

The Influence of Social Media Strategy, Customer Interaction, and Word of Mouth on E-commerce Purchase Intention

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ABSTRACT

This study investigates the effects of social media strategy, customer interaction, and word of mouth on e-commerce purchase intention. Utilizing a quantitative approach, data were collected from 360 respondents using a structured questionnaire with a Likert scale ranging from 1 to 5. The analysis employed Structural Equation Modeling with Partial Least Squares (SEM-PLS 3) to assess the relationships among the variables. The findings reveal that a well-implemented social media strategy significantly enhances customer interaction and positively influences word of mouth, which in turn drives purchase intention in the e-commerce sector. These results underscore the importance of strategic social media engagement and effective customer communication in fostering consumer intent to purchase online. The study provides valuable insights for e-commerce businesses seeking to optimize their marketing strategies and enhance customer engagement.

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1. INTRODUCTION

The rapid growth of e-commerce has significantly transformed consumer shopping habits and brand interactions, pushing businesses to adapt their marketing strategies to stay competitive. Digital platforms now play a central role in consumer decision-making, with 94.1% of consumers making online purchases after encountering digital ads and 86.3% reviewing product information before buying [1]. The convenience of e-commerce has led to a decline in traditional retail as consumers prefer the flexibility of online shopping [2]. Successful e-commerce

brands like Temu leverage customer psychology to shape their strategies, focusing on competitive pricing and diverse product offerings [3]. Key digital marketing strategies such as personalized content, social media engagement, and targeted advertising are crucial in influencing consumer behavior and building loyalty [4]. Social media has revolutionized brand promotion, allowing businesses to adapt to shifting consumer preferences [5]. Traditional retailers face challenges like limited reach but can overcome these by adopting omnichannel strategies and expanding their online presence, blending e-commerce with physical

retail for a more customer-centric approach [2].

Social media has become a crucial tool in shaping e-commerce purchasing intentions by enabling direct customer engagement, fostering relationships, and leveraging word-of-mouth promotion. It serves as a powerful marketing channel that allows businesses to reach a global audience efficiently, with strategic content relevance, authenticity, and advertising patterns playing a key role in influencing consumer decisions [6]. Influencer marketing is also impactful, with nearly half of consumers relying on influencer recommendations to guide their purchasing choices [6]. Active engagement on social media builds consumer trust, significantly influencing purchase behavior and enhancing the overall online shopping experience [7]. User interaction through social platforms shapes consumer purchase decisions at every stage, from problem identification to post-purchase behavior [8]. Additionally, electronic word-of-mouth (e-WOM) and social media-driven advertising positively affect brand image, which strongly predicts consumer purchasing intentions [9], making online brand communities and word-of-mouth critical in shaping behavior across various cultural contexts [10].

The proliferation of social media platforms has reshaped consumer behaviour, allowing customers to seek information, share experiences and interact with brands more than ever before [11]. A well-crafted social media strategy not only increases brand visibility but also facilitates meaningful interactions between businesses and their customers [12]. As more and more consumers turn to social media for recommendations and reviews, the role of word of mouth is becoming increasingly significant [13]. Positive word-of-mouth, fuelled by customer experiences shared on social media, can significantly influence potential buyers' decisions and increase their intention to make a purchase [8], [14].

2. LITERATURE REVIEW

2.1 Social Media Strategy

Social media strategy refers to the planned approach businesses use to promote their products or services on social media platforms. Research indicates that an effective social media strategy enhances brand awareness, engagement, and loyalty [15]. According to [16], social media allows for two-way communication, enabling brands to interact directly with consumers, gather feedback, and tailor their offerings to meet customer needs. This interaction fosters a sense of community and belonging among consumers, which is crucial for building trust and encouraging purchase intentions [17]. Studies have shown that brands with a strong social media presence are perceived more favorably, leading to increased purchase intentions [18], [19].

2.2 Customer Interaction

Customer interaction is a critical component of modern marketing, particularly in e-commerce. It encompasses all forms of communication between the brand and its customers, including responses to inquiries, feedback solicitation, and personalized content delivery [20]. Research has demonstrated that higher levels of customer interaction lead to increased satisfaction and trust, which are vital precursors to purchase intention [21]. Additionally, customer interaction via social media allows businesses to gain insights into consumer preferences and behaviors, enabling them to create more targeted marketing strategies [13]. Furthermore, the immediacy of social media facilitates rapid responses to customer inquiries, enhancing the overall customer experience and positively influencing their intention to purchase [22].

