSMC) is positively affecting the Brand Equity supporting the stated hypothesis:

***H2a. User-generated social media communication positively influences brand equity***

From the SEM path based on loading values it can be interpreted that Firm Created Communication (A\_FCC) = 0.45 positively affect the Brand attitude which accepts the stated hypothesis:

***H1b. Firm-created social media communication positively influences the brand attitudes of consumers***

Similarly, from the SEM path based on loading values it can be interpreted that User Generated Social Media Communication (A\_UGSMC) = 0.59 supports the given hypothesis:

***H2b. User-generated social media communication positively influences the brand attitudes of consumers***

Similarly, the loading of Brand Attitude (A\_BA) on Brand Equity (A\_OBE) = 0.39 from which can be concluded that brand attitude and brand equity got positive relationship supporting the stated hypothesis:

***H3. Brand attitude positively influences brand equity***

This is because positive brand evaluations of consumers can reflect perceptions of exclusivity, which contribute to brand equity.

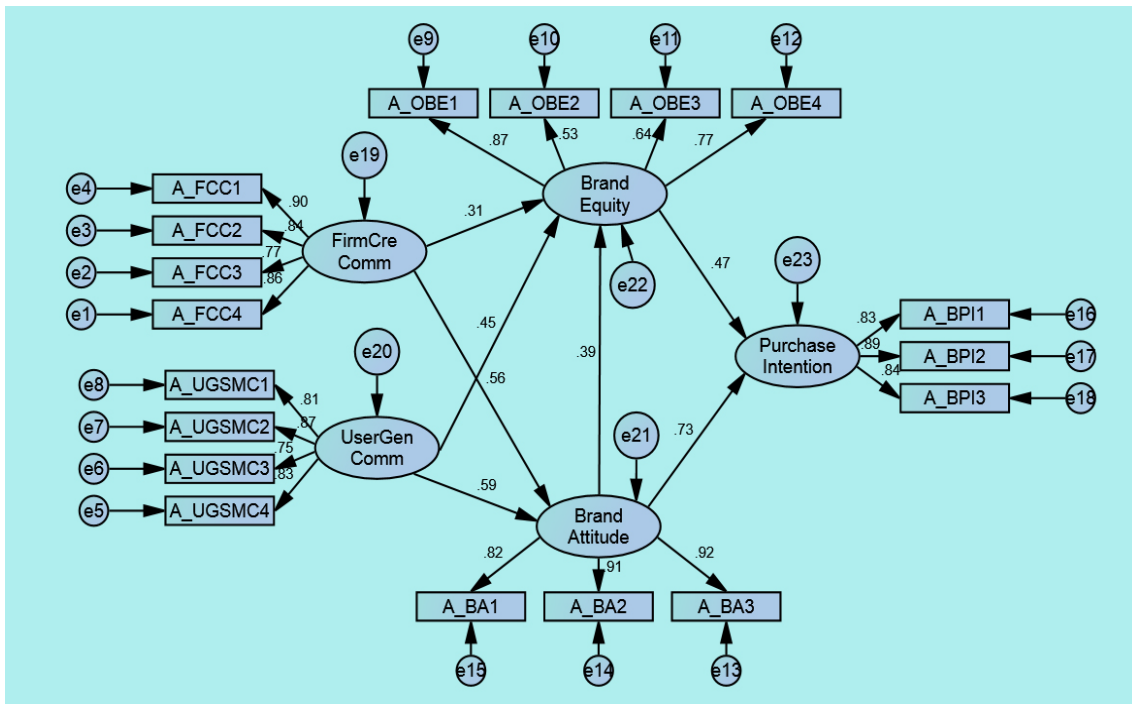
Brand Purchase Intention (A\_BPI) was positively influenced by both Brand Attitude (A\_BA) on Brand Equity (A\_OBE) with loading value of 0.47 and 0.73 supporting the hypotheses:

***H4.Brand attitude positively influences purchase intention and H5.Brand equity positively influences purchase intention***

These relationships are depicted in graphical form as given by the AMOS output in the following figure.



**Figure 3: SMBM Model for Automobile Brands**



It is found that the model fit is satisfactory though the cut off values are relatively low based on meeting the above standards used by the researchers for SEM, still the model is accepted as good model with CFI = 0.803, GFI = 0.869, NFI = 0.885, RMR = 0.012, Cmin/Df = 5.016. The significant relationships between the various constructs and the items used for defining the constructs can be found from the table 5-7 given below.

