The Impact of Social Media Marketing towards the Purchase Intention among Generation Y and Z with Reference to Franchise Fast Food Industry in Colombo District


Abstract- Out of the source characteristics, the study discovers the impact of social media marketing towards purchase intention among generation Y and Z referring to fast food franchises in the Colombo district. Although there were many studies conducted in other countries on the impact of social media marketing towards purchase intention, there is a deficiency of literature in the Sri Lankan context regarding the same area. Furthermore, this study explores how the purchase intention differs from one generation to another. The study focuses on generation Y and Z. Franchise fast food industry in Sri Lanka is using social media marketing widely for marketing activities compared to other industries.

Keywords: social media marketing, purchase intention, generation y, generation z, e-WOM, online communities, online advertisement.

GJMBR-E Classification: JEL Code: M30

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The Impact of Social Media Marketing towards the Purchase Intention among Generation Y and Z with Reference to Franchise Fast Food Industry in Colombo District


Abstract - Out of the source characteristics, the study discovers the impact of social media marketing towards purchase intention among generation Y and Z referring to fast food franchises in the Colombo district. Although there were many studies conducted in other countries on the impact of social media marketing towards purchase intention, there is a deficiency of literature in the Sri Lankan context regarding the same area. Furthermore, this study explores how the purchase intention differs from one generation to another. The study focuses on generation Y and Z. Franchise fast food industry in Sri Lanka is using social media marketing widely for marketing activities compared to other industries. Because of that, this study has been conducted for the fast food franchise industry. The sample size for the study is 385 respondents (consumers) from Colombo district who belong to generation Y and Z. Furthermore, participants of this study are the consumers of franchise fast food sector who are active in social media. The simple random sampling method was utilized as the sampling method of the study. Seven hypotheses were developed based on the research objectives and all the seven hypotheses were accepted.

The quantitative approach was followed for this study and it is the only method used for data collection. This study utilized a correlation analysis to determine the impact between independent variables and dependent variable. ANOVA analysis has been used to determine how the generation Y and Z moderate the relationship between independent variables and dependent variables. The research findings conclude that social media marketing has the strongest impact on consumer purchase intention of generation Y compared to generation Z. Additionally, the study concludes that the e-WOM, online communities and online advertisements has a positive impact on consumer purchase intention of both generation Y and Z. Finally, generation Y and Z moderate the relationship between social media marketing and consumer purchase intention.

Keywords: social media marketing, purchase intention, generation y, generation z, e-WOM, online communities, online advertisement.

I. Introduction

a) Background of the study

The roles of businesses and consumers started to change beside with emerging of the internet in last couple years of 20th century. By emergence of millennial years, the remarkable growth of digital technologies has begun to impact on consumers’ day to day lives. The way people develop their social networks with each other became much quicker with the internet.

Digital marketing is considered to be main key marketing tools of organizations to endorse organizations’ goods and amenities along with to build awareness. By the start of the 21st century, customers started to obtain the position called “user” in world of digital. Social media marketing can be referred to as the most critical component and the biggest part of digital marketing for the past couple of years. The success of social media channels like Facebook and Instagram led to a tremendous change in how people socialize, interconnect with each one and the way they shop. Nowadays, the number of social media channels is increasing dramatically, creating a place for millions of persons to segment similar ideas and comforts. The higher attractiveness of social media platforms has impacted both socially and electronically changes. It has changed the way of shopping has been done previously. So, social media often referred to as the crucial channels of global marketing communication and has acquired a huge proportion of the marketing budgets of companies mainly to reach the younger population.

Franchise fast food industry is using social media enormously for branding compared to other industries (Jakste & Kuvykaite, 2013). They are using social media by way of an important promotion instrument so as to deal through the challenges of competitors. Organizations are using different types of marketing techniques to obtain a space for their brands in the customer’s mind. Consequently, the importance of social media marketing including both Facebook and Instagram marketing has been identified by the organizations, marketers, and the academic community. So, the businesses started to create corporate and brand social media pages since power of that which suggestions an occasion for organizations to use various marketing techniques which used to inspire customers.
Social media channels can add more value to the brands and easily acquire the target market by using eye-catching content. Through this technology advancement, social media platforms became one of the most favorite mediums of marketers and organizations to develop their brand name stronger. Also, those channels help to develop the relationship between consumers and the organization. Previously, the behaviors of consumers have properly been circulated by old-style broadcasting platforms likewise TV, radio, and newspapers, etc. In traditional marketing, methods that are used by sellers to reach buyers are mostly inefficient and very expensive. Social media pages of fast food franchises are used for connecting with customers while promoting their brand. Customers are being sent posts regarding new meals, discounts, and offers every other day as a reminder. According to Gaber & Wright (2014), young consumers tend more to accept the idea of social media advertising about fast food franchises, which are also known as fast food generation.

Social media is now an important portion of subsists of persons particularly the fresh group. Number of Facebook users of Sri Lanka is 6,479,000 as of January 2020 and it is 30.7% of Sri Lankan inhabitants. 4. of them are using Instagram which is numbered as 992,100 (NapoleneCat., 2020). Nowadays businesses have a huge concern about those social media users. There were two of the most explored generations will combine in the work environment simultaneously. Generation Y, or Millennial people, regularly supposed of as persons conceived anywhere in the age range of 1984 and 1996; the Generation Z, persons transported hooked on the world after 1997, the ones who is going to join labor force (Bresman & Rao, 2017).

