

# A Study on Social Media Advertising Influences on Car Purchases in the Kingdom of Bahrain

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**Abstract:-** A lot of car companies have accepted the new methods of advertising through social media. The purpose of the study is to investigate the effects in the performance of the car companies that are advertising through the social media networks such as Facebook, Twitter, Instagram and Snapchat and how would that affect increase in sales and brand images. The present research is conducted through surveys that include the use of questionnaires, as a primary source of information relevant to the analysis. Respondents are the students from the College of Business and Management Sciences at AMA International University Bahrain. The data for the research gathered from 97 respondents through structured interview schedule. Statistical tools such as ANOVA, five points Likert scaling as well as Pearson Correlation and Standard Multiple Regression Analyses used for analyzing the collected information. The study analyses the obstacles and provides suggestions and recommendations from car buyers perception in solving the difficulties that employers face, while reaching their prospective customers with social media advertisement in the Kingdom of Bahrain.

**Keywords:-** Social Media, Advertising, Brand Image, Car Purchase.

## I. INTRODUCTION

For every car dealer company it is challenging task to find out the new ways to increase the number of customers, what it motivates them, especially because different people are motivated by different things. Advancements in the Internet and Web 2.0 technologies now allow car consumers to access personally meaningful critiques not only from friends and relatives but from strangers (e.g. travel blogs, which continue to grow in popularity). As an illustration, according to third quarter of 2017 TripAdvisor branded sites are available in 49 markets, covering 7 million accommodations, restaurants and attractions and it had 570 million reviews and opinions attracting over 455 million unique users each month (Tripadvisor, 2017).

Promotion in social media it has decreased a lot of the expenditures of the car companies, comparing to classical ways of advertisements (Lipsman, 2017). The focus of the research is to explore and to study the influence of social media advertisements especially Facebook and Instagram in enhancing brand image of car companies. The strong

intention behind the topic selection is because a lot of car companies in the Kingdom of Bahrain rely on social media advertisements for accomplishment and competitiveness. Consequently, organizations in the Kingdom of Bahrain are working hard to improve their strategies in terms of motivating, evaluating and rewarding their customers.

## II. STATEMENT OF THE PROBLEM

The main problems raised at this research are the following:

- Is there a significant relationship between purchase intention of clients for cars using social media and brand image?
- Is there a significant relationship between purchase intention of clients for cars using social media and social media advertising?
- Is there a significant relationship between purchase intention of clients for cars using social media and brand equity?

## III. HYPOTHESIS

- H01: There is no significant relationship between purchase intention of clients for cars using social media and brand image.
- H02: There is no significant relationship between purchase intention of clients for cars using social media and social media advertising.
- H03: There is no significant relationship between purchase intention of clients for cars using social media and brand equity.

## IV. RESEARCH AIMS/ OBJECTIVES

The aim of this study is to find out the direction of the new media changes of advertising through the social media advertising and its effect on the car companies and services. Beside this, the research tries to find out these factors:

- To recognize how web-based social networking publicizing using social media can upgrade exchange between auto organizations and clients by multi-way correspondence.
- To identify customer realization towards social media advertising approach and relationship in order to develop a brand image for car companies.

- Distinguish the activities shoppers’ positive or negative take to publicize on social media.
- To observe how Instagram advertising impacts users in generating further information from a brand.

**V. SIGNIFICANCE OF THE STUDY**

Data and results of this study will be beneficial to the AMAIUB. For the general population living in the Kingdom of Bahrain or wider, this study will lead to the identification of effects of social media advertising on car customers in the Kingdom of Bahrain. To the Managers this study will provide comprehensive information regarding the continuing of the current social media advertisement strategy or in case of low effects level to improve the current advertisement strategy. To students in different colleges within the Kingdom of Bahrain or other countries, this study can be taken as a case study analysis for social media advertising issues in the Kingdom of Bahrain. This research can be of a good guidance for further exploring the issues and more deeply studying the given feedback by the respondents in order to increase the effects of social media advertising on car customers or apply a different advertisement technique. Additionally, it can be a good reference for the Bahrain government agencies, such as the ministry levels as well as for local and international organizations that deal with this kind of matter.

**VI. SCOPE AND LIMITATION**

Every research has own limitations, hence our limitations during this study are the following:

- Vast numbers of car customers around the world, results obtained from students may not be the perfect conclusion for some aspects.
- The sample of the study is focused only to the students of College of Administrative and Financial Sciences of AMAIUB, hence is not a representative finding for all students in the Kingdom of Bahrain.
- In order to comprehensively measure all of the factors that influence the customer motivation, the study is based only on the impact of social media advertisements on car companies, hence other factors are not included.

**VII. THEORETICAL FRAMEWORK**

The theory is given by Jodi, (2013), JC social media agency, based in UK. Content structures the foundation of social media for car business. Having solid content adds to numerous objectives of social media marketing and is the way to utilizing those exceptionally essential calculations.

