The effect of communicating via organic and paid social media, on Instagram, on customers' intention to visit stores.

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Index

Abstract

My master thesis studies the effect of different types of communication on Instagram on a consumer's willingness to visit the physical store. The types of communication that are investigated are paid and organic. The difference in the response to the type of communication between the fashion industry and electronic industry are also investigated. The objective of this thesis is to recommend to companies which type of communication on Instagram they should use and how differently should be used based on the industry. This research offers insights into a topic that has not been extensively investigated by academicians.

The research in this master's thesis is conducted via an online survey that was answered by 188 respondents. Each respondent based on their answer to a selection question were assigned to different scenarios and were invited to imagine to be in a particular situation and indicate their willingness to visit the store. There were two different types of communication and two industries, which resulted in 4 different scenarios to which respondents have been assigned to only one out of four.

The results indicate that in general consumers are most likely to visit the store when the communication on Instagram is organic, meaning that customers already follow the brand page. A combination of the type of communication and the industry results in consumers being more likely to visit the store when the communication about fashion brands is via organic and communication about electronic is via paid communication.

Abstract (Portuguese)

A minha tese de mestrado estuda o efeito de diferentes tipos de comunicação no Instagram na vontade de um consumidor visitar a loja física. Os tipos de comunicação investigados são os pagos e os orgânicos. A diferença na resposta ao tipo de comunicação entre a indústria da moda e a indústria electrónica também é investigada. O objectivo desta tese é recomendar às empresas que tipo de comunicação no Instagram devem utilizar e de que forma diferente deve ser utilizada com base na indústria. Esta investigação oferece uma visão sobre um tema que ainda não foi amplamente investigado pelos académicos.

A pesquisa nesta tese de mestrado é conduzida através de um inquérito online que foi respondido por 188 inquiridos. Cada inquirido, com base na sua resposta a uma pergunta de selecção, foi atribuído a diferentes cenários e foi convidado a imaginar-se numa determinada situação e a indicar a sua vontade de visitar a loja. Havia dois tipos diferentes de comunicação e duas indústrias, o que resultou em quatro cenários diferentes, aos quais os inquiridos foram atribuídos apenas um dos quatro.

Os resultados indicam que, em geral, os consumidores têm maior probabilidade de visitar a loja quando a comunicação no Instagram é orgânica, o que significa que os clientes já seguem a página da marca. Uma combinação do tipo de comunicação e do sector resulta numa maior probabilidade de os consumidores visitarem a loja quando a comunicação sobre marcas de moda é orgânica e a comunicação sobre electrónica é paga.

1 Introduction

Communication decisions are a critical element of retailer customer experience management strategy. Nowadays, customers are used to shop through multiple channels, which is the omnichannel shopping. Omnichannel shopping involves “seamless integration of branding, messaging and online and offline touchpoints as consumers move down the sales funnel” (Marketing Evolution, 2022), whether customers “shop online from a desktop or mobile device, by telephone, or in a brick-and-mortar store” (Goulart, 2020).

“In less than a generation, social media evolved from a direct electronic exchange of information to a retail platform, to a vital 21st century marketing tool.” Companies seized the opportunity of this new consumer mobility, offering their customers new and easier ways to interact and new ways to purchase goods and services (Maryville University, 2021).

Social networks have transformed marketing. More than half of the world now uses social media (59%) and this number is estimated to increase (Statista). The average daily usage is 2 hours and 31 minutes (Kemp, 2023), which means a great opportunity for companies to use this channel to communicate with their audience.

Due to” the effects of the COVID-19 pandemic (Grewal, Gauri, Roggeveen, and Sethuraman 2021), retailers have invested substantial resources to expand their online channels and integrate their omnichannel activities.” Covid-19 brought the era of 'bricks-and-mortar' companies to an end. In order to survive the pandemic, most companies had to create an omnichannel shopping experience and are currently learning to juggle in-store and online sales, offering their customers the opportunity to buy when and where they want. Now that more and more customers have become accustomed to the convenience of omnichannel shopping, what was once an advantage is now a customer expectation.

One of the challenges of social media marketing is that, by nature, it consists of peer-to-peer relationships between friends, family and colleagues. Given this, brands must be strategic and sensitive to the way they use social media. (Chaffey, 2023). According to the report of the biggest social media trends in 2021, Facebook is mainly used for messaging with friends and family and keeping up to date with world news. Twitter is mainly used to keep up to date with news and find entertaining content. Instagram and TikTok are used to post and share photos and videos, find entertaining content, and follow and find information about products and brands (*GWI, 2021)*.

Nowadays the use of social media marketing is a must for companies. Social media marketing consists of both organic social media and paid social media. “The former refers to the free content (posts, photos, video, Stories, etc.) that businesses and brands share on their feeds. The latter is when brands pay money to the social media platform in order to have their content shared with specific new targeted audiences who are likely to be interested.” The foundation of most integrated social media strategies is to use organic to serve existing customers, while attracting new users with paid advertisements (Cooper, 2021).