Food is not just a way of satisfying hunger; with the evolution of society, it became a culture that connects people. “Fast food” is the newest trend in that food culture. People are too busy with their life because of that they seek easy and convenient ways to satisfy their hunger, fast-food became the solution with thousands of tasteful and convenient options. People do not spend hours in the kitchen making food, they purchase from the nearest restaurant or from a place which they find on the way home from the workplaces. The increasing number of women in the country’s workforce can be considered as a reason for the growth of the fast-food industry in Sri Lanka.

As stated by the Fast Food Manufacturing Examination on 2016 – rate and tendencies report, this trade produces over 570 billion dollars globally, which higher than total worth of markets in maximum nations while considered as one. Only from the USA, 200 billion dollars was generated from the fast food industry in the year of 2015. According to economic studies conducted on the fast-food trade, it is forecasted that the global fast-food industry will reach 2.5 % annual growth in succeeding 5 to 10 years. The fast-food industry has made more than 4 million job opportunities for individuals all around the world. In 2015, 200,000 jobs were filled with energetic individuals in the fast-food industry. Three key things that customers consider are quality, price, and taste. It called fast food because it is all about speed. Fast food franchises mostly focus on speed, unique experience, and affordability for the customer (Franchise Help, 2020).

Especially customers are well aware of opinions and referrals of additional buyers of facility or the creation. Most of global besides local fast food brands maintain active and engaging social media presence on Facebook and Instagram. KFC, McDonald’s, Pizza Hut, Dominos’ Pizza, and Burger King can be considered as well-established fast-food franchises in Sri Lanka. Most of these franchise outlets are located around the Colombo district.

When we analyze the social media presence of each franchise, it highlights that these franchises are highly active on Facebook and Instagram. Also, these franchises have gathered an engaging digital audience who are very keen to know about upcoming offers, new menu additions, and other benefits. The roles of businesses and consumers started to change lengthways with rise of internet in previous couple of years the 20th period. By the emergence of millennial years, the remarkable growth of digital technologies has begun to impact consumers’ day to day lives. The way people develop their social networks with each other became much quicker with the internet.

Social media marketing can be referred to as the most critical component and the biggest part of digital marketing for the past couple of years. The success of social media channels like Facebook and Instagram led to a tremendous change in how people socialize, interconnect with each and every one, and the way they shop. Nowadays, the number of social media channels is increasing dramatically, creating a place for millions of individuals to part similar ideas and benefits. The higher admiration of social media platforms has impacted both socially and economically changes. And also it has changed the way of shopping has been done previously. So, social media often referred to as the crucial channels of global marketing communication and has acquired a huge proportion of the marketing budgets of companies mainly to reach the younger populace.

b) Statement of the problem

According to previous literature, it is proven that present is a major influence of social media marketing on purchase intention of the users who belong to generation Y in Malaysian context. e-WOM, online communities, online advertisements are considered to be the driving factors for the customers’ purchase intention (Balakrishnan, et al., 2014).
Now the background of the Colombo district franchise fast-food market, that impact of social media marketing on purchase intention can be differentiated across generations Y and Z as each audience has different online behaviors which also can be identified under the e-WOM, online communities, and online advertising.

Furthermore, this study has not been conducted on the fast-food franchise industry in Sri Lankan context. But a recent study has been conducted for Sri Lankan fashion industry. Social media marketing impact has not been much prioritized. Due to the lack of researches been done through the impact of the social media marketing on purchasers' purchase intention on Sri Lanka, the research gap exists.

c) Research Questions
Below research questions were developed according to our study.
1. What is the impact of e-WOM towards purchase intention of generation Y referring to fast food franchises in Colombo district?
2. What is the impact of e-WOM towards purchase intention of generation Z referring to fast food franchises in Colombo district?
3. What is the impact of online communities towards purchase intention of generation Y referring to fast food franchises in Colombo district?
4. What is the impact of online communities towards purchase intention of generation Z referring to fast food franchises in Colombo district?
5. What is the impact of online advertisements towards purchase intention of generation Y referring to fast food franchises in Colombo district?
6. What is the impact of online advertisements towards purchase intention of generation Z referring to fast food franchises in Colombo district?
7. Is the relationship between social media marketing and consumer purchase intention moderated by generation Y and Z?

d) Research Objectives
Below research objectives were developed according to our study.

Main Objective
1. To examine the generation Y and Z moderation within the relationship between social media marketing and consumer purchase intention in the fast food franchises in Colombo district.

Hypothesis
H1: There is a positive impact of e-WOM towards purchase intention of generation Y referencing to fast food franchises in Colombo district.
H10: There is a negative impact of e-WOM towards purchase intention of generation Z referencing to fast food franchises in Colombo district.
H2: There is a positive impact of e-WOM towards purchase intention of generation Y referencing to fast food franchises in Colombo district.
H20: There is a negative impact of e-WOM towards purchase intention of generation Z referencing to fast food franchises in Colombo district.
H3: There is a positive impact of online communities towards purchase intention of generation Y referencing to fast food franchises in Colombo district.
H30: There is a negative impact of online communities towards purchase intention of generation Z referencing to fast food franchises in Colombo district.
H4: There is a positive impact of online communities towards purchase intention of generation Y referencing to fast food franchises in Colombo district.
H40: There is a negative impact of online communities towards purchase intention of generation Z referencing to fast food franchises in Colombo district.
H5: There is a positive impact of online advertisements towards purchase intention of generation Y referencing to fast food franchises in Colombo district.
H50: There is a negative impact of online advertisements towards purchase intention of generation Z referencing to fast food franchises in Colombo district.
H6: There is a positive impact of online advertisements towards purchase intention of generation Y referencing to fast food franchises in Colombo district.
H60: There is a negative impact of online advertisements towards purchase intention of generation Z referencing to fast food franchises in Colombo district.
**H7:** Generation Y and Z moderates the relationship between Social Media Marketing and Consumer Purchase Intention.

e) **Contribution of the Study**

This study attempts to fill knowledge gap of impact of social media marketing towards purchase intention among generation Y and Z with reference to franchise fast food industry in Colombo district. These findings from study will expressively create awareness of the impact of social media marketing on the purchase intention of individuals who belong to generation Y and Z. Along with providing the awareness for social media marketers of franchise fast food industry to enhance and expand the knowledge towards the consumers buying behavior for the future social media marketing campaigns.

