

Social Media and Advertising: An Exploratory Study on the Lifestyle of Generation Y Consumers in Malaysia

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ABSTRACT

One out of every seven people in the world today has a Facebook page and about four out of every five active internet users visit social networking sites and blogs. There is an increasing adoption of social media advertising by corporations. Social media has become an integral part of the consumers' daily lives as well as corporate organisations' day-to-day operations. This growth is an indication of a long-term trend toward social media usage among corporations (as well as individual brands) becoming the norm. This paper explores responses to social media advertising to determine if Generation Y consumers in Malaysia with different demographic characteristics differ in their attitude towards social media advertising, purchase intention and actual purchase of products and services advertised on social media. It also provides useful insight to enable businesses ensure more efficient utilisation of their advertising budget and development of more effective advertising strategy.

Keywords: Demography; Generation Y; Lifestyle, Purchase Intention; Social Media Advertising.

INTRODUCTION

Social media has become an integral part of everyday life with year-on-year growth in the number of users. Facebook has approximately 1 billion monthly active users, Twitter has approximately 650 million users and LinkedIn has approximately 200 million members worldwide. These statistics demonstrate the popularity of social media, which in turn provides an indication of the enormous influence such applications carry (Margaret and Alexis, 2015). From a business perspective, social media can be used in a number of ways to improve operations and enhance the business profile through: improved communication; greater exposure through amplifying word-of-mouth effects; getting closer to and building relationships with existing customers; attracting new customers; promoting a company's products/services; improving brand awareness; increasing volume of traffic to web site; increasing levels of sales; improved collaboration and establishing online communities (Fischer and Reuber, 2011; Montalvo, 2011; Nair, 2011; Zhang et al., 2011; Hoffman and Fodor, 2010; Kaplan and Haenlein, 2010). Businesses are therefore increasingly attempting to embrace social media as an integral part of working life and exploiting it for competitive advantage (Kiron et al., 2012; Qualman, 2010). Social media users can access the media anytime, anywhere (Kaplan and Haenlein, 2010). As a result, businesses would be unwise to ignore the growing number of people who regularly and frequently use these applications as well as the subsequent value and potential of this to create business opportunities. Hence, the objective of this paper is to determine if Generation Y consumers in Malaysia with different demographic characteristics differ in their attitude towards social media advertising, purchase intention and actual purchase of products and services advertised on social media.

LITERATURE REVIEW

Social media advertising is defined as the practice involving the use of paid adverts on social networking sites like Facebook, Twitter, YouTube, blogs and other content (The Social Media Advertising Industry Report, 2013). A study revealed that since 1997, companies now use internet as a

medium because it is cheaper and has greater capability compared to other tools and platforms which they were using previously to distribute information and media in the global market (Goodarz et al., 2012). Scholars have proposed several theoretical models to better understand and explain individual attitudes and behaviours towards advertising and new information technology. The Theory of Reasoned Action (TRA) is one of the most frequently used models to predict consumers' behaviour (Fishbein and Ajzen, 1975; HoJung et al., 2004). TRA states that beliefs influence attitudes, which lead to intentions, and then to behaviours. It asserts that there are specific reasons behind why people (customers) behave in certain ways. This implies that there are certain reasons that influence customers' attitude; these (reasons) are the factors that influence customers' purchase intention to certain products or brands. Understanding of the attitudes and norms of the target audience; a better understanding about their attitude and norms will enable the design of a more accurate intervention to influence their behaviour in the desired direction.

Lifestyle

Lifestyle refers to a person's particular way of living, and has been used primarily for examining the living patterns and mobility of the various social classes (Bei, 2000). The lifestyle of individuals has always been of great interest to marketers. They deal with everyday behaviourally oriented facets of people as well as their feelings, attitudes, interests and opinion. A lifestyle marketing perspective recognises that people sort themselves into groups on the basis of the things they like to do, how they like to spend their leisure time and how they choose to spend their disposable income. Blackwell and Talarzyk (1983) noted that successful retailers based on general application of lifestyle analysis have begun to implement a portfolio management approach which focuses on the needs of the key target markets. Lifestyle is a key variable in the development of marketing campaigns. Since every product has a different intended target market, differentiation through market segmentation is vital in order to establish each cluster's preferences and tendency (Long-Yi and Hsing, 2012). Hence, with regards to the market, lifestyle serves as an excellent segmentation variable (Li, 2009). As a result, different lifestyles will create varied preferences and behaviours when making purchase decisions.