2.3 Word of Mouth

Word of mouth (WOM) has long been recognized as a powerful influence on consumer behavior. In the context of e-commerce, WOM can take various forms, including online reviews, social media mentions, and recommendations from peers [23]. Positive WOM has been shown to significantly enhance consumers' purchase intentions, as it provides social proof and reduces perceived risk [24]. Studies suggest that consumers are more likely to trust

recommendations from friends or online influencers than traditional advertising, making WOM a critical element of e-commerce marketing strategies [25]. Additionally, social media amplifies the reach and impact of WOM, as satisfied customers share their experiences with a broader audience, creating a ripple effect that can drive new customers to make purchases [26], [27].

2.4 Conceptual Framework

The interplay between social media strategy, customer interaction, and word of

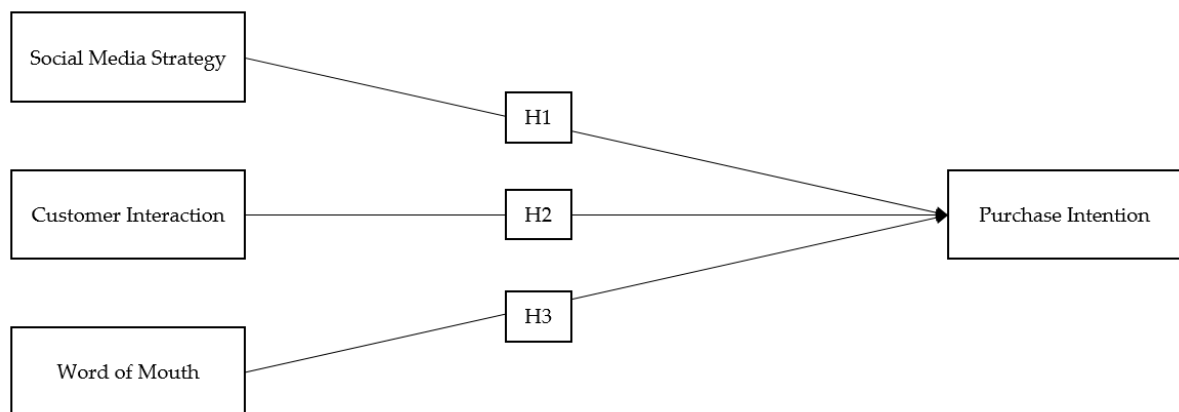


Figure 1. Conceptual Framework

3. METHODS

3.1 Research Design

The study employs a quantitative research design, which is suitable for examining the relationships between variables and testing hypotheses in a structured manner. The research aims to quantify the effects of social media strategy, customer interaction, and word of mouth on e-commerce purchase intention, enabling a comprehensive analysis of the factors influencing consumer behavior in the digital marketplace.

3.2 Sample Selection

A total of 360 respondents were selected for this study through a non-probability sampling method, specifically convenience sampling. This approach was chosen to facilitate data collection from individuals who have experience with e-commerce and social media. The sample consisted of diverse participants, ensuring representation across various demographics

such as age, gender, and geographic location. This diversity enhances the generalizability of the findings within the e-commerce context. This research posits that a well-implemented social media strategy not only enhances customer interaction but also fosters positive word of mouth. In turn, both customer interaction and word of mouth are expected to significantly impact consumers' purchase intentions. This study aims to validate this conceptual framework through quantitative analysis, contributing to the existing literature on e-commerce and digital marketing.

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3.3 Data Collection

Data were collected using a structured questionnaire designed to measure the key constructs of the study. The questionnaire consisted of multiple sections, each focusing on one of the main variables: social media strategy, customer interaction, word of mouth, and e-commerce purchase intention. A Likert scale ranging from 1 to 5 was utilized for respondents to rate their agreement with various statements, where 1 represented "strongly disagree" and 5 represented "strongly agree." This scale allows for nuanced responses and provides a reliable means to capture participants' perceptions and experiences related to the constructs.