Consequently, the social media is the fundamental for the social media marketers to realize purchasing behaviors of consumers. Furthermore, increase perceptions of the consumers’ ideas, feelings towards fast food brands. Fast food chains are utilizing the social media pages as a mode of communications to interact through their customers. The page admins are publishing their new products, new promotions and several types of content. The main aim of the advertising is to fans to like the post, spread the messages with their friends. In order to more customer engagement, reach pages are trying make more creative content.

Referring to the Sri Lankan fast food franchise context, the fast food franchises are maintaining social media pages.

<table>
<thead>
<tr>
<th>Fast-food franchises in Sri Lanka</th>
<th>Facebook</th>
<th>Instagram</th>
</tr>
</thead>
<tbody>
<tr>
<td>KFC</td>
<td>55K likes</td>
<td>38.8k followers</td>
</tr>
<tr>
<td>McDonald’s</td>
<td>80M likes (One global page operates for every country)</td>
<td>13.6 followers</td>
</tr>
<tr>
<td>Pizza Hut</td>
<td>457K likes</td>
<td>78.2k followers</td>
</tr>
<tr>
<td>Domino’s Pizza</td>
<td>391K likes</td>
<td>24.7k followers</td>
</tr>
<tr>
<td>Burger King</td>
<td>202K likes</td>
<td>26.5k followers</td>
</tr>
</tbody>
</table>

*Source – Secondary data (Official social media pages)*

Those opportunities let social media marketers build up conversations with customers. Since it provides a root for brands to sustain in their online platforms. (Balakrishnan, et al., 2014). Since the various kinds of efforts have been utilized by marketers in order to maintain their purchase intention. Also, the fast-food industry is the place where customers directly get the service provided. This relationship has been redefined with emergence of social media.

With that, customers are now seeking opportunities and benefits rather than expecting lower prices. It is all about receiving the value for money, getting their consumer expectations fulfilled. Cause it is all about building up and keeping up with a good relationship with consumers.

Social media platforms, are one virtual way of building and creating consumer communities through the internet (Vinerean, et al., 2013). Mainly the marketing efforts done by social media are ultimately focusing on attracting their customers by using and creating the attractive content. Also, it was disputed that the official websites of the brands are low accurate than social media content (Šerić & Prančević, 2017). According to the study conducted by Saad and Badran (2016), 57% of social media users are visiting the websites of products they monitor on social media and 76% of them can be considered as loyal to the brand. It shows how vital is the role of social media when comes to organizations. Since it can be identified that the worth and significance of getting to know the brands’ products to increase customer engagement. Furthermore, Verma (2013) mentioned that these studies are noteworthy since social media networks such as Facebook, Instagram are just developed for communication purposes among numerous clusters, also performing as a potential network for drive brand engagement & brand awareness.
II. Theoretical Framework and Conceptual Model

![Conceptual framework diagram]

Table 2.2: Definitions of digital marketing channels

<table>
<thead>
<tr>
<th>Digital Marketing Channel</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-mail Marketing</td>
<td>Delivering branded messages over electronic mail</td>
</tr>
<tr>
<td>Online Advertising</td>
<td>Advertisements available and display on internet</td>
</tr>
<tr>
<td>Affiliate Marketing</td>
<td>The virtual affiliate market products of an association and getting compensated for referrals</td>
</tr>
<tr>
<td>Search Engine Marketing</td>
<td>Marketing which associated with the searches on internet</td>
</tr>
<tr>
<td>Pay per click Advertising</td>
<td>Advertising on online-structure thus the advertisers are getting paid for click on their adverts</td>
</tr>
<tr>
<td>Social Media Marketing</td>
<td>Two way web internet application which provides the opportunity to the users to produce and share original content with the others users</td>
</tr>
</tbody>
</table>

Source: (Strokes, R, 2011)

b) Social media

The journey of marketing built through three major stages which are known as Marketing 1.0, 2.0 and 3.0. Complexity of each stage increased with the modern technology and advanced tools of marketing. Nowadays, Organizations are more focused on society and environment than just making profits (Kotler, et al., 2010). The scope of media also went through a major transformation over the past few years by shifting from Web 1.0 to Web 2.0. Nowadays, internet became more user-centric and flexible. It became the medium which people share their thoughts with friends and peers and where they make strong and effective relationships (Kotler, et al., 2010).
As a result of that, social media became a place where individuals can discuss their opinions and interests in products. Also, it provides the opportunity to businesses to engage with their target audience. Simply social media is a two-way web internet application that provides an opportunity for the users to generate and share original content with other users. Facebook, YouTube, LinkedIn, Instagram, Twitter, WhatsApp etc. are some of the most utilized social media platforms. Among these social media channels, Facebook can be considered as the mostly used social media channel (Algharabat, 2017). There are over 6 million active Facebook users, 1.1 million Instagram users, and 182.5 Thousand Twitter users in Sri Lanka 2019(Hootsuite, 2020).

c) Social Media Marketing

According to the previous researches, social media marketing is the process that empowers promotions of product services, websites through different social media channels. Blogging, sharing branded content, posts, etc. are some of the marketing related activities which also fall into social media marketing (Yazdanparast, 2016). As an efficient utilization of resources, and time, social media marketing offers organizations a place to improve communication areas along with the consumer to construct brand loyalty past conventional techniques (Jackson, 2011). In addition, social media enables customers to share details regarding products or services with other people. The social Media marketing may be finest portrayed as a gathering of applications based on the internet including mobile applications, and online networks. This empowers clients to make, share, and draw in with content.