Companies invest a lot of money in social media communication, and based on the purpose of the communication, there are channels that are more efficient than others. Based on Marketingchart.com that made a study on the use of social media to follow brands, it shows that the top social media platform used by consumers to follow brands is Instagram with 36% of US users who use the platform to follow brands and companies. “The Instagram advertising audience size is 1.48 billion, which is 18.70% of the population and its biggest demographic is in the 18-34 year range” (Localiq, 2023).

There has been researches on paid and organic social media as the study on the use of paid social media to segment customers (“V. Aslihan Nasir, Ali Can Keserel, Onur Eren Surgit , Mehmet Nalbant”), the research on the role of paid media (“Harlan E. Spotts, Marc G. Weinberger, A. George Assaf, Michelle F. Weinberger”) , the research on organic social media promotions on Facebook (“Yash Chawla, Grzegorz Chodak”), the research on the role of social media in transforming consumers’ intention to purchase green products (“Md. Nekmahmud, Farheen Naz, Haywantee Ramkissoon, Maria Fekete-Farkas”), the study on the effectiveness of display social media ads for startups (“Guillaume Hervet, Ivan A. Guitart”), the study on the levels of interactivity comparing story format and traditional ad format on Instagram (“Kyuree Kim, Te-Lin Doreen Chung, Ann Marie Fiore”) and many others. However there have not been studies comparing organic social media and paid social media on Instagram.

According to Statista, “Instagram ads are typically more expensive than Facebook ads, but engagement on Instagram is also higher.” Instagram is also an excellent advertising channel for ecommerce businesses (Localiq, 2023), but what about the impact of communicating on social media as Instagram on retail visits?

This leads to the purpose of this study which is:

- Understand the impact of communicating to customers, through organic social media and paid social media on Instagram, on customers intention to visit stores.

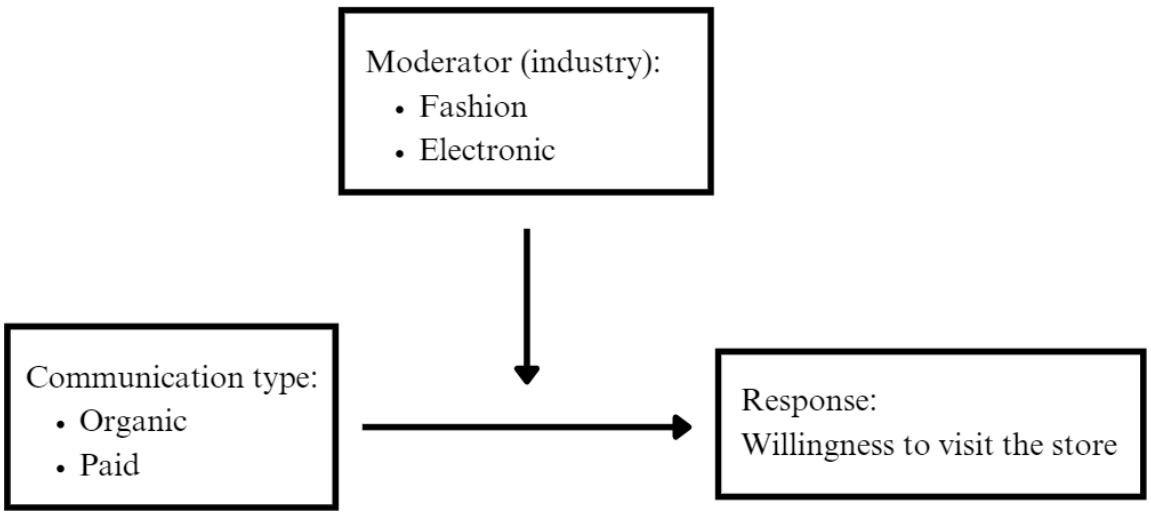
Statista data from 2022 show that consumers typically buy clothing and shoes, 30% in-store, 34% online, and the remaining 36% a mix of in-store and online. As for the electronics sector, the preference to buy in-store decreases to 26% and online shopping increases to 38%.

Accenture conducted a study in a number of countries including the United Kingdom, the United States, Brazil, China and India on social media users. The study showed that online shopping via social media platforms will grow exponentially, at three times the rate of traditional e-commerce. Accenture's study "Why Shopping's Set for a Social Revolution" used more than 10,000 people as a sample, and the results estimate that social media shopping in 2025 will account for 17 percent of all e-commerce shopping. The growth comes mainly from younger generations, as Generation Z and Millennial users, who account for 62% of global social commerce spending. Accenture's report shows that 64% of social media users have purchased at least once on social media in the past year. The company also found that the top social commerce category globally in 2025 will be the apparel industry (18%), followed by consumer electronics (13%) and furniture (7%).

This leads to a second focus of this study which is:

- How and if the impact changes based on the sector, being fashion and electronic.

Figure 1: Framework



2 Literature Review

In the past there have been studies on communication, channels, and social media impact on consumers' purchase behavior. Below I summarized the studies that I consider relevant to my research. I divided the literature by topics.