**Table 9: Performance Fit Indices for SMBM Model Fit for Automobiles Category**

<b>CMIN/ DF</b>	5.016
<b>RMR</b>	0.012
<b>CFI</b>	0.803
<b>NFI</b>	0.885
<b>GFI</b>	0.869

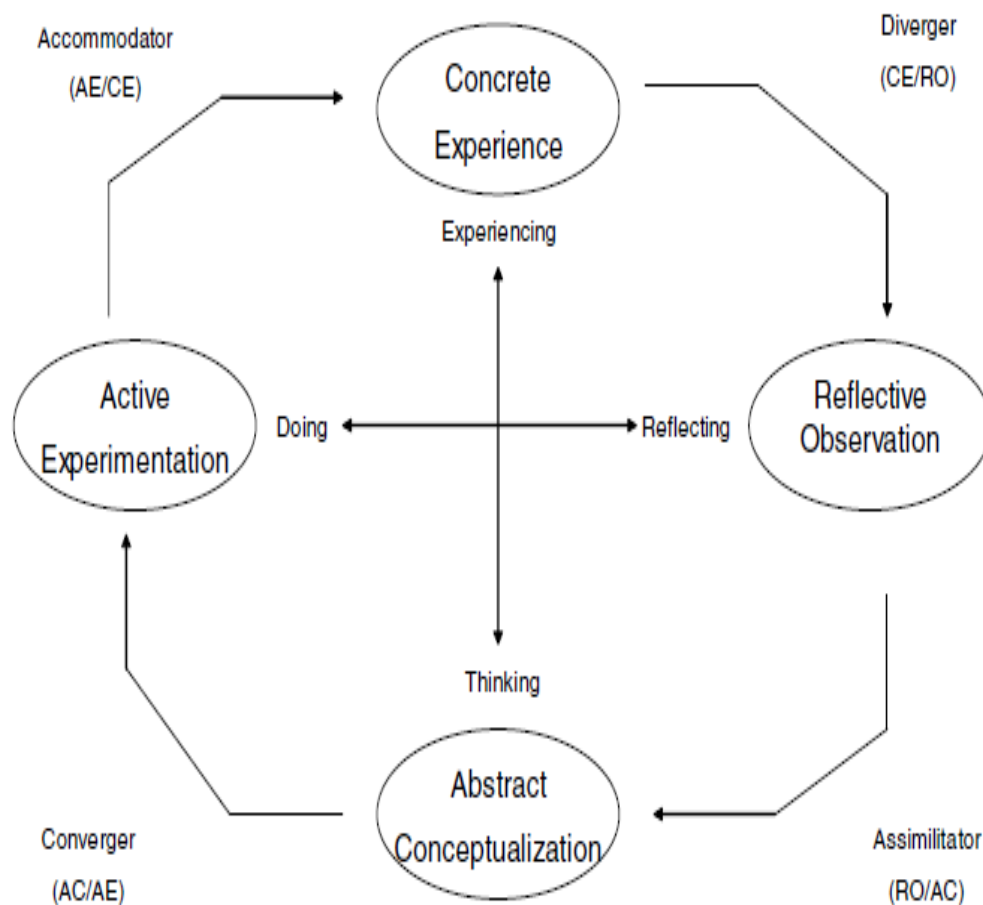
**Acronyms:**

CMIN/ DF: Relative chi-square. RMR: Root Mean Square Residual. GFI: Goodness of Fit Index CFI: Comparative Fit Index  
 NFI: Normed Fit Index. James Mulaik & Brett (1982) parsimony adjustment to NFI.

### 3.6 Learning Styles as the Moderating Variable

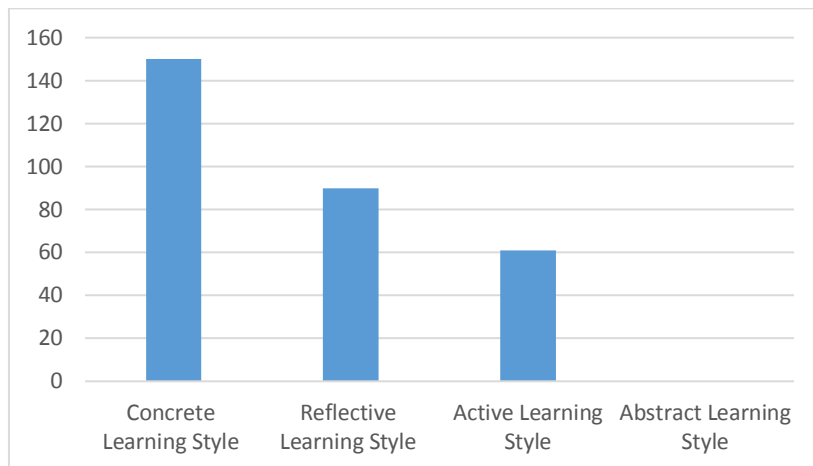
The model suggests four-process learning cycle viz., Concrete Experience (CE), Reflective Observation (RO), Abstract Conceptualization (AC), and Active Experimentation (AE). For one to have a matured learning style he has to be passing through all the process before reaching the AE stage. However, depending on the individual's preferences, learning may start at any one of the other modes in the cycle.