METHODOLOGY AND CHARACTERISTICS OF THE SAMPLE

The target population for this study is Malaysian Generation Y social media users located in the Northern, Central and Southern regions of Malaysia. The target respondents are specifically Malaysians from 21 to 38 years of age. A self-administered questionnaire as well as an online questionnaire was used for gathering data in this study. A total of 1,087 usable questionnaires for the analysis. The respondents' shopping characteristics, like frequency of buying products online, hours spent on social media sites per day, amount spent on purchases and type of products frequently purchased on sites advertised on social media, were also collected. Demography adds meaning to research findings as well as enable advertisers to identify business opportunities facilitated by shifts in population's age, income or geographic location (Schiffman and Kanuk, 2010). Figure 1 to 4 summarises the shopping characteristics of the respondents. The frequency of buying products on social media shows that 10.1% of respondents purchase products at least once per week. 36.5% buy once per month, 29.8% purchase once in three months and 23.6% buy products at least once a year (Figure 1).

Frequency of buying products on social media

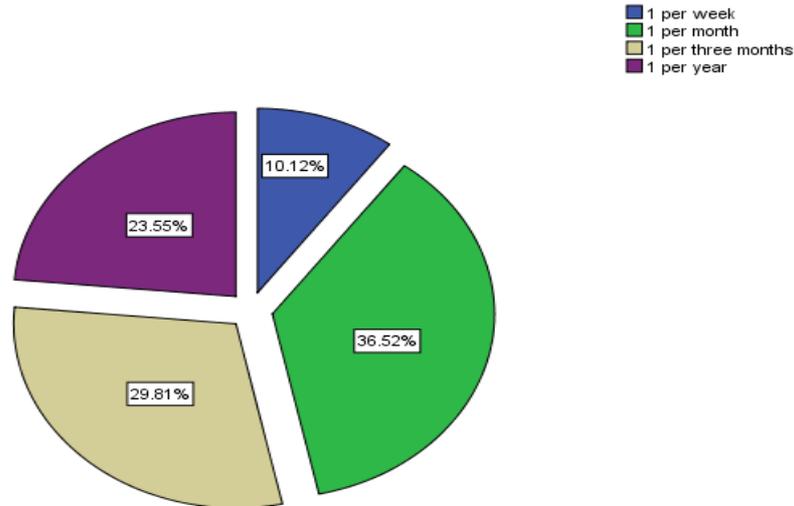


Figure 1: Frequency of buying products on social media

With regards to hours spent on social media, a significant number of respondents (36.4%) spend 2-4 hours daily. 27.7% spend 1-2 hours a day on social networks, 14.5% are on for 4-6 hours, followed by those who are active for 6 hours and above with 11.1%. Only 10.2% of respondents are online less than one hour a day (Figure 2).

Hours spent on social media per day

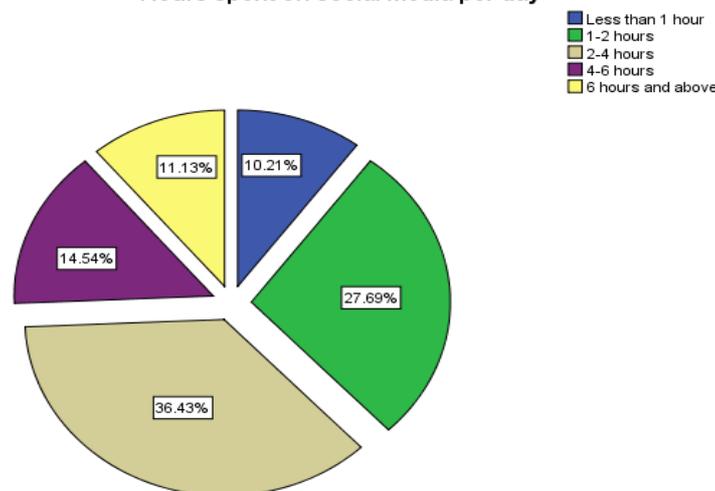


Figure 2: Hours spent on social media per day

Interestingly, about 28.9% of respondents spent less than RM100 on sites advertised on social media in the last 12 months. 25.3% spent between RM101-RM300 whereas 12.2% purchased products worth RM301-RM501. Respondents who spent between RM501 to RM1,000 represent 18.2% and those who have bought products worth RM1,000 and above made up 15.4%.

