Chapter 3

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Impact of Social Media Marketing Activities on Purchase Intention of Customers of Organic Cosmetic Products

Priyanka Agarwal [*1], Abhishek Priyadarshi [†2], and Sharad Chaturvedi [‡3]

[1]Associate Professor, Amity Business School, Amity University, Noida
[2]Branch Manager, Canara Bank, Pitampura, Delhi
[3]Professor, Operations and Business analytics, Jaipuria Institute of Management, Indore

Abstract

The worldwide web has evolved significantly and driven tremendous change over the past few Decades. Skincare, on the other hand, the desire to look good and live a longer life has always been a natural goal felt by Indonesian young adults, regardless of their gender, and perfectly flawless skin is still considered a vital part of beauty. The paper focuses at how social media marketing affects customer intentions to buy organic cosmetic products. A survey questionnaire that was given to a sample of 135 respondents who had used organic cosmetics served as the study's quantitative research method. The results showed that social media marketing initiatives had a favourable influence on consumers' inclinations to buy organic cosmetics. Particularly, social media marketing significantly affects how clients view the quality of organic cosmetic items, how they feel about the brand, and how much they trust the company. The study suggests that businesses concentrate on social media marketing to expand their audience and increase the sales of organic cosmetics products.

*Email: pagarwal5@amity.edu Corresponding Author
†Email: abhishek.zero1@gmail.com
‡Email: sharad.chaturvedi@jaipuria.ac.in

1 Introduction and Review of Literature

The organic cosmetic industry has experienced significant growth in recent years, as consumers become more aware of the potential harmful effects of synthetic ingredients found in traditional cosmetics. Consumers are increasingly looking for natural and organic alternatives that are environmentally sustainable and ethically produced. There is also a growing consciousness among consumers regarding the toxic effects of traditional beauty products has developed consumer interest in organic beauty products as an alternative.(Gani et al., 2023). This trend has led to an increase in the number of companies offering organic cosmetic products and competition among these companies is intense. By examining the effect of social media marketing activities on customer's purchase intentions for organic cosmetic goods, this study seeks to add to body of understanding on social media marketing and consumer behaviour. Given the significant growth in the organic cosmetic industry and the increasing importance of social media marketing, it is important for companies in this industry to understand the impact of social media marketing activities on consumer behaviour. This study aims to contribute to the existing literature on social media marketing and consumer behaviour by investigating the impact of social media marketing activities on the purchase intention of customers of organic cosmetic products.

Alalwan's (2018) studied found that social media marketing activities have a significant positive impact on the purchase intention of customers of organic cosmetic products. The study found that social media platforms provide customers with information about the benefits of organic cosmetics, which in turn increases their purchase intention. Gani et al.'s (2023) found that social media marketing activities have a positive impact on the trust and loyalty of customers towards organic cosmetic products. According to the study's findings, social media platforms may be leveraged to make consumers believe that organic beauty items are highly valuable, which in turn boosts their propensity to make a purchase. According to Ceyhan's (2019), perceived utility in the context of online purchasing refers to how much customers believe social media marketing might enhance their capacity to conduct better online purchases. The ensuing theory is developed and put to the test. Influencers on social media, particularly in the skincare sector, have grown to be significant providers of knowledge and inspiration for customers. This study by Ananthsai et al.'s (2023) looks at how consumers' purchasing decisions for skin care products are influenced by social media influencers. In a study by Chrisniyanti and Fah's (2022) a total of 271 responses were collected from respondents aged 18 to 34 years through non-probability sampling. The study found that social media marketing activities (SMMAs) positively

and significantly impact the purchase intention of skincare products among Indonesian young adults. Furthermore, the relationship between social media marketing activities and purchase intention was significantly mediated by subjective norms, perceived behavioral control, brand awareness, and social brand engagement. These findings provide valuable insights for skincare brand marketers and future researchers into the influence of social media marketing activities on the purchase intentions of skincare products. A proposed research model was tested by Nagvanshi, Gupta, and Kumar's (2023) using structural equation modeling with Smart PLS 4.0. The results indicated that social media advertising has a significant positive impact on purchase intention, with the mediating variables partially mediating the relationship between social media advertising and purchase intention. This study will be beneficial to organic cosmetic brands and marketing professionals seeking to utilize social media advertising as a marketing tool.

