INFLUENCE OF SOCIAL MEDIA MARKETING ON ONLINE PURCHASE INTENTION OF SMARTPHONE BUYERS IN THE MAHARASHTRA STATE OF INDIA

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ASIA e UNIVERSITY

2025

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A Thesis Submitted to Asia e University in
Fulfilment of the Requirements for the
Doctor of Business Administration

March 2025

ABSTRACT

With the rise of social media, everyone can become a content creator in today's interconnected world. So, participation in social media affects consumers' propensity to buy. Nevertheless, this study is necessary since the engagement of social media greatly influences purchasing decisions, and this shift in communication poses new possibilities and problems for organizations. The main aim of this research was to determine the effects of using social media marketing, which could ultimately lead to an evaluation of the online purchase intention of people in the Maharashtra state of India who are interested in purchasing a smartphone. The purpose of this research was to investigate the impact that social media marketing activities (interaction, accessibility, social influence, and cost-efficient) through the mediating role of electronic word-of-mouth (e-WOM) have on the likelihood that smartphone purchasers in the Maharashtra state of India will make an online purchase. The study used a quantitative research design and a non-probability convenience sampling technique to achieve its empirical objectives. A total of 384 surveys were administered in order to compile the results. For descriptive statistics, we utilized SPSS version 23.0 and for inferential statistics, we used Smart PLS version 4.1.0. Results from the data analysis revealed positive significant relationship between interaction, accessibility, social influence, and cost-efficient and purchase intention of smartphone online buyers who use social media through the mediating role of electronic word-of-mouth (e-WOM). The study's findings indicate that it is advisable for the business to integrate social media marketing into its comprehensive strategy, establish and oversee online communities to engage with current and prospective customers, and implement advertising and promotional campaigns on social media platforms. Furthermore, the study's limitations and possible directions for further research were highlighted.

Keywords: Social media, smartphones, interaction, accessibility, e-WOM, cost efficient, purchase intention of smartphone online buyers

APPROVAL

This is to certify that this thesis conforms to acceptable standards of scholarly presentation and is fully adequate, in quality and scope, for the fulfilment of the requirements for the Doctor of Business Administration.

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DECLARATION

I hereby declare that the thesis submitted in fulfilment of the requirements for the Doctor of Business Administration is my own work and that all contributions from any other persons or sources are properly and duly cited. I further declare that the material has not been submitted either in whole or in part, for a degree at this or any other university. In making this declaration, I understand and acknowledge any breaches in this declaration constitute academic misconduct, which may result in my expulsion from the programme and/or exclusion from the award of the degree.

Name: Pritam Kumar

Signature of Student: **Date**: 25 March 2025

ACKNOWLEDGEMENTS

I dedicate my gratitude to the gods for granting me the ability to successfully complete my research on the "Influence of social media marketing on online purchase intention of Smartphone Buyers in the Maharashtra State of India."

My deepest appreciation goes out to Dr. Khairul Nizam Mahmud, my supervisor, for all of the help he gave me and the valuable time we spent together while I was doing my research. My thesis would not have been finished had he not helped me along the way. Regarding my mother, Dr. Ratna Sinha, and the rest of my family, I am eternally grateful for all the love and support they have given me. My sister and brothers have my eternal gratitude for supporting and believing in my every endeavour. Thank you to my pals who have always been there for me and never stopped lifting my spirits. They are all in my prayers; without them, I doubt I would have made it this far.

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LIST OF ABBREVIATION

ACC	Accessibility
AR	Augmented Reality
AVE	Average Variance Extracted
Boot CI	Bootstrapped Confidence Interval
CMB	Common Method Bias
CFA	Confirmatory Factor Analysis
COE	Cost Efficient
DV	Dependent Variable
e-WOM	Electronic Word-of-Mouth
f^2	Effect Size
HTMT	Heterotrait-Monotrait
INT	Interaction
IR	Indicator Reliability
IV	Independent Variable
LL	Lower Limit
O	Original Sample
P	P Value
PI_SP_SM	Purchase Intention of Smartphone Online Buyers Using Social Media
PI	Purchase Intention
PLS-SEM	Partial Least Squares Structural Equation Modeling
Q^2	Predictive Relevance
R^2	R-Squared

SM	Social Media
SEM	Structural Equation Modelling
SRMR	The Standardized Root Mean Square Residual
SI	Social Interaction
SPSS	Statistical Package for the Social Sciences
TPB	Theory of Planned Behavior
TRA	Theory of Reasoned Action
UL	Upper Limit
VIF	Variance Inflation Factor
VR	Virtual Reality

CHAPTER 1

INTRODUCTION

1.0 Chapter Overview

This chapter provides an overview of the research, including a statement of the problem and an explanation of the study's overall purpose. In addition, the chapter discusses the underlying assumptions of the study, the research questions that serve as the foundation for this study, and the research objectives. In its final section, the chapter defines the terms that were utilized throughout this research and elaborates on its significance, scope, and limitations.