Purchases on sites advertised on social media in the last 12 months

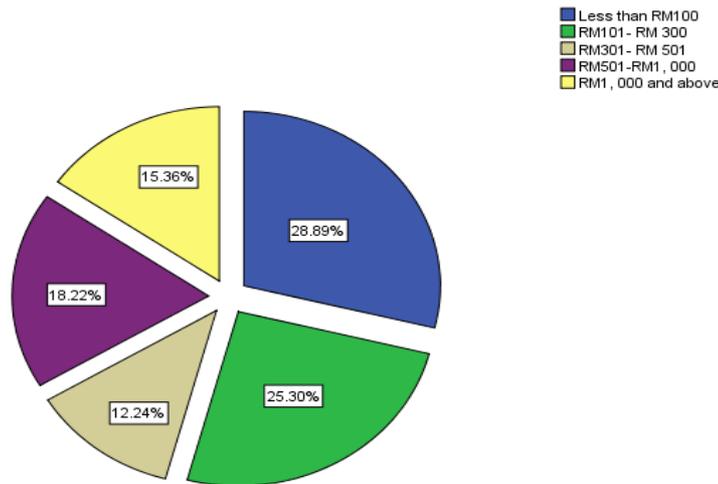


Figure 3: Purchases on sites advertised on social media in the last 12 months

In terms of the types of products frequently purchased on sites advertised on social media, the most frequently purchased items were clothes (355; 32.7%), followed by Holidays (146; 13.4%) and Entertainment (144; 13.2%). 8.2% go for food while 6.0% purchase beauty aids. The rest are shoes (4.1%); Electronics (4.0%); Sporting equipment (3.1%); Health (3.0%) and Jewellery (2.0%). The remaining 10.1% include others like Books, Baby products and Musical instruments.

Products frequently purchased from sites advertised on social media

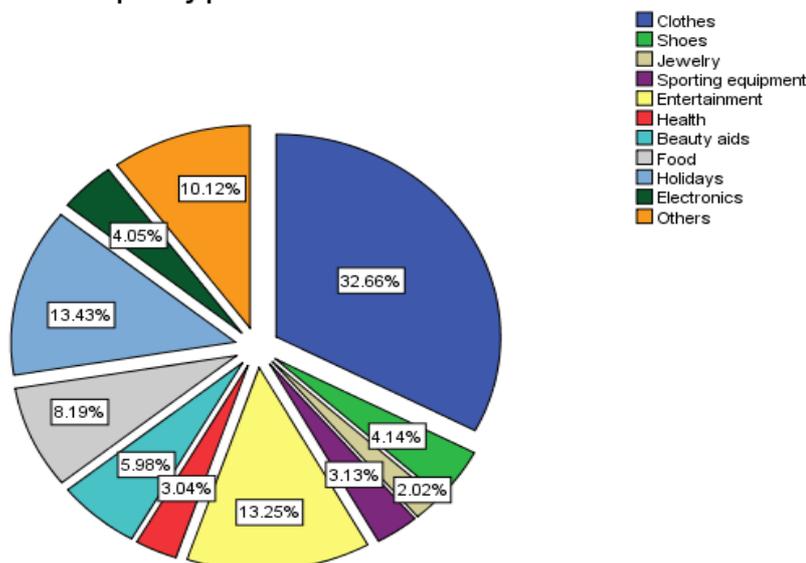


Figure 4: Types of products frequently purchased on sites advertised on social media

FINDINGS

In order to determine if Generation Y consumers' in Malaysia with different demographic characteristics differ in their attitude towards social media advertising, purchase intention and actual purchase of products and services advertised on social media, the respondents were separated into different groups based on their demographic and purchase characteristics, and the mean scores of the different constructs for each group were compared. The results of the comparisons are presented as follows.

Gender

Gender is a realistic differentiating variable and many products and services are essentially designed for either males or females. Gender however is no longer an accurate way to distinguish consumers' in product categories since sex roles are now unclear (Schiffman and Kanuk, 2010). Table 1 shows that the male and female respondents had significantly different scores for the factors. The female respondents scored higher in the lifestyle dimensions (Female=4.21; Male=4.15) than the male respondents. Female respondents' obtained a significantly higher attitude towards social media advertising than the male respondents. However, male consumers had higher scores for purchase intention than the female group.