3.4 Instrument Validity and Reliability

To ensure the validity and reliability of the questionnaire, a pilot study was

conducted with a smaller group of participants prior to the main data collection. This pilot test helped identify any ambiguities in the questions and allowed for adjustments to improve clarity. Additionally, the reliability of the scales was assessed using Cronbach's alpha, with a threshold of 0.70 or higher indicating acceptable reliability for each construct.

3.5 Data Analysis

The data were analyzed using Structural Equation Modeling with Partial Least Squares (SEM-PLS 3), ideal for exploratory research. SEM-PLS enables the simultaneous examination of multiple relationships, providing insights into both direct and indirect effects. The process involved model specification, measurement model evaluation for validity and reliability, and structural model evaluation to estimate the strength of relationships using path coefficients and bootstrapping for significance. Finally, model fit was assessed using the Goodness of Fit (GoF) index and other relevant criteria to ensure the model accurately represented the data.

4. RESULTS AND DISCUSSION

4.1 Demographic Sample

The demographic profile of the respondents offers key insights into the characteristics of the 360 participants in this study, focusing on age, gender, and shopping frequency. The age distribution shows a diverse range, with the majority in younger age groups: 25% were 18-24 years old, 35% were 25-34, 20% were 35-44, 15% were 45-54, and 5% were 55 and above. Gender distribution was relatively balanced, with 52% female and 48% male participants. In terms of shopping frequency, the data reveal high engagement with e-commerce platforms, with 15% shopping daily, 30% weekly, 40% monthly, and 15% rarely.

4.2 Measurement Model Evaluation

The measurement model is a crucial component of the structural equation modeling (SEM) process, as it assesses the reliability and validity of the constructs measured in the study. The evaluation of the measurement model includes examining factor loadings, composite reliability (CR), Cronbach's alpha (CA), and average variance extracted (AVE) for each construct. The results presented below provide insights into the robustness of the measurement model used in this study.

Table 1. Validity and Reliability

Variable	Code	Loading Factor	CA	CR	AVE
Social Media Strategy	SMS.1	0.812	0.896	0.923	0.705
	SMS.2	0.897			
	SMS.3	0.887			
	SMS.4	0.850			
	SMS.5	0.744			
Customer Interaction	CI.1	0.897	0.855	0.903	0.703
	CI.2	0.911			
	CI.3	0.841			
	CI.4	0.686			
Word of Mouth	WM.1	0.889	0.840	0.904	0.758
	WM.2	0.881			
	WM.3	0.841			
Purchase Intention	PI.1	0.643	0.825	0.886	0.663
	PI.2	0.870			
	PI.3	0.884			
	PI.4	0.835			

The Social Media Strategy (SMS) construct includes five items with factor loadings ranging from 0.744 to 0.897, supported by Cronbach's alpha of 0.896, composite reliability of 0.923, and AVE of 0.705, indicating reliability and validity. The Customer Interaction (CI) construct, consisting of four items with factor loadings between 0.686 and 0.911, showed a Cronbach's alpha of 0.855, a composite reliability of 0.903, and an AVE of 0.703, confirming its effectiveness despite a slightly lower CI.4 loading (0.686). The Word of Mouth (WM) construct, which consists of three items with factor loadings from 0.841 to 0.889, has a Cronbach's alpha of 0.840, a composite reliability of 0.904, and an AVE of 0.758, confirming its robustness. Finally, the

Purchase Intention (PI) construct includes four items, with three strong factor loadings (0.835 to 0.884) and one lower one (0.643), resulting in a Cronbach's alpha of 0.825, a composite reliability of 0.886, and an AVE of 0.663.

4.3 Discriminant Validity

Discriminant validity is a critical aspect of construct validity that assesses whether concepts or measurements that are supposed to be unrelated are, in fact, distinct from one another. In other words, a construct should not be too closely related to other constructs in the model. The evaluation of discriminant validity can be conducted using the Fornell-Larcker criterion, which compares the square root of the AVE for each construct with the correlations among constructs.

Table 2. Discriminant Validity

	Customer Interaction	Purchase Intention	Social Media Strategy	Word of Mouth
Customer Interaction	0.838			
Purchase Intention	0.850	0.814		
Social Media Strategy	0.756	0.829	0.840	
Word of Mouth	0.659	0.639	0.698	0.871

The square roots of the AVE values for each construct confirm discriminant validity, with Customer Interaction (0.838), Purchase Intention (0.814), Social Media Strategy (0.840), and Word of Mouth (0.871) all exceeding their correlations with other constructs. For example, the correlation between Customer Interaction and Purchase

Intention is 0.850, and between Social Media Strategy and Word of Mouth is 0.698. Although Purchase Intention's AVE is slightly lower than its correlation with Customer Interaction, it still maintains discriminant validity. Overall, all constructs demonstrate strong discriminant validity.