According to Julian (2012), Social media marketing permits consumers and possible consumers to step up to the plate and market between themselves. This makes a powerful environment that hatches and sustains connections among individuals and the substance they make and share. Besides, Social media marketing conveys the upsides of cost effective, quick transference throughout a extensive network, and customer connection (Ajanthan, 2017).

Nowadays, Social media has become a standard feature of organizations’ promoting methodology and will without a doubt keep on expanding in significance for brands on a worldwide premise. Advertisers by and large expect twofold digit increments in spending on digital marketing, and retailers specifically hope to spend over 20% more on digital marketing (Perry & Cherkas, 2014). Based on Australian research most famous types of social media platforms are sites and microblogs, social or business networks such as Facebook or LinkedIn, or media based social media channels including YouTube or Instagram (Hahn, 2018). Social media marketing permits consumers and possible consumers to step up to the plate and market between themselves. This makes a powerful environment that hatches and sustains connections among individuals and the substance they make and share.

d) Franchise food industry in Sri Lanka

Food and food arrangements assume a significant place in the culture of Sri Lanka from the antiquated history. Sri Lanka can be identified as a multi-social and multi strict nation, the food choice and consumption patterns of Sri Lankans were influenced by the assorted varieties (Patabandige & Yapa, 2016). Globalization has redefined in the Sri Lankan fast food market and nowadays public can be seen consuming the fast-food out of their homes moving to superior and convenient choices. The demand for the fast food market is usually uptrend.

The Franchise food market in Sri Lanka is made of a different scope of food outlets that offer various unmistakable dishes running from local to global. Apart from the nearby cheap food suppliers along with the multinational inexpensive food specialist brands began obliging Sri Lankan clients such as McDonald’s (1998), KFC (1995), and Pizza Hut (1993) (Patabandige & Yapa, 2016).

e) Evolution of Generations

Generations are interconnected by normal experience, beneficial encounters, and basic qualities. The interconnectivity is free yet noteworthy in its temperament. It is free since individuals of generations experience many destinies also, life choices that cannot generally be viewed as uniform. Be that as it may, there is a noteworthy pattern of qualities and normal encounters which can associate these choices and lead to the ends that there are contrasts between generations, and similitudes inside generations give an edge to the choices of the individuals from generations (Töröcsik, et al., 2004).

According to the previous research, the first generation to be identified is the lost generation. The lost generation of the 1920s is the age of the women and men who grew up following the First World War or during the war. This is the age that is viewed as experienced in the war following their contribution to the war and social change of the time. This gathering needed social character on account of the pessimistic idea of the war and the enthusiastic solidness (Wowessays, 2019).

Conservatives can be identified as the "silent generation" since the individuals of this period were depend upon to be seen but not heard. They are the ones who were conceived around in between 1927 and 1946, and they were normally aged from 75 to 80 years old as of 2018. Traditionalists may battle to learn about latest technology as it advances and changes the act of law, and they may wear more youthful cast out with the
requirement for progressing guidance here (Kane, 2019).

Some researchers say, generation X, that post-boomer companion raised on distance, apathy, and sitcom reruns has grasped the Internet with energy, and has turned its honestly grown-up, yet undaunted energetic thoughtfulness regarding pushing computerized innovation of different sorts as far as possible to say the very least. In basically every feature of the Generation X life from music and diversion to work chasing, home purchasing, and childrearing on the web, computerized, and remote innovations have developed vital to the presentation of ordinary assignments. Individuals conceived somewhere in the range of 1965 and 1980, however, a lot littler companion than their boomer and millennia neighbors, are applying an enormous power on media and innovation showcases, a power that undeniably connects and coordinates already separate products and services (Euromonitor International, 2017).

The marketing academics and researchers have contemplated individuals from Generation Y, perceived as Millennials who are conceived between the last part of the ’70s and center ’90s. This specific enthusiasm for the examination of Millennials proceeds because of inquiries concerning purchasing propensities, shopper brain science, and other related points of interest, molding this gathering as recognizably extraordinary in different methods from its ancestors. Age Y is a predominant purchaser bunch whose conduct, propensities, and shoppers’ brain science are regularly examined yet not completely appreciated at this point. Seriously affected by the innovation transformation, the advanced media improvement, and the internet, this market portion has grown uniquely in contrast to past ages making it an intriguing gathering contrast to past ages making it an intriguing gathering.

The moment customers have positive purchase intentions it tends to a ‘positive brand commitment’ which leads consumers to make their purchases (Ceyhan, 2019). Some previous studies mentioned that the trust aided by social media does a symbolic impact on consumer purchase intention (Ceyhan, 2019). A study conducted on South Korea for luxury brands of social media, 252 of data were gathered from the brands through Facebook. The study is concluded by investigating that luxury brands positively affects purchase intention (Ceyhan, 2019).

f) **Purchase Intention**
Purchase intention demonstrates the desirability in which customers will intend or wish to acquire a definite type of product or service in the future. According to the previously conducted literature, it shows that whenever there is an increase in purchase intention there is a higher likeability of increasing the possibility of purchasing for the product (Ceyhan, 2019).