**Figure 4: Kolb Experiential Learning Model (Source: Kolb (1984))**



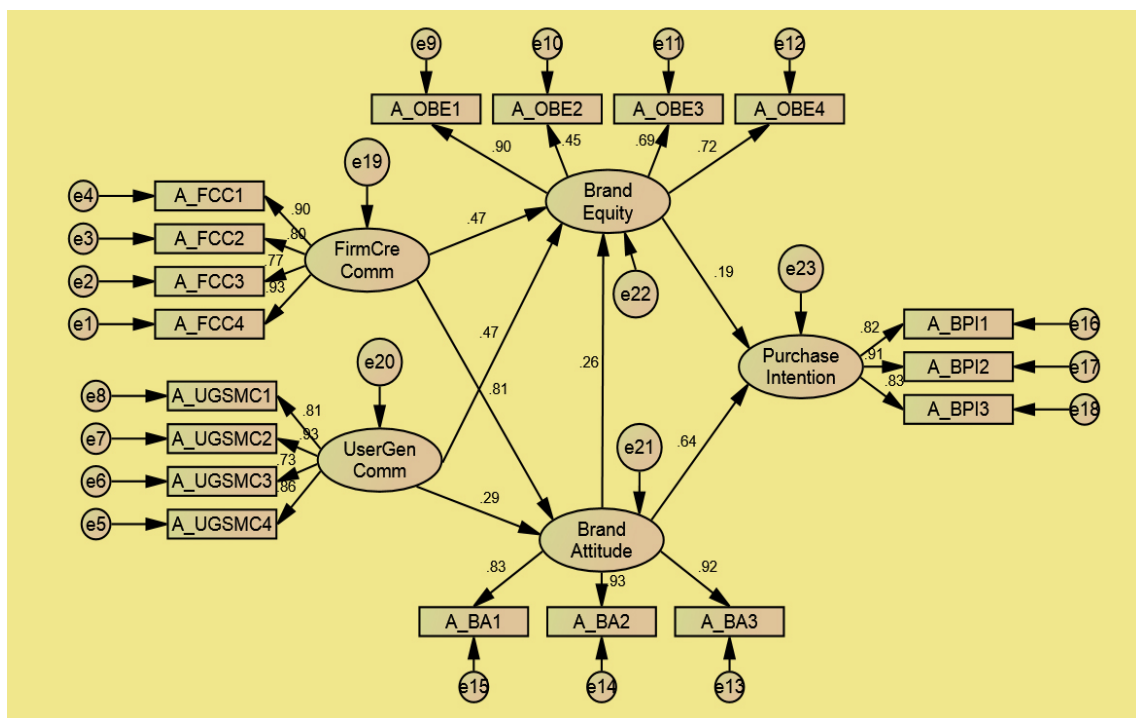
The Kolb Learning Style Inventory (LSI) is a commercially available questionnaire ([www.learningfromexperience.com](http://www.learningfromexperience.com)) with twelve items that correspond to the four learning modes. Scores are between 13 and 48. This scale was administered on the MBA Students participating in the study and interpreted as per the guidelines given by Kolb (1984).

**Figure 5: Profile of Learning Styles Identified in the Study**



Structural Equation Modelling was used to test the effect of learning styles on the SMBM model. The model was run for the three groups identified in our study namely, Concrete Learning Style, Reflective Learning Styles and Active Learning Style.