1.1 Background of Study

Internet access and mobile phones with internet capabilities have become necessities in this day and age due to technological advancements. Smartphones are examples of technological advancements that provide users with new communication channels and ways to interact with one another. Wilmer et al. (2017) pointed out that people of all ages and educational backgrounds are becoming more interested in technological devices. The rapid development and advancement of smartphone technology are proof of the exponential growth in technological advancements. The vast majority of individuals today carry their smartphones with them at all times because they believe that smartphones are an integral part of modern life. Users of smartphones are provided with a wide range of possibilities, including the ability to send and receive text messages, participate in video and audio conferences, share photos, videos, audio, and text, and take images and access the internet (Bringula et al., 2018).

The majority of young people in India use their smartphones to talk to their friends, share photos and videos, send e-mails or text messages, look up locations or get directions, read electronic books, watch online news, videos, and movies, listen to music, visit social media apps, blog, play games, visit social media sites, comment on social media, and make online purchases and use mobile banking (Silver et al., 2019).

According to Yuchi et al. (2017), using a smartphone in conjunction with the internet allowed consumers to go to various social media websites to seek information about products and companies, communicate information and data with one another, view reviews, and make purchasing decisions. The decision of customers to make an online purchase is primarily impacted by social media. Every user will have unique requirements for their smartphone, depending on factors such as price, brand, features, and quality. Before deciding whether or not to make a purchase, consumers will investigate the numerous products in question to gather pertinent information, then compare and evaluate those products. The significance of the product is determined by whether or not it satisfies the needs and wishes of the target market. The intention to make a purchase and the likelihood of actually doing so will improve as a result (Rakib et al., 2022).

1.1.1 Overview of the Telecommunication Industry World-Wide

Arisar et al. (2019) note that telecommunication is one of the fastest-growing industries worldwide. Over the past decade, the global telecommunications sector has experienced a significant surge in both investment and expansion. According to Czarnecki and Dietze (2017), this growth can be primarily attributed to advancements in wireless technology and the rising demand for high-speed data connections. The expansion of the telecommunications industry has positively impacted economies by

increasing employment and business opportunities, while heightened competition among service providers has led to lower consumer costs (Jafor et al., 2024).

Kumar et al. (2015) report that Asia Pacific, North America, and Europe jointly accounted for 70% of worldwide telecom market revenue. Ketteni (2024) further observes that the top ten telecommunications firms globally are based mainly in North America and Asia.

Nekmahmud and Rahman (2018) found that by the end of 2016, 4.8 billion individuals accounting for 65% of the global population had smartphone subscriptions, a number predicted to reach five billion by mid-2017. By 2020, approximately 860 million additional subscribers were expected, raising the global penetration rate to 73%. These rates were projected to range from 50% in Sub-Saharan Africa to 87% in Europe. In 2016, total mobile revenues stood at $1.05 trillion 2.2% more than in 2015 marking the second consecutive year of revenue growth. The use of mobile technology boosted productivity for both employees and enterprises by 1.85 trillion in 2016. Altogether, the direct and indirect impact of mobile phone productivity reached 3.3 trillion that year, equating to 4.4% of global GDP.

Sacco (2020) explains that modern telecommunications companies create communication devices and utilize wired infrastructure such as cables, networks, computer systems, equipment, and satellites to deliver a wide range of voice, information, and broadband services. Telecommunication entails transmitting information over long distances for communication. Historically, it involved visual signals (for instance, semaphore telegraphs, smoke signals, signal flags, and optical heliographs) and auditory signals (such as drumbeats, horns, and whistles). Contemporary telecommunications rely on electronic methods, including radio, microwave, telegraph, and telephone. Communication channels use fiber optics and

related electronics, orbiting satellites, and the Internet (Stone, 2015). Today's telecommunications businesses produce communication devices and provide various voice, data, and broadband services using wireline infrastructure, which includes wires, internet connections, server computers, and satellites (Czarnecki & Dietze, 2017).