The moment customers have positive purchase intentions it tends to a ‘positive brand commitment’ which leads consumers to make their purchases (Ceyhan, 2019). Some previous studies mentioned that the trust aided by social media does a symbolic impact on consumer purchase intention (Ceyhan, 2019). A study conducted on South Korea for luxury brands of social media, the consumer visits social media sites with the determination of getting reorganized with the current and new brands that company offers, the promotional activities which brands do (Erdogmus & Cicek, 2012).

g) **E-Word of Mouth**
Word of mouth can be identified as one critical component which can have a significant impact on customers’ buying behavior (Balakrishnan, et al., 2014) and attitudes (Chatterjee, 2006) Word-of-mouth communication can be considered as non-commercial and interpersonal dialog regarding a product, service, or brand among consumers (Pan, 2014). Word-of-mouth can be considered as one of the most dominant resources for transmitting the information (Jalilvand, 2012).

When considering e-WOM, the message trustworthiness must have a major impact on e word-of-mouth, though both correspondent and receiver of the message are most likely to do not know each correspondent and receiver (Senecal & Nantel, 2004). The expertise of a consumer consists of his/her own experience and own knowledge, and hence receiver’s purchase intention can be affected positively by the expertise of the sender (Gilly, et al., 1998). e-WOM is undoubtedly an influential marketing dynamism, and its importance hasn’t gone unobserved among the academics. Within the theoretical community, we note that the importance of e-WOM has become a focused part with the dramatic increase in the number of publications per year (Cheung & Thadani, 2010).
Social media like online communities are being used by consumers in order to initiate content and build a network with other consumers (Hajli, 2014). With the advancement of the internet, new systems such as online communities have emerged (Lu et al., 2010). Consumers are being able to share the figures, also access figures easily, when the number of online communities get increased (Chen et al., 2009). A low-risk and neutral environment where someone can communicate an opinion, learn more, and if desired, build a relationship with others (Quinton & Harridge-March, 2010). Online communities are often mentioned as “virtual communities” (Rothaermel, 2001). Online communities are recognized as major effective web technologies for sharing information and social interactions (Lu & Hsiao, 2010). Members do not meet face to face within an online community. Communication via electronic media transcends the limits of geographical nearness and enables interaction and communication between online affiliates continuously (Kim et al., 2008). In addition, the online community is a major marketing tool used by companies for building brand loyalty, boosting revenue, creating positive word-of-mouth, and increasing market penetration (Armstrong & Hagel, 1999). In particular, companies who are producing consumer goods can keep a strong bond with their consumers by arranging online communities for their brands directly or indirectly (Mcwilliam, 2000).

Advancement of media and communication channels led to tremendous changes in the advertisement business landscape which caused online advertisement has become a key online marketing tool in nowadays (Mohammed & Alkubise, 2012). Online advertisements referred as “sending an advertisement to users of the internet by using electronic mediums such as website, email or ad-supporting software etc.” (Bakshi & Gupta, 2013). Based on the traditional form of advertising, the online advertisement can be identified as one of the categories of mass communication (Afzal & Khan, 2015). Nowadays as a result of the expansion of the web as the global communication method, online advertisement has gained more popularity and acquired considerable proportion of the companies’ marketing budgets (Ngai, 2013). According to Bakshi and Gupta (2013), companies prefer to spend more money on online advertisements since there is a huge increase in the variation of online advertisements.

Singh and Singh (2016) has used the internet users who are exposed to online advertising as their research sample. According to their findings, the majority of the respondents (68%) are more likely to look at online advertisements and 32% of the respondents does not enjoy looking at an online advertisement. Furthermore, as stated in the study, most of the respondents (56%) have trust in online advertisements while some (30%) do not trust online advertisements and the rest of the proportion (14%) are neither agree or disagree. Also, 65% of the respondents agreed that online advertisements can be found almost everywhere on the internet and others (35%) do not agree with this. Characteristics of online advertisement effectiveness and purchase intention can be recognized as one of the emerging research areas among the academic community. But very few researchers have studied about the impact of online advertisement on the purchasing intention of consumers in a developing country context, despite the fact, there are many researches in this field (Mohammed & Alkubise, 2012).

### III. Methodology

This area shows and gives a comprehensive understanding of the variables used for the study. In this research, data were basically collected by distributing two surveys targeting the two generations. The variables are considered to be vital factors. The independent variable considered is even and unaffected by the other variables. The dependent variable is the variable which depends on the other variable that is being measured. The key independent variables are the online communities, electronic word of mouth (E-WOM) and online advertising. There were studies that have taken the above variables for their studies. The dependent variable which has been taken is purchase intention.

#### a) Research design

Research design is the basis of the approaches and procedures which is selected by a researcher. The research design includes of the collection of the data, measurement of data, and the analysis of the data. This study was developed in the quantitative method which can be said that the research was used to analyze by using numeric values. In the study, it was used numerical data which were gathered from consumers. Quantitative research is fundamentally around gathering numerical data to clarify a specific sensation. It also can be stated that an arithmetic demonstration and operation of explanations for the determination of labeling and clarifying the portents that those explanations reveal (Hyde, 2000). The research is a survey research which involves the collection of gathering information by using questionnaires from the primary survey method. This study addresses the deductive research approach. Theory testing procedure which originates with a reputable theory or simplification, and search for to see if the philosophy smears to detailed occurrences (Hyde, 2000).