**Figure 6: Structural Equation Model (Concrete Learning Style) for Automobile Brands**



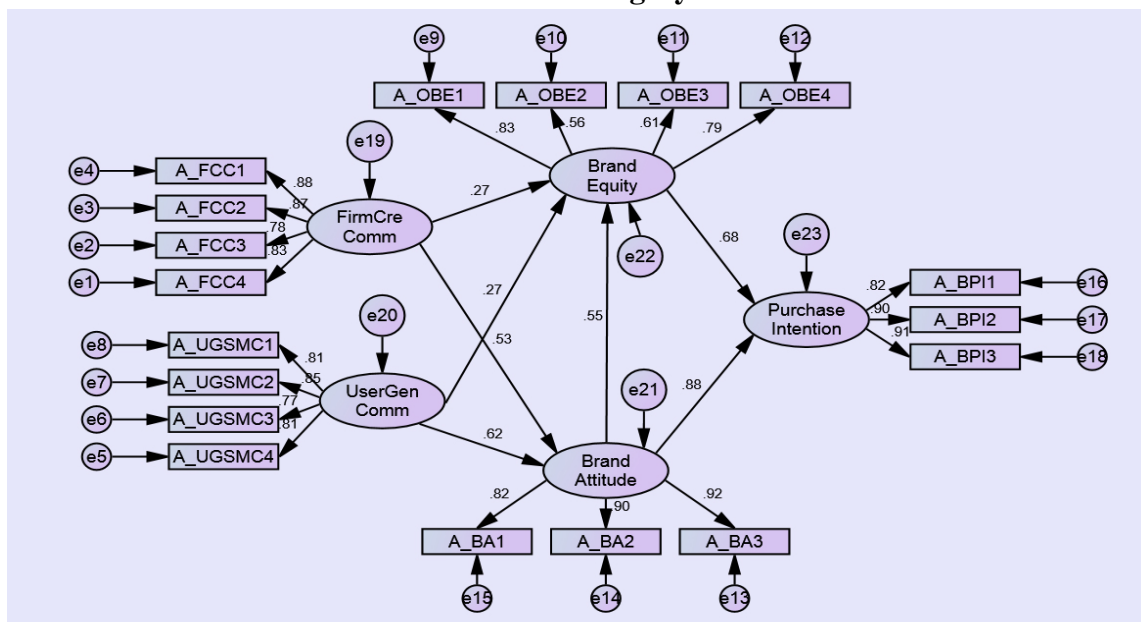
**Table 10: Performance fit Indices Concrete Learning Style for Automobile Brands**

<b>CMIN/ DF</b>	4.535
<b>RMR</b>	0.024
<b>CFI</b>	0.826
<b>NFI</b>	0.800
<b>GFI</b>	0.880

**Acronyms:**

CMIN/ DF: Relative chi-square. RMR: Root Mean Square Residual. GFI: Goodness of Fit Index CFI: Comparative Fit Index  
 NFI: Normed Fit Index. James Mulaik & Brett (1982) parsimony adjustment to NFI.