Vantage Research (2023) indicates that the global telecommunications market was estimated at USD 1,841.54 billion in 2023 and is projected to reach USD 2,661.13 billion by 2030, reflecting a 5.4% compound annual growth rate (CAGR) over the forecast period. Telecommunication refers to the transmission of data, audio, images, and various information forms through electrical or optical media. It is an umbrella term covering multiple communication technologies, such as landlines, mobile devices, VoIP, and broadcast networks, as well as the operation and administration of remote computer networks. A primary growth catalyst is the increasing investment in 5G infrastructure, underpinned by shifting consumer preferences toward modern technology and smartphones. Other factors fueling market expansion include the growing population of mobile users, the heightened need for high-speed data connectivity, and a rising demand for value-added service providers.

Zoting (2025) reports that in April 2024, American Telephone and Telegraph introduced the Samsung Galaxy A35 5G in the United States, aiming to provide high-speed 5G data alongside unlimited calling and texting. In March 2024, Vodafone unveiled a new data plan in India, offering a seamless cricket-viewing experience during the Indian Premier League (IPL). Finally, in May 2024, Amdocs an influential software and services provider joined forces with Nvidia to advance generative AI and boost efficiency in the communications sector.

1.1.2 Overview of the Telecommunication Industry in India

According to Arora and Ajmera (2024), India is presently the world's second-largest telecommunications market, with a total telephone subscriber base of 1,203.69 million, having experienced significant expansion over the past decade. The liberal and reforming regulations of the Government of India, along with robust consumer demand, served as important in the swift expansion of the Indian telecom sector. The Government has facilitated accessible market entry for telecom equipment and established a fair and proactive regulatory environment, ensuring the provision of telecom services to consumers at reasonable pricing. The relaxation of Foreign Direct Investment (FDI) regulations has become the industry one of the fastest-growing and among the top five generators of employment opportunities in the nation (Meena & Geng, 2022).

According to Briglauer et al. (2024), the whole customer base, including wireless and wired broadband subscriptions, has been steadily increasing. As of May 2024, there were 1,168.95 million wireless consumers in total. Jio had 474.61 million wireless subscribers, followed by Bharti Airtel with 387.76 million, Vodafone Idea with 218.15 million, and BSNL with 86.32 million. As of May 2024, there were 41.31 million wired broadband subscriptions. By December 2023, the total amount of data consumed had reached 5,000,047 GB. India's total wireless data usage climbed by 4.01%, from 47,629 PB in September 2023 to 49,543 PB in December 2023. From April to December 2023, total wireless data usage was 45 PB for 2G, 324 PB for 3G, 42,935 PB for 4G, and 6,239 PB for 5G. For the quarter ending June 2023, 2G, 3G, 4G, and 5G data usage accounted for 0.09%, 0.65%, 86.66%, and 12.59% of total wireless data usage, respectively. In FY24, the telecom sector's gross revenue was Rs. 2.4 lakh crore (US$ 29.00 billion). In the next five years, increased mobile phone

penetration and lower data prices will result in 500 million more internet users in India, creating opportunities for new businesses (Arora & Ajmera, 2024).

As pet the report by Sun (2024) the telecommunications industry in India commenced with the advent of the telephone in the mid-nineteenth century. It has progressed significantly since that time. Mobile telecommunications and Internet services were initially introduced in India in 1995. Over two decades later, the nation's mobile network has evolved into the second largest globally, surpassed only by China. The Indian telecom industry brought approximately 3.36 trillion Indian rupees in gross income for the fiscal year 2024. It was a little increase over 2023. There were roughly 1.16 billion wireless users in the country in 2023. India has more than 1.15 billion smartphone customers in 2023, a little rise over the previous year. In 2018, the number of subscriptions increased. In recent years, Reliance Jio has emerged as the largest telecom operator. LTE was the most widespread technology in India in 2023, accounting for nearly 730.3 million smartphone subscriptions. With around 764.5 million members, it peaked in 2022, when 33 million 3G connections were expected. It is expected that around 789 million of India's 1.19 billion smartphone subscriptions would be 5G by the end of 2029.

1.1.3 Contribution of Telecommunication Industry Including the Smartphone Sector to the Economy World-Wide and India

David (2019) observed the significance of communication services, particularly telecommunication services, is increasingly recognised as essential for comprehensive socio-economic development. The telecom sector has a direct and indirect impact on the economy because it makes up a significant portion of the infrastructure base. Czarnecki and Dietze (2017) found that the telecom industry has seen significant

investment and a competitive market over the last ten years, which has made more affordable and effective telecommunications services available to society worldwide.