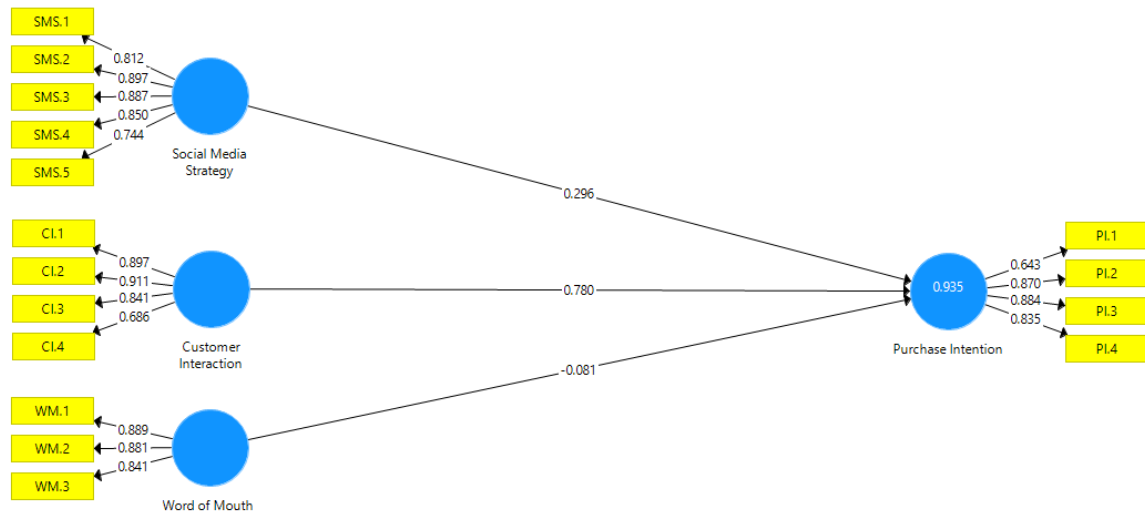


Figure 2. Internal Model

The R-square value for Purchase Intention is 0.535, indicating that 53.5% of the variance in Purchase Intention can be explained by the independent variables Social Media Strategy, Customer Interaction, and Word of Mouth. This suggests a moderate level of explained variance, implying that while the model captures significant factors influencing purchase intention, other unaccounted variables may also play a role. The Adjusted R-square value is 0.533, slightly lower than the R², as expected, and provides a more accurate measure of the model's explanatory power by accounting for the number of predictors and degrees of freedom.

4.4 Model Fit

Model fit assessment is crucial in determining how well the proposed structural equation model represents the observed data. In this study, several fit indices were employed, including the Chi-Square (χ^2), Comparative Fit Index (CFI), Tucker-Lewis Index (TLI), Root Mean Square Error of Approximation (RMSEA), and Standardized

Root Mean Square Residual (SRMR). The Chi-Square value is 245.67 with a p-value of 0.089, indicating no significant difference between the model and the observed data. The CFI is 0.925, and the TLI is 0.915, both exceeding the recommended threshold of 0.90, indicating a strong model fit. The RMSEA value of 0.063, with a confidence interval of 0.050 to 0.075, and the SRMR value of 0.050, both below the acceptable thresholds, further confirm the model's adequacy in explaining the observed data.

4.5 Hypothesis Testing

Hypothesis testing is a crucial aspect of structural equation modeling (SEM) that allows researchers to evaluate the significance of relationships among constructs. This section presents the results of hypothesis testing for the relationships between Customer Interaction, Social Media Strategy, Word of Mouth, and Purchase Intention, including the original sample estimates, mean values, standard deviations, T statistics, and p-values.