Table 1: Comparison of the mean scores of the male and female respondents

	Male (n = 572)	Female (n = 515)			
	Mean	Mean	Mean diff.	t-value	Sig.
Lifestyle	4.15	4.21	-.063	-1.471	.455
Attitude towards social media advertising	4.08	4.16	-.084	-2.004	.140
Purchase Intention	4.12	4.11	.012	.287	.746
Actual Purchase	4.44	4.48	-.043	-1.022	.855

Age

Age is an important element in advertising many products and services since product needs normally vary with consumers' age. Results show there was a significant difference in the lifestyle scores among the different age groups of Generation Y. The respondents who were between 33 to 38 years old had higher ratings than those between 21 to 28 years old. The respondents who were 29-32 had the highest ratings. This indicates that respondents who are between 29-32 years old, based on their lifestyle purchase products and services advertised on social media more than their counterparts in the other age groups. The age group least likely to be influenced by lifestyle are those between 21-24 years old. Additionally, respondents from ages 25-35 are likely to purchase on sites advertised on social media in comparison to their counterparts. As presented in Table 2, there was no significant difference in the scores for attitude towards social media advertising and actual purchase.

Table 2: Comparison of the mean scores of the respondents' age

	21-24	25-28	29-32	33-35	36-38	Sig.
Lifestyle	4.12	4.13	4.28	4.26	4.26	.025
Attitude towards social media advertising	4.11	4.05	4.16	4.18	4.12	.415
Purchase Intention	4.09	4.14	4.13	4.10	4.17	.797
Actual Purchase	4.50	4.42	4.48	4.44	4.37	.313

Ethnicity

The ethnicity of the respondents was compared, and the results in Table 3 show a difference in the actual purchase of consumers'. Indians had the highest rating, followed by Malays. Apart from purchase intention, there was no significant difference in the scores of the other variables.

Table 3: Comparison of the mean scores of the respondents' ethnicity

	Malay	Chinese	Indian	Others	Sig.
Lifestyle	4.17	4.20	4.14	4.25	.577
Attitude towards social media advertising	4.11	4.11	4.11	4.17	.888
Purchase Intention	4.12	4.11	4.16	4.08	.784
Actual Purchase	4.47	4.43	4.52	4.44	.572

Region

People who live in the same area may share some similar needs and wants and these needs and wants differ from those of people living in other areas. Table 4 shows that there was only significant difference between respondents in the Southern region for actual purchase. The scores for actual purchase is higher in the Northern region (mean=4.50) than the Central region (mean=4.29). The purchase intention of respondents in the Central region is higher (mean=4.18) than those in the other two regions. There was no difference in the other dimensions (lifestyle, and attitude towards social media advertising).

Table 4: Comparison of the mean scores of the respondents' region

	Northern	Central	Southern	Sig.
Lifestyle	4.19	4.17	4.18	.948
Attitude towards social media advertising	4.07	4.13	4.16	.206
Purchase Intention	4.03	4.18	4.14	.008
Actual Purchase	4.50	4.29	4.60	.000**

** Indicates a significant difference at < 0.01

Northern: (Kedah, Penang, Perak & Perlis); Central: (Kuala Lumpur, Selangor, Negeri Sembilan & Putrajaya); Southern: (Melaka & Johor)

Highest Educational Level Attained

Although there was no significant difference in any of the variables between respondents with different educational levels, as shown in Table 5; some interesting facts stood out. Respondents with doctorate degrees scored highest for the lifestyle variable (4.29), followed by postgraduate degree holders (mean=4.25). There was no major difference between diploma and undergraduates. Diploma holders ranked lowest with the mean score of 4.06.

Table 5: Comparison of the mean scores of the respondents' highest educational level attained

	Diploma	Undergrad	Post grad	Doctorate	Sig.
Lifestyle	4.14	4.12	4.25	4.29	.015
Attitude towards social media advertising	4.06	4.12	4.13	4.00	.559
Purchase Intention	3.91	4.14	4.12	4.07	.259
Actual Purchase	4.43	4.50	4.42	4.47	.328

Highest monthly income level

Advertisers commonly segment market based on the basis of income because they feel that is a strong indicator of the ability or inability to pay for a product. Results indicate there was no significant difference between the variables and respondents monthly income (Table 6). Respondents who earn between RM5,001 - RM10,000 ranked highest for lifestyle (mean=4.34), slightly greater than those who earn RM10,001 - 20,000 (mean=4.34).