2.1 Omnichannel

The focus of my thesis is to understand the impact of communication on Instagram using organic communication via the brand page and communication via sponsored posts on consumer intention to visit the physical store. This is part of an omnichannel strategy. The omnichannel term was explained by "Bodhani" in 2012 and defined by "Levy et al." in 2013, but the origins date back much earlier.

The origins of omnichannel derive from the notion of "click and mortar". In 2000, two scholars, Otto and Chung wondered how the new techniques of e-commerce could be combined with traditional physical store sales, the goal being to improve the consumer's experience while shopping. Improving the customer experience were also addressed by Burke (2002) who conducted a quantitative empirical study that analyzed how consumers prefer to shop online and offline, including 128 different aspects of the shopping experience. The author found that shoppers value features that assist them in multichannel shopping (e.g., online search - in-store purchase, online purchase - in-store pickup) and concluded that retailers should integrate channels in a way that helps consumers move seamlessly between them.

A few years later, in 2005, Bendoly through quantitative research found that companies that operate both online and offline channels at the same time should integrate and make the channels more transparent to increase customer loyalty. Tied to this study, also in 2005, Dijik et al. discovered through an empirical study that consumers positively value the information they can get from different channels so that they get the best deal from the channel. A few years later in 2010, Sands et al, found that the online channel leads to increase in-store spending, and in 2011, Shankar et al, suggested that a shopping experience with continuity and use of multiple channels leads to customer satisfaction and loyalty.

Fei Gao, Xuanming Su's (2016) study analyzes how retailers can provide both online and offline information to consumers who gather information and purchase products online or offline. Giving consumers information solves two problems: uncertainty of product value, meaning that product quality and features are only seen well when in the store, and with online purchasing there is a risk that the product will not meet expectations and will be returned. The second problem is availability, i.e., online consumers can see whether a product is available or not, while in-store consumers risk going there unnecessarily. The study was carried out by analyzing three information mechanisms, concluding that physical stores by reducing inventory and increasing the risk of availability, discourage consumers to go there, while online channels increase online returns leading to a decrease in profits. Therefore, it is necessary to prove an omnichannel experience in which information is transparent from one channel to another.

2.2 Communication and effectiveness of channels

The efficiency of social media channels for brand communication dates back to recent years. In 2009, a study was conducted on the efficiency of different channels for communicating. The study of "Peter J. Danaher and John R. Rossiter" named "Comparing perceptions of marketing communication channels" of 2009 proposes an analysis comparing the relative perceived effectiveness of alternative communication channels to determine whether some channels were better than others for achieving engagement and persuasion. The results were obtained through in-depth interviews and surveys. The perceived effectiveness of the marketing communication was obtained by measuring engagement with ratings of how welcome it was to receive an offer via a particular channel and persuasion was measured by purchase intention. To assess the relative impact of each channel they used a regression model. The results show that the highest purchase intentions were from magazines and newspapers. This study gives a lot of important information about the 11 channels it analyzed, however social media were not among them probably because at the time the paper was written social media were not that popular yet, especially among companies.

Nowadays markets are very heterogeneous and highly competitive, consumers have different needs and desires, and it becomes important for companies to reach consumers in an easy, targeted and low-cost way. Digitization and personalization are ways in which companies can communicate with different consumers in order to tailor the message to the need of the specific target audience. To attract new customers and maintain engagement with current customers,

social media advertising is one of the most efficient methods with numerous advantages. The difficulty remains in understanding consumers, as they are heterogeneous among themselves. The study by “V. Aslihan Nasir, Ali Can Keserel, Onur Eren Surgit, Mehmet Nalbant” called “Segmenting consumers based on social media advertising perceptions: How does purchase intention differ across segments?”, analyzes different types of consumers to understand what factors predict their purchase intentions. The study identified through clusters three segments of consumers based on social media advertising characteristics by examining variations across segments on purchase intention. The three clusters identified were named "susceptible," "dispassionate," and "impermeable." The three segments have significant differences in terms of ease of persuasion, purchase impulse, self-confidence, and finally in social media propensity. The "susceptible" segment includes consumers who are easily persuaded, have a high level of self-confidence, and with a tendency for impulse purchases greater than the other segments. Among the various segments, there are also factors that determine the segments' purchase intentions for products presented in social media advertising.
The purchase intention of "susceptible" consumers is given by perceived relevance and ease of being persuaded. As for the "dispassionate" segment, purchase intention is determined by information given and finally the "impermeable" segment is influenced by hedonic motivation and perceived relevance. In conclusion, the study observes that consumers' purchase intention through social media advertisements are influenced by the following factors: “perceived relevance, informativeness, performance expectancy impulse buying tendency, ease of being persuaded, and social network propensity.” Therefore, understanding the various segments leads companies to create ad campaigns in a way that makes them suitable, persuasive and efficient for their target audiences.

Moutusy Maity and Mayukh Dass's 2014 study analyzes the media effect on consumer decision making. The results of the experiments show that consumers prefer channels with medium and high media richness such as e-commerce and stores when they have to make complex purchase decisions. In contrast, the results show that they prefer low levels of media wealth for simple purchasing decisions. (“Consumer decision-making across modern and traditional channels: E-commerce, m-commerce