Extensively, social media content contains three distinct components. Each component of content shared social media has a fluctuating level of self-promotion, value-adding, and interaction (see figure 1):

- Value-adding – engaging the crowd somehow; making a positive response,
- Self-promotion – to sell directly products or to promote the brand to crowd,
- Interaction – planning to make a genuine two-way discussion with people online



Fig 1:- Social media content matrix, Jodi, (2013)

**VIII. CONCEPTUAL FRAMEWORK**

The conceptual framework is based on Independent and Dependent Variables. The independent variables are Brand

Image, Brand Equity and Social Media Advertising and dependent variable is the influence in Purchase Intention on clients for cars which relationship is illustrated in the figure below.

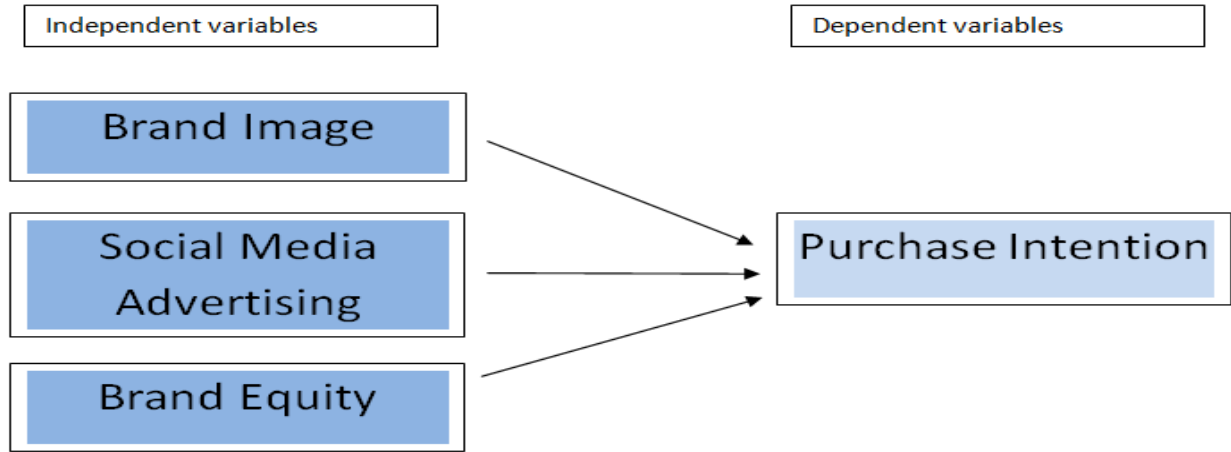


Fig 2:- Independent and dependent variables

**IX. LITERATURE REVIEW**

Facebook it is more for friends and users that know each other in their life, but Twitter and MySpace have more limited group of friends. This attracts also the possibility for advertisements such as for events, games, applications, fan pages, and offering the possibility for direct texting with each other’s (Lin, Utz, 2015). According to the statistics portal the highest rate of penetration of social media in the Kingdom of Bahrain for 2016 was for Facebook 58.7%, LinkedIn 16.9%, Twitter 12.9% and Instagram 10%.

Instagram is social networking application that became trendy very fast even though it was established recently, in 2010, and was bought by Facebook in 2012. It is considered as the most influential social network in the world. The main purpose is to share and edit photos and videos through Smartphone’s, which are displayed on your profile and those that follow you can see your posts and vice versa. The application is very user-friendly. The number of users has increased rapidly up to 800 million monthly active users as of September 2017 (Statista, 2017c).

Snapchat was created more recently, in 2011 but very fast became also one of the most demanded social media application in the world. The platform it has similar purpose, to share images and videos through Smartphone’s, but the difference with Instagram is that they these pictures and videos can disappear after some time. It is a serious competitor to Facebook and Instagram since it offers similar products and it turned down a 3 billion USD buying offer from Facebook in January 2014 (Molloy, 2017).

Indrupati and Henari (2011) conducted a descriptive research by questionnaires to over 150 entrepreneurs in Bahrain, UAE and Kuwait. They found out that 87% of the respondents agree that social media is helping the companies positively and 98% social networking sites help all entrepreneurs. According to the 7<sup>th</sup> Arab social media report the main language of communication between the users in social media is Arabic language. The number of more mature users is increasing. The findings of the 5<sup>th</sup> Arab social media report are that the main drivers for usage of social media in business are: business growth, improving company image, social media as marketing tool, job opportunities, becoming more consumer centric, training employees, improving inter office relations, improving service operations, driving entrepreneurship, innovation and new technologies, globalization, high marketing and advertising spend.

**X. RESEARCH METHODOLOGY**

The subject of the study is based only on car trading companies. The applied technique in this study is stratified sampling that is actually a sampling technique where the aggregate population is divided into smaller groups or strata. Respondents of the study are the students of AMAIUB, actually the students of the College of Administrative and Financial Sciences that are selected through the stratified sampling technique. Based on the research of Go-Gulf web portal (March 6, 2017), Bahrain has 1.38 million and 78% have social media account. Hence, this shows that total population of this master thesis is 1,076,400. The ideal sample size is 97. This sample size is calculated based on confidence level of 95%, population size of 1076400 and margin of error of 10%. The main tool of the study is done through the questionnaire. In order to check for any mistakes

or problems during the completing of the questionnaire to five random students were given pilot testing of the questionnaire. The questionnaire was adopted from previous research done from Gonzalez, Turku University of applied sciences, (2013). The ANOVA analysis is applied in the research, as well as five point Likert Scale, and Standard Multiple Regression Analyses.