Table 6: Comparison of the mean scores of the respondents' monthly income level

	Less than RM1,000	RM1,001 - RM5,000	RM5,001 - RM10,000	RM10,001 - 20,000	Sig.
Lifestyle	4.13	4.17	4.34	4.32	.010
Attitude towards social media advertising	4.09	4.13	4.18	4.05	.496
Purchase Intention	4.11	4.12	4.10	4.14	.897
Actual Purchase	4.46	4.44	4.49	4.52	.808

Occupation

The occupation of the respondents was also compared. Table 7 shows that there is a difference between the respondents' occupation and entertainment. Respondents who are self-employed are the

most likely to be influenced by advertisements on social media with the highest rating of 4.27; higher than those who are employed as well as students. Likewise, those who are self-employed have a more favourable attitude towards social media advertising than the others. The occupation of the respondents did not have a significant effect on any of the other variables.

Table 7: Comparison of the mean scores of the respondents' occupation

	Student	Self Employed	Employed	Sig.
Lifestyle	4.11	4.27	4.25	.007
Attitude towards social media advertising	4.09	4.34	4.13	.066
Purchase Intention	4.10	4.02	4.14	.370
Actual Purchase	4.45	4.59	4.46	.429

Frequency of buying products online

The respondents with different shopping characteristics were compared to determine whether there were any variations in their frequency of purchasing products and services advertised on social media. Results in Table 8 show that a slight difference is in the actual purchase variable. Respondents who purchase once per week has the highest rating, which indicates that they purchase products and services advertised on social media frequently. This is significantly higher than those who purchase once per three months. The frequency of buying products online did not have any significant effect on the other variables.

Table 8: Comparison of the mean scores of the respondents' frequency of buying products online

	1 per week	1 per month	1 per three months	1 per year	Sig.
Lifestyle	4.18	4.17	4.24	4.13	.288
Attitude towards social media advertising	4.05	4.17	4.11	4.07	.207
Purchase Intention	4.11	4.14	4.14	4.06	.392
Actual Purchase	4.53	4.52	4.38	4.43	.029

Hours spent on social media sites per day

Table 9 shows that there was a significant difference between hours respondents spend on social media and lifestyle. Respondents who are on social media sites for 2-4 hours and 4-6 hours and 6 hours and above daily have the highest rating. Those who are on social media for less than 1 hour scored the lowest. There was no significant difference in terms of attitude towards social media advertising, purchase intention and actual purchase.

Table 9: Comparison of the mean scores of hours respondents spend on social media sites per day

	Less than 1 hour	1-2 hours	2-4 hours	4-6 hours	6 hours and above	Sig.
Lifestyle	4.15	4.17	4.20	4.16	4.20	.923
Attitude towards social media advertising	4.05	4.19	4.10	4.15	4.02	.110
Purchase Intention	4.12	4.11	4.12	4.06	4.21	.411
Actual Purchase	4.42	4.48	4.49	4.42	4.41	.683

Amount spent on purchases on sites advertised on social media in the last 12 months

Attitude towards social media advertising was slightly different from lifestyle, purchase intention and actual purchase. Respondents who spent RM501-RM1, 000 have the most favourable attitude towards social media advertising while the lowest was those who spent less than RM100 on purchases. There was no significant effect on any of the other variables (Table 10).

Table 10: Comparison of the mean scores of the amount respondents spent on purchases on sites advertised on social media

	Less than RM100	RM101- RM 300	RM301- RM 501	RM501- RM1, 000	RM1, 000 and above	Sig.
Lifestyle	4.12	4.19	4.23	4.25	4.16	.322
Attitude towards social media advertising	4.07	4.14	4.13	4.19	4.08	.418
Purchase Intention	4.06	4.14	4.11	4.18	4.13	.352
Actual Purchase	4.39	4.52	4.47	4.50	4.45	.180

CONCLUSION

Demography is the easiest and most rational way to categorise people. It refers to the vital and measurable statistics of a population and helps advertisers to locate a target market. This research also has implications for advertisers who are developing new advertisement for social media or considering the use of a current format of social media advertising. It also offers better information to ensure corporate advertisers apply social media advertising in a way to differentiate themselves from competitors. The insight provided by this study can be used in advertising strategy as it shows which factors should be given more attention than others based on the positive outcomes.

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