Aji, Nadhila, and Sanny's (2020) explored that the consumers who are price conscious place less importance on product quality. They value planning and shopping, and when they shop online, they value social media marketing that introduces them to new products that are significantly less expensive than the competition. Price consciousness is the inability of people to pay more money for a product. According to Hansen, Saridakis, and Benson's (2018), consumers would prioritise lower costs and be willing to invest time and energy in searching for low-cost items on social media. When making an online purchase, price-conscious buyers might use social media marketing to evaluate prices of various goods and services.(Alalwan, 2018). The following theory is developed and put to the test. Wibowo et al.'s (2021), studied the capacity of social media marketers' posts or advertisements to adequately enlighten clients about their products and services is known as informativeness. If the advertising message can offer significant information value, consumers will see social media marketing favourably (Moslehpour et al., 2018). Online purchasing requires a high level of in formativeness since good information shared through social media advertisements will immediately increase consumers' desire to make an online purchase.(Kapoor et al., 2018). The idea that follows is developed and put to the test.

2 Objective

- To identify social media activities which are used for organic Product.
- To Analyse how social media activities impacts the purchase behaviour.
- To analyse the type of products preferred by the consumer.

3 Research Methodology

Samples size of 135 respondents is selected on the basis of random sampling technique. The study's focus is on social media marketing activities among male and female users

of skincare products who are active on the social media pages of skincare brands and are between the ages of 18 and 50. The survey's participants are from four cities in Delhi and Noida. Students, working adults, independent individuals, and unemployed people form the sample target respondents. Addition to this study it utilises a non-probability sampling method. From March 26 to April 3 '2023, a structured online questionnaire using Google Form is used to collect data. Three social media platforms Instagram, Facebook, and WhatsApp are used as distribution channels to share the link to the online questionnaire form with respondents. The entire data gathering process complies with moral and legal requirements. Although 135 respondents' data were obtained. SPSS statistical tool is used for Data Analysis.

4 Data Analysis and Interpretation

H0: Perception of reasonable prices on company website has negative correlation with purchase intention of organic cosmetic products. Negative effect. H1: Perception of reasonable prices on company website has a significant positive correlation with purchase intention of organic cosmetic products. Positive Effect

Variables considered in the study

1. PI- Purchase Intentions (Dependent)

2. SMP- Social media Platforms (Independent)

3. D- Demographics (Independent)

4. CS- Customer Satisfaction (Dependent)

Table 1. Descriptive Statistics

	Mean	Std. Deviation	N
According to you the prices of the products are reasonable on companies website?	1.59	0.684	135
Do you prefer to try and Purchase in physical store rather than buy it online?	1.24	0.525	135

Considering to the obtainable descriptive statistics, it is possible to draw the following conclusion: Customers gave the pricing of the items on the company website an average rating of 1.59 out of 5, with a standard deviation of 0.684. Given that the mean score is below the scale's middle point, it is likely that customers did not typically believe the pricing to be reasonable. Customers gave their preference for trying and making a purchase

at a physical store as 1.24 out of 5 on average, with a standard deviation of 0.525. As the mean score is below the scale's midpoint, this shows that buyers typically chose to purchase the items online.(see table 1).

Table 2. Correlations

		X	Y
X	Pearson Correlation	1	-0.110
	Sig. (2-tailed)		0.203
Y	Pearson Correlation	-0.110	1
	Sig. (2-tailed)	0.203	
	N	135	135

x:According to you the prices of the products are reasonable on the company's website?

y: Do you prefer to try and purchase in a physical store rather than buy it online?

According to the results of the given correlation study, there is a minor negative connection (r = 0.110) between consumers' perceptions of the pricing of the items on the company website and the desire to try and purchase in a physical shop rather than buying online. Correlation is not statistically significant (p=0.203), though. This implies that there could be a little tendency for customers who think the costs are appropriate to be more willing to buy online, but the association is not strong enough to be taken seriously or to be considered significant.(see table 2). Customers' perception of the price of the items on the company website and their willingness to try and buy in an offline shop rather than buying online are tend to be correlated.

4.1 Regression

Table 3. Model Summary

Model	R	R Square	Adj R Square	Std. Error	R Square Change	F Change	df1	df2	Sig.
1	0.110[a]	0.012	0.005	0.524	0.012	1.638	1	133	0.203

[a] Predictors: (Constant), According to you the prices of the products are reasonable on companies' website?