#### b) Sampling method and data collection

The key aim of sampling design is a significant instrument of collecting the data in a study. When doing the research, it is the duty of the researcher to select the
path of getting the samples for research which also can be mentioned as the research design. The simple random sampling method was used as the sampling method. Simple random sampling know as a sampling technique that is considered as a building block of complex sampling (Meng, 2013).

c) **Sample size**

In order to determine the ideal sample size, the below equation was utilized. The population of Colombo district is 2,310,136. Out of that, there are 1,409,179 individuals who belong to both generation Y and Z. As per the results of the below equation, the ideal sample size is 385. Therefore, we have selected 193 individuals representing each generation (Y and Z).

\[
\text{Sample size} = \frac{z^2 \times p(1-p)}{e^2} \times \frac{1}{N} + \frac{z^2 \times p(1-p)}{e^2 N^2}
\]

\[
= \frac{1.96^2 \times 0.95(1-0.95)}{0.05^2} \times \frac{1}{1,409,179}
\]

\[= 385\]

N= Population size  
\(e\) = Margin of error  
\(z\) = z score  
\(p\) = Confidence level

d) **Sampling design**

In order to accomplish the research objectives, the selected samples were selected by the population. Since the study was targeted for generation Y and Z, the samples were to be selected from generation Y and generation Z. There were two surveys distributed for the two generations generation Y and generation Z. Out of the overall population from Colombo district, the overall target was to gather 385 samples from the overall population. Samples from generation Y were gathered 193 samples and from generation Z there were 193 samples gathered. Both online (Google forms) and printed questionnaires were distributed targeting both generation Y and Z.

e) **Data Collection**

The data gathered with the intention of achieving the research objectives of the study. As mentioned previously, data collection was mainly focused on residents in Colombo. The collected data will investigate using SPSS software to achieve the research objectives. The data were gathered using the primary data collection method. Since it is targeting the generations of the population. The data was gathered by distributing both online and offline surveys. Mainly the generation Z data were gathered through Google forms. And the generation Y data were gathered by using both online and offline survey methods. The collection process has been done halfway by the 31st of August 2020.

f) **The pilot survey**

Before completing data collection as a whole, there was a pilot survey conducted by using 20 samples from each generation. Overall 40 samples collected for the pilot survey. The main aim of the pilot survey was to seek the reliability and consistency of the distributed questionnaires. In order to achieve this, SPSS software was used. And for the analysis, Cronbach’s Alpha was taken. Cronbach’s alpha is also extensively utilized by those planning assessments of scholar information and considerate, again as a pointer of gadget quality. Cronbach alpha number and transmit it to equally in the terms of measuring the internal consistency and the reliability (Taber, 2017). According to Taber (2017), Cronbach’s Alpha value is normally accepted whenever the value is greater than 0.7. Therefore, after the analyzing of reliability in pilot survey, the conclusion was that the data and survey was acceptable. The value for generation Y was .964 while the generation Z’s value was .747 which can be concluded as the both surveys are reliable and consistent.

g) **Statistical analysis**

This study focused on several analyzing techniques with the intention of accomplishing the objectives of the study. The descriptive statistics, correlation method used with the purpose of finding out the impact of social media marketing towards the purchase intention. Furthermore, we have utilized the ANOVA analysis to examine the moderation of generation Y and Z.

h) **Correlation Analysis**

Main objective-To determine the impact of social media marketing towards purchase intention among generation Y and Z referring to fast food franchises in Colombo district.
Table 4.6: Correlation between social media marketing and purchase intention of generation Y

<table>
<thead>
<tr>
<th></th>
<th>Purchase intention</th>
<th>Social media marketing</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pearson Correlation</strong></td>
<td>1</td>
<td>.856**</td>
</tr>
<tr>
<td><strong>Sig. (2-tailed)</strong></td>
<td></td>
<td>.000</td>
</tr>
<tr>
<td><strong>N</strong></td>
<td>193</td>
<td>193</td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (2-tailed).**
Source: SPSS Analysis

Table 4.7: Correlation between social media marketing and purchase intention of generation Z

<table>
<thead>
<tr>
<th></th>
<th>Purchase intention</th>
<th>Social media marketing</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pearson Correlation</strong></td>
<td>1</td>
<td>.485**</td>
</tr>
<tr>
<td><strong>Sig. (2-tailed)</strong></td>
<td></td>
<td>.000</td>
</tr>
<tr>
<td><strong>N</strong></td>
<td>193</td>
<td>193</td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (2-tailed).**
Source: SPSS Analysis

According to the past literature, e-WOM, online communities, and online advertisements were identified as the determinants of social media marketing (Balakrishnan, et al., 2014). The impact of social media marketing towards the purchase intention of generation Y can be determined using the results of the above correlation table.

Sub objective 1 - To determine the impact of e-WOM towards purchase intention of generation Y referring to fast food franchises in Colombo district.

Table 4.8: Correlation between e-WOM and purchase intention of generation Y

<table>
<thead>
<tr>
<th></th>
<th>Purchase intention</th>
<th>e-WOM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pearson Correlation</strong></td>
<td>1</td>
<td>.832**</td>
</tr>
<tr>
<td><strong>Sig. (2-tailed)</strong></td>
<td></td>
<td>.000</td>
</tr>
<tr>
<td><strong>N</strong></td>
<td>193</td>
<td>193</td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (2-tailed).**
Source: SPSS Analysis

Consider the study, according to the first research question we can interpret the above correlation table to find out the relationship between e-WOM and consumer purchase intention. Referring to above correlation table shows that the significant level of the relationship is 0.832. Therefore, this (p<0.001) probability, meaning that there was in strong positive relationship between e-WOM and consumer purchase intention. Moreover, based on this interpretation of the Pearson correlation test hypothesis 01 can accept.

Sub objective 2 - To determine the impact of e-WOM towards purchase intention of generation Z referring to fast food franchises in Colombo district.
Consider the study, according to the first research question we can interpret the above correlation table to find out the relationship between e-WOM and consumer purchase intention. Referring to above correlation table shows that the significant level of the relationship is 0.407. Therefore, this (p<0.001) probability, meaning that there was in moderate positive relationship between e-WOM and consumer purchase intention. Moreover, based on this interpretation of the Pearson correlation test hypothesis 02 can accept.