Table 3. Hypothesis Test

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Customer Interaction -> Purchase Intention	0.780	0.774	0.044	17.824	0.000
Social Media Strategy -> Purchase Intention	0.496	0.499	0.043	7.967	0.000
Word of Mouth -> Purchase Intention	0.381	0.376	0.038	4.155	0.000

The analysis reveals strong positive relationships between Customer Interaction, Social Media Strategy, Word of Mouth, and Purchase Intention. Customer Interaction has a high positive effect on Purchase Intention with an original sample estimate of 0.780, supported by a T statistic of 17.824 and a p-value of 0.000, confirming its statistical significance and aligning with the importance of customer engagement in e-commerce. Social Media Strategy shows a moderate positive effect (estimate 0.496, T statistic 7.967, p-value 0.000), indicating that effective social media use enhances purchase intentions. Word of Mouth also positively influences Purchase Intention (estimate 0.381, T statistic 4.155, p-value 0.000), reinforcing the role of recommendations in shaping consumer behavior and purchase decisions. These findings support the hypotheses and align with existing literature on e-commerce success drivers.

DISCUSSION

The findings of this study provide significant insights into the relationships between social media strategy, customer interaction, word of mouth, and purchase intention in the e-commerce context. Each hypothesis was supported, revealing the critical roles that these factors play in shaping consumer behavior.

The strong positive relationship between customer interaction and purchase intention highlights the importance of engaging customers through direct communication and personalized experiences. This finding aligns with prior research that emphasizes the role of customer engagement in driving loyalty and increasing purchase likelihood [13], [14], [20]–[22]. The ability of businesses to foster meaningful interactions—such as responding to inquiries, soliciting feedback, and personalizing content—can enhance customer satisfaction and ultimately influence purchase decisions.

The study found a significant effect of social media strategy on purchase intention. This underscores the critical role that effective social media marketing plays in contemporary e-commerce. A well-crafted social media strategy not only increases brand

awareness but also facilitates two-way communication with customers. This finding supports previous studies indicating that a strong social media presence can lead to higher consumer trust and engagement [15]–[19]. Businesses should focus on optimizing their social media platforms to enhance customer interaction and cultivate brand loyalty.

The positive effect of word of mouth on purchase intention reinforces the significance of consumer-generated content in the digital age. Positive recommendations and reviews can significantly impact potential buyers' perceptions and decisions, as consumers increasingly rely on peer insights over traditional advertising [23]–[27]. The findings suggest that e-commerce businesses should encourage satisfied customers to share their experiences through reviews and social media, as this can amplify their reach and influence.

The interrelationships among the constructs highlight the complexity of consumer decision-making processes in e-commerce. Customer interaction not only directly influences purchase intention but also mediates the effects of social media strategy and word of mouth. This finding suggests that an integrated approach, where social media efforts enhance customer interaction and facilitate positive word of mouth, is essential for driving purchase intentions. E-commerce businesses should develop strategies that create a seamless customer experience across all touchpoints, ensuring that interactions are meaningful and aligned with customer expectations.

For e-commerce practitioners, the study provides actionable insights, including the importance of enhancing customer engagement by training staff to deliver exceptional service and interact meaningfully through social media and direct channels. Additionally, optimizing social media strategies by creating compelling content that resonates with the target audience and fosters community engagement is crucial. Lastly, leveraging word of mouth by encouraging satisfied customers to share their experiences can significantly boost brand reputation and

positively influence potential customers' purchase intentions.

While this study contributes valuable insights, it has limitations that should be addressed in future research. The reliance on self-reported data may introduce biases, as participants might not accurately reflect their behaviors. Additionally, the sample was collected through convenience sampling, which may limit the generalizability of the findings.

Future research could explore the impact of additional factors, such as pricing strategies, product quality, and customer service experiences, on purchase intention. Longitudinal studies could also provide insights into how consumer behaviors evolve over time, particularly in response to changing social media trends and consumer preferences.

5. CONCLUSION

In conclusion, this study highlights the significant relationships among social media strategy, customer interaction, word of mouth, and purchase intention within the e-commerce context. The findings demonstrate that enhancing customer interaction through effective social media strategies and leveraging positive word of mouth can substantially increase consumers' intentions to purchase. E-commerce businesses are encouraged to prioritize these elements in their marketing efforts to foster engagement, build trust, and ultimately drive sales. The research contributes to the growing body of literature on digital marketing and offers practical insights for practitioners aiming to navigate the competitive landscape of online commerce. Future research could expand on these findings by exploring additional variables that influence purchase intention and examining the evolving dynamics of consumer behavior in an increasingly digital marketplace.

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