**XI. RESULTS AND DISCUSSION**

Ninety seven (97) questionnaires were distributed to the potential respondents. The data shows that 55 (56.7%) individuals from the respondents were male while female respondents were 42 (43.3%). Regarding the age scope of the participants, with age range of “21-25” are 49 respondents (50.5%). The respondents use more Instagram with frequency of 41 (42.3%). Regarding the number of social sites that respondents have, with three sites are 26 respondents (26.8%). As for the time spend on social media, the respondents with “1 to 3 hours a day” add up to 33 (34%).

The Shapiro-Wilk test statistics from test of normality is based on the first null hypothesis that “There is no significant relationship between purchase intention of clients for cars using social media and brand image”. The data

shows that most of p-values are above 0.05, therefore we keep the null hypothesis. The Shapiro-Wilk test thus indicates that our data are normally distributed. The Shapiro-Wilk test statistics from test of normality is based on the second null hypothesis that “There is no significant relationship between purchase intention of clients for cars using social media and social media advertising”. The data shows that most of p-values are above 0.05, therefore we keep the null hypothesis. The Shapiro-Wilk test thus indicates that our data are normally distributed. The Shapiro-Wilk test statistics from test of normality is based on the third null hypothesis that “There is no significant relationship between purchase intention of clients for cars using social media and brand equity”. The data shows that most of p-values are above 0.05, therefore we keep the null hypothesis. The Shapiro-Wilk test thus indicates that our data are normally distributed.

The table 1 shows that the dependent variable is the mean of purchase intention of clients using social media and independent variables are all questions that are asked in the questionnaire to the respondents such as: for questions related to Brand Image are: BI1, BI 2, BI 3, BI 4, BI 5, BI 6; for Social Media Advertising: SMA1, SMA 2, SMA 3, SMA 4, SMA 5; for Brand Equity are: BE1, BE2, BE3, BE4.

Model	Variables Entered	Variables Removed	Method
1	BE4, BI1, BI6, BI3, SMA5, BE3, BI5, BI4, BE1, BE2, SMA1, SMA2, BI2, SMA3, SMA4 <sup>b</sup>	.	Enter
a. Dependent Variable: Mean of purchase intention of clients using social media			
b. All requested variables entered.			

Table 1:- Variables Entered/Removed<sup>a</sup>

The table 2 analyses the model summary table that represents the R Square and adjusted R Square are 8.4% (.084) and -8.6% (-.086), and these results account for only 8.4% of the variance in car purchase intention of clients using social media and that is very little prediction since its near to zero.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.289 <sup>a</sup>	.084	-.086	.58567
a. Predictors: (Constant), BE4, BI1, BI6, BI3, SMA5, BE3, BI5, BI4, BE1, BE2, SMA1, SMA2, BI2, SMA3, SMA4				

Table 2:- Model Summary

The table 3 represents ANOVA analysis. Since significance is higher than 0.05, that is 0.938, we know that the value of R Square is significantly almost zero that means that our independent variables (predictors) are not able to account for a significant amount of variance in car purchase intention of clients using social media.

Model <sup>a</sup>		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.537	15	.169	.493	.938 <sup>b</sup>
	Residual	27.783	81	.343		
	Total	30.320	96			
a. Dependent Variable: Mean of purchase intention of clients using social media						
b. Predictors: (Constant), BE4, BI1, BI6, BI3, SMA5, BE3, BI5, BI4, BE1, BE2, SMA1, SMA2, BI2, SMA3, SMA4						

Table 3:- ANOVA

## XII. SUMMARY OF THE FINDINGS, CONCLUSION AND RECOMMENDATION

It was uncovered that up to this point, brand image, social media advertising, brand equity, doesn't have significant influence on purchase intention of cars in Kingdom of Bahrain from the regression analysis that are implemented. The theme is as yet open for further research by using different variable from the one used in this study.

It is concluded that current advertisement in social media had 41 respondents agree that social media triggers people to purchase a car product and service. As the greater part of the social media individuals are between 21-25 years old it shows that youthful people and early grown-up are more likely to use social media in terms of choosing particular brand. Hence, social media plays a big role among the AMA students, since all of the respondents have at least one account in once social media. Along this, the research has helped additionally the car dealers to gain superior information of their clients that utilize social media in terms of shaping their advertising techniques as it needs to be.

It is recommended for the car dealers to change the strategy of advertisement of social media and webpages and to consider and augment different advertisement strategies in social media in order to influence the increase of car purchase from potential clients. The subject is open for further researchers by other researchers to apply different variables since it is a trend the current business world.

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