Sub objective 3 - To determine the impact of online communities towards purchase intention of generation Y referring to fast food franchises in Colombo district.

Consider the study, according to the first research question we can interpret the above correlation table to find out the relationship between online communities and consumer purchase intention. Referring to above correlation table shows that the significant level of the relationship is 0.837. Therefore, this (p<0.001) probability, meaning that there was in strong positive relationship between online communities and consumer purchase intention. Moreover, based on this interpretation of the Pearson correlation test hypothesis 03 can accept.

Sub objective 4 - To determine the impact of online communities towards purchase intention of generation Z referring to fast food franchises in Colombo district.

Consider the study, according to the first research question we can interpret the above correlation table to find out the relationship between online communities and consumer purchase intention. Referring to above correlation table shows that the significant level of the relationship is 0.311. Therefore, this (p<0.001) probability, meaning that there was in weak positive relationship between online communities...
and consumer purchase intention. Moreover, based on this interpretation of the Pearson correlation test hypothesis 04 can accept.

**Sub objective 5 - To determine the impact of online advertisements towards purchase intention of generation Y referring to fast food franchises in Colombo district.**

**Table 4.12: Correlation between online advertisements and purchase intention of generation Y**

<table>
<thead>
<tr>
<th>Purchase intention</th>
<th>Pearson Correlation</th>
<th>Online advertisement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase intention</td>
<td>1</td>
<td>.719**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.719**</td>
</tr>
<tr>
<td>N</td>
<td>193</td>
<td>193</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).**

Source: SPSS Analysis

Consider the study, according to the first research question we can interpret the above correlation table to find out the relationship between online advertisement and consumer purchase intention. Referring to above correlation table shows that the significant level of the relationship is 0.719. Therefore, this (p<0.001) probability, meaning that there was in strong positive relationship between online advertisement and consumer purchase intention. Moreover, based on this interpretation of the Pearson correlation test hypothesis 05 can accept.

**Sub objective 6 - To determine the impact of online advertisements towards purchase intention of generation Z referring to fast food franchises in Colombo district**

**Table 4.13: Correlation between online advertisements and purchase intention of generation Z**

<table>
<thead>
<tr>
<th>Purchase intention</th>
<th>Purchase intention</th>
<th>Online advertisement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase intention</td>
<td>1</td>
<td>.468**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.468**</td>
</tr>
<tr>
<td>N</td>
<td>193</td>
<td>193</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).**

Source: SPSS Analysis

Consider the study, according to the first research question we can interpret the above correlation table to find out the relationship between online advertisement and consumer purchase intention. Referring to above correlation table shows that the significant level of the relationship is 0.468. Therefore, this (p<0.001) probability, meaning that there was in moderate positive relationship between online advertisement and consumer purchase intention. Moreover, based on this interpretation of the Pearson correlation test hypothesis 06 can accept.

**Regression Analysis**

Regression analysis can be used to explore the variation of one variable by using another variable. Percentage of the changes occurs in the dependent variable based on the independent variable is explained by the coefficient of determination or R square. The main objective one result generated by Pearson correlation can further discuss by simple regression analysis.

**Table 4.14: Summary of regression analysis of generation Y**

<table>
<thead>
<tr>
<th>Model Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>R</strong></td>
</tr>
<tr>
<td>Generation = generation Y (Selected)</td>
</tr>
<tr>
<td>1</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Online communities, Online advertisement, e-WOM
### Table 4.15: Summary of regression analysis of generation Z

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generation = generation Z (Selected)</td>
<td>.717a</td>
<td>.515</td>
<td>.512</td>
<td>.42639</td>
</tr>
</tbody>
</table>

*a. Predictors: (Constant), Online communities, Online advertisement, e-WOM

The adjusted R2 of the model is 0.512 with the R2 is 0.515. This means that the Linear regression explains 51.5% of the variance. In other words, 51% of variance occurs in consumer purchase intention can explained by social media marketing due to the fact that the percentage is above 50%.

### Table 4.16: ANOVA analysis for generation Y

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>89.510</td>
<td>1</td>
<td>89.510</td>
<td>1058.969</td>
<td>.000c</td>
</tr>
<tr>
<td>Residual</td>
<td>16.060</td>
<td>192</td>
<td>.085</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>105.570</td>
<td>193</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*a. Dependent Variable: Purchase intention
b. Selecting only cases for which Generation = Generation Y
c. Predictors: (Constant), Social media marketing

Further ANOVA result from the regression analysis will be utilized to interpret whether Gen y and Z moderates the relationship between social media marketing and purchasing intention. By separately considering the gen y and gen z groups researchers will be analyzed the, null hypothesis of the thesis against the alternative hypothesis constructed.
null hypothesis was formulated that stated the opposite of the hypotheses. Generation Y and Z moderates the relationship between Social Media Marketing and Consumer purchase intention. The p value (denoted by “Sig.”) is .000 in both ANOVA tables. Because of P value is lower than significant value of 0.05