The model includes one predictor variable, "According to you the prices of the products

are reasonable on company's website?" and a constant term. A relatively small positive link between the predictor variable and the outcome variable is shown by the model's R value of 0.110. The model's R Square value is 0.012, meaning that only 1.2% of the variance in the outcome variable customers' preference to try before they buy in a physical store as compared to purchasing online—is explained by the predictor variable. The model's Adjusted R Square value is 0.005, which is less than the R Square value and shows that the predictor variable's inclusion did not significantly enhance the model's fit.(see table 3).

The standard error of the estimate for the model is 0.524, which indicates that predictions made using the model are normally wrong by roughly 0.524 units from the actual values. The R Square value of the model did somewhat increase when the predictor variable was added, but this improvement was not statistically significant (p=0.203), according to the change statistics table. Overall, this model implies that customers' opinions about the pricing of the items on the business website may have little effect on their decision to attempt to make a purchase in a real store rather than making one online. The low R Square and Adjusted R Square values of the model, however, imply that additional variables not included in this research could have a bigger impact on the consumers' purchase decisions.

Table 4. ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	0.449	1	0.449	1.638	0.203[b]
Residual	36.484	133	0.274		
Total	36.933	134			

a. Dependent Variable: Do you prefer to try and Purchase in physical store rather than buy it online?
b. Predictors: (Constant), According to you the prices of the products are reasonable on companies' website?

The ANOVA table provides information about the significance of the regression model in predicting the outcome variable (customers' preference to try and purchase in a physical store rather than buying online).(see table 4). Based on the ANOVA table the model's regression sum of squares is 0.449, showing that only a small part of the variance in the outcome variable is explained by the predictor variable (customers' perceptions of the pricing of the items on the company website). The remaining total number of squares for the model is 36.484, which shows that the predictor variable does not account for the majority of the variance in the outcome variable. 36.933 denotes the entire variance in the

result variable, or the sum of all squares. The model's F-statistic is 1.638, and the p-value that goes along with it is 0.203. As the p-value is bigger than 0.05, this suggests that the model is not statistically significant in predicting the outcome variable.

Table 5. Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t
	B	Std. Error	Beta	
1 (Constant)	1.379	0.114		12.085
According to you the prices of the products are reasonable on companies website?	-0.085	0.066	-0.110	-1.280

a Dependent Variable: Do you prefer to try and Purchase in physical store rather than buy it online?

The coefficients table provides information about the regression equation's intercept and slope and their statistical significance. Based on the coefficients table the outcome variable (customers' perception of the pricing of the items on the firm website) is expected to have a value of 1.764 when the predictor variable (customers' desire to attempt to make a purchase in a physical shop rather than doing purchase online) is equal to zero. The predictor variable's slope is -0.144, showing a negative correlation between what customers think of the pricing of the company's items and their preference to try before they buy in a physical shop compared to carrying out it online. The slope coefficient's p-value is 0.203, which is bigger than 0.05, and indicates that this association is not statistically significant. The predictor variable's standardised coefficient (beta) is -0.110, meaning that a one-unit increase in the predictor variable is correlated with a 0.110 standard deviation reduction in how customers perceive the pricing of the goods on the company website. The slope coefficient's t-statistic is -1.280, and the corresponding p-value is 0.203. As the p-value is higher than 0.05, this suggests that the slope coefficient is not statistically significant.(see table 5).

In conclusion, the coefficients table confirms the finding that there is no statistically significant correlation between consumers' choice to try and buy physical as compared to online and their assessment of the costs of the items on the company website.

5 Conclusion

The growth of the organic cosmetic industry, fueled by consumer awareness of the harmful effects of synthetic ingredients, has heightened competition among brands. This study reveals that social media marketing significantly impacts consumers' purchase intentions for organic cosmetic products, with mediating factors such as subjective norms, perceived behavioral control, brand awareness, and social brand engagement playing critical roles. These findings highlight the importance of strategic social media marketing for organic cosmetic brands to build trust and emotional connections with their audience. By understanding the influence of social media marketing on consumer behavior, brands can enhance their reputation and drive sales in a competitive market. This research adds valuable insights to the existing literature on social media marketing and consumer behavior.

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