**Figure 7: Structural Equation Model (Reflective Learning Style) for Automobile Brands Category**

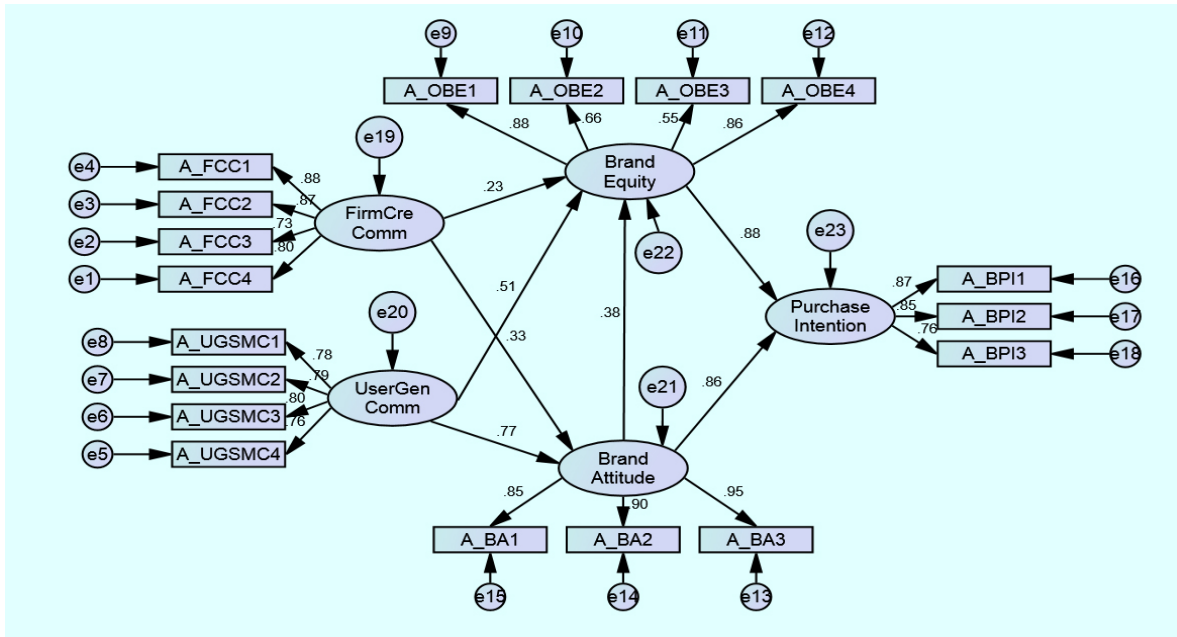


**Table 11: Model Summary (Reflective Learning Style) for Automobile Brands**

<b>CMIN/ DF</b>	2.741
<b>RMR</b>	0.023
<b>CFI</b>	0.845
<b>NFI</b>	0.779

<b>GFI</b>	0.762
<b>Acronyms:</b> CMIN/ DF: Relative chi-square. RMR: Root Mean Square Residual. GFI: Goodness of Fit Index CFI: Comparative Fit Index NFI: Normed Fit Index. James Mulaik & Brett (1982) parsimony adjustment to NFI.	

**Figure 8: Structural Equation Model Active Learning Style for Automobiles**



**Brands**

**Table 12: Model Summary (Reflective Learning Style) for Automobile Brands**

<b>CMIN/ DF</b>	1.903
<b>RMR</b>	0.028
<b>CFI</b>	0.871
<b>NFI</b>	0.768
<b>GFI</b>	0.730
<b>Acronyms:</b> CMIN/ DF: Relative chi-square. RMR: Root Mean Square Residual. GFI: Goodness of Fit Index CFI: Comparative Fit Index NFI: Normed Fit Index. James Mulaik & Brett (1982) parsimony adjustment to NFI.	

#### 4. FINDINGS FOR AUTOMOBILE BRANDS

*Concrete Learning Style:* All the relationships were found to be statistically significant with the Firm Generated Communication having the maximum effect on the brand attitude compared to the effect of the User generated Communication.

*Reflective Learning Style:* The respondents with this learning style were found to relate the constructs with statistical significance. However, in this case the User Generated Communication was found to have more influence on the brand equity as compared to the firm generated information.

*Active Learning Style:* In this group the User generated communication helped to have a very strong influence on the brand attitude as compared to the influence of the User Generated communication directly on the brand equity.

Overall we can say that the User generated information plays a very important role in developing a brand attitude leading to brand equity and purchase intentions with the active and reflective learning styles. Whereas, the firm generated communication has more influence on the person with a concrete learning style orientation.

#### 5. MANAGERIAL IMPLICATIONS BASED ON THE FINDINGS OF THE STUDY

Marketers should maintain a regular pattern in communications on the web. Burst blogging (or tweeting) techniques are annoying to the audience and add extra load. If there is a relatively easy day, then post some of the blog so that the readers get a regular update. Aim to tweet regularly and maintain the connection with the audience too. Thus, being consistent one is able to connect with their consumers regularly and interact with them.

There are so many different social networking sites out there that it's so easy to become flooded with information. If more time is spent on Twitter, or to keep up with all of the status updates and changes on Facebook, it won't have any time at all for the rest of the things companies need to do. They need to learn to cut out all the unnecessary messages. There are some users who seem to have no life beyond their online presence, and other users who smack of desperation.

Company's may have accounts on multiple networking sites and update each of them regularly with the same information. However, there are issues with this approach. If companies maintain multiple personas on different sites, and share different kinds of information with different social groups, they may not appreciate business related updates on their personal network. Additionally, there might be some friends who follow the company on many of the social networking sites and who may not appreciate the same information on each of their sites.

One of the best ways to be proactive about this is to buy all of the combinations of company's brand name as domain names. Once they have secured the domain names, they should use one of their registered names to start and build their positive online reputation. They can start to publish a blog on the domain. Word press and similar blogging platforms offer a simple way for companies to redirect their own domain name to their website.

## 6. LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH

While the research made an attempt to contribute from both a theoretical and practical point of view, it also has some limitations. Because of time limitation and to keep the model at a manageable size, this research did not consider the factors inhibiting the use of social media on the teens and youngsters like age restrictions, restrictions by the parents to use social media etc. Future studies may address these issues. Future study may develop additional measurement constructs in the model such as demographic profiles of the users or the effect of technology adoption like perceived usefulness or ease of use components of the social media. Even it would be interesting to evaluate the effect of peer pressure in using the social media and its effect on the purchase decisions. It would also be interesting to carry out the research both in developing countries and developed countries and study the implications for social media on the brand managers in these economies, specific to the product categories selected in this study. The social media landscape and practices are changing with the competitive environment as discussed in the previous section and hence with changing times it is required to get the selected practices and the measures validated from the practitioners.

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