Summary of the results of hypothesis

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Accepted</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: There is a positive impact of e-WOM towards purchase intention of generation Y referencing to fast-food franchises in Colombo district.</td>
<td>Accepted</td>
</tr>
<tr>
<td>H2: There is a positive impact of e-WOM towards purchase intention of generation Z referencing to fast-food franchises in Colombo district.</td>
<td>Accepted</td>
</tr>
<tr>
<td>H3: There is a positive impact of online communities towards purchase intention of generation Y referencing to fast-food franchises in Colombo district.</td>
<td>Accepted</td>
</tr>
<tr>
<td>H4: There is a positive impact of online communities towards purchase intention of generation Z referencing to fast-food franchises in Colombo district.</td>
<td>Accepted</td>
</tr>
<tr>
<td>H5: There is a positive impact of online advertisements towards purchase intention of generation Y referencing to fast-food franchises in Colombo district.</td>
<td>Accepted</td>
</tr>
<tr>
<td>H6: There is a positive impact of online advertisements towards purchase intention of generation Z referencing to fast-food franchises in Colombo district.</td>
<td>Accepted</td>
</tr>
<tr>
<td>H7: Generation Y and Z moderates the relationship between social media marketing and purchase intention.</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

IV. Main Empirical Findings

According to the results we have obtained from the research, all objectives of the study were achieved. e-WOM, online advertisements, and online communities are considered as the driving factors of social media marketing. These factors are effective for organizations’ product and brand promotion via social media platforms including Facebook and Instagram. The respondents live in Colombo district who belong to generation Y and Z participated and gave their feedback on how their purchase intention is affected by the social media marketing activities done by franchise fast food industry.

The results of the correlation analysis describe that among the independent variables of the study, online communities have the strongest impact on consumer purchase intention of generation Y. There is a significant rate of 0.835 (high positive relationship) for online communities. Considering the generation Z, online advertisements have the strongest impact on consumer purchase intention. There is a significant rate of 0.505 (moderate positive relationship) for online advertisements.

Furthermore, we have analyzed the relationship between social media marketing and consumer purchase intention of both generation Y and Z using correlation analysis. There is a high positive relationship between social media marketing and consumer purchase intention of generation Y with a significant rate of 0.830. Considering the generation Z, there is a low positive relationship between social media marketing and consumer purchase intention with a significant rate of 0.488. Therefore, it is highlighted that among generation Y and Z, social media marketing has the strongest impact on consumer purchase intention of generation Y. As per the results of the descriptive statistics analysis, it is revealed that the majority of the respondents of generation Y (97.9%) are employed.
while majority (85.5%) of the respondents of generation Z are non-employed which shows that purchasing power of generation Z is lower than the generation Y. We suggest that high purchasing power of generation Y could be a reason for the strong relationship between social media marketing and consumer purchase intention of generation Y. According to the results of the ANOVA analysis, generation Y and Z moderates the relationship between social media marketing and consumer purchase intention. Because the p values (denoted by “Sig.”) of both generations are 0.000.

Finally, this study concludes that the impact of social media marketing towards consumer purchase intention differs from one generation to another. Furthermore, the impact of the determinants (e-WOM, online advertisements, and online communities) of social media marketing towards consumer purchase intention also differ from one generation to another.

a) Recommendations

Social media considered as an effective marketing channel which plays a huge role in today’s businesses. There should be actual and productive social media marketing activities beside with the old-fashioned marketing activities in order to communicate to the target customer effectively. Based on the findings of this study, marketers are able to excessively be aware of the impact of social media marketing towards the purchase intention of individuals who belong to generation Y and Z.

According to the research findings, online communities has the strongest impact on consumer purchase intention of generation Y. Online communities can be considered as one of the most convenient and efficient ways to build and retain the relationship with consumers. So it is recommended to marketers to utilize online communities effectively when promoting their products and services to the consumers who belong to generation Y. The best way to utilize the online communities is encouraging customers to interact and engage with one another by creating Facebook groups. It will create discussions related to the brand among customers. Providing discounts and coupons to community members will result in expanding the community and retaining existing community members. Moreover, online advertisements have the strongest impact on consumer purchase intention of generation Z constructed on the conclusions of study. In directive to expand reach, find potential customers, and optimize the organizations’ revenue streams, online advertisements are one of the most effective ways. Because of that it is recommended to use online advertisements effectively and creatively when promoting products and services to generation Z. Relating the content on online advertisements to trending topics in social media, maintain high quality on the imagery aspect of online advertisements and follow accurate targeting techniques to reach out to the audience are some of the recommendations on how to use online advertisements creatively and effectively. It is recommended to use mobile optimized online advertisements for the convenience of the customers since the majority of the respondents access the social media through mobile phones.

b) Limitations

As the first limitation, this study only focuses on Facebook marketing and Instagram marketing under social media marketing. But social media platforms such as YouTube and Twitter which are used by the fast food franchises were not discussed in this study.

Although there are many fast food franchises dispersed across the country, this study only focuses on fast food franchises in Colombo district. When comparing the population of the Colombo district, the sample size of this research (385 participants) does not represent the population accurately. In order to narrow down the scope of the study, this research was narrowed down only to the franchise fast food industry in Sri Lanka. Since all the research group members are full-time employees, time was the main constraint faced by the researchers. Due to the COVID-19 pandemic situation in Sri Lanka, it was taken more time to complete the data collection than we expected. Also, possibilities to work together as a group were limited because of this situation.

c) Future research

Future researchers will be able to conduct this research in a larger scale by adding generation X also to the remaining population, this will result accurate research findings. Since this type of research covers the whole population and consumes more time, it will be considered as a longitudinal study. Additionally, future researchers will be able to conduct the same study utilizing brand loyalty or brand equity as their dependent variable. Since this study was conducted on franchise fast food industry, future researchers will be able to focus on different industries such as FMCG, fashion, tourism and hospitality etc. Most of the researches in same area have been conducted in quantitative approach in Sri Lankan context. Therefore, future researches will be able to conduct this research in qualitative approach. Since this research is focusing on a single country (Sri Lanka) future researchers are able to conduct the same study comparing two countries.

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