De Wet et al. (2016) shows that this expansion of access and advancements in technology has had a direct impact on a wide range of everyday activities include financial inclusion, remote work, telemedicine, online education, and e-governance. The advancement within the telecommunications businesses particularly contains both forward and backward linkages with different sectors can stimulate demand for goods and services, so enhancing the broader economic landscape (Arkin et al., 2020).

Aker and Mbiti (2010) found that the growth of the telephone sector reduces service prices for current consumers as well as information expenses, resulting in increased output and economic efficiency. It emphasised the benefits of investing in telecommunications, which enhances customer welfare by providing prospective customers with more access to a wider infrastructure and allowing them to use services at a lesser cost. When making economic judgements, timing is equally important. Katz and Jung (2023) observed that the expansion of telecommunications lowers production costs by reducing time delays in corporate procedures. The primary effects of communications investments are increased equality of access to information and enhanced communication, which reduces transaction costs.

Sharma and Lawrence (2015) found that the privatization of the telecom industry is undoubtedly linked to the increase of tele-density, which in turn significantly influences economic development through growth in networks and networking quality enhancement. Smartphones substantially create diverse work prospects and facilitate socio-economic advancement in emerging and poor countries.

As per the findings of Ghaisani and Saragih (2024) the global telecommunications sector, encompassing mobile operators and the broader mobile

ecosystem, generated approximately 35 million jobs worldwide in 2023, comprising over 19 million direct positions and 16 million indirectly created through economic activity within the ecosystem.

The Indian mobile phone industry expects that the Government of India's initiative to promote battery charger manufacturing will result in the development of 365 factories, creating 800,000 employments by 2025 (Chaurasia, 2023). The Indian telecommunications industry in 2024 is characterized by innovations in technology and strategic market advancement. The integration of advanced semiconductor technologies is essential in this transition, meeting the growing demands for connectivity and speed, alongside critical factors of safety, environmental sustainability, and personalized user experience. The continuous advancement of the sector suggests that the synergy between telecommunications and semiconductor technology would be crucial in shaping India's digital future.

1.1.4 Challenges and Opportunities in Smartphone Sector

Goswami et al. (2024) found that the Indian smartphone market is largely powered by the budget and mid-tier segments. While premium smartphones from companies such as Apple, Samsung, and OnePlus are prominent, cost-effective alternatives from manufacturers like Xiaomi, Realme, Oppo, and Vivo dominate the market.

According to Choi et al. (2018), the cost-efficiency of 5G smartphones will be a pivotal factor in the growth of the mid-range market segment. Consumers in India have increasingly wanted smartphones that offer value for money, assuring a blend of performance, battery life, and camera quality at a reasonable price (Bali et al., 2023). Gupta (2024) shows that the telecommunications sector in India is ready for a substantial revolution with the deployment of 5G technology. Leading telecommunications firms, including Jio, Airtel, and Vodafone, are substantially

investing in 5G infrastructure, allowing smartphones in India to fully use improved speeds and diminished latency.

The environmental issues correlated with sustainable smartphone manufacturing are complicated demonstrating the delicate equilibrium among technical advancement, consumer demand, and ecological accountability (Skowron & Sak-Skowron, 2021). An in-depth analysis on these difficulties demonstrates the significant adverse environmental effects of conventional smartphone manufacturing methods, including depletion of resources, e-waste accumulation, and the carbon footprint resulting from their manufacturing lifetime (Goel et al., 2024).

According to the study of Raj et al. (2023), Indian consumers would increasingly prefer smartphones that prioritize sustainability. Brands that stress sustainable processes and introduce environmentally friendly products are likely to gain a competitive advantage. Anticipate a rise in the development of smartphones made from recyclable materials as companies investigate sustainable packaging and lower carbon footprints (Suckling & Lee, 2015).

Rathore et al. (2011) stated that the Indian smartphone market is shifting towards the online retail. Shoppers are increasingly purchasing smartphones through e-commerce sites such as Flipkart, Amazon, and specialist brand websites. Online sales provide consumers a wider range of products, competitive pricing, and more convenience. In India most of the customers prefer the convenience of online shopping, which includes the ability to compare models from the ease of their own homes, discounts, and home delivery (Wang et al., 2015). Smartphone brands that improve their online visibility and create smooth digital shopping experiences will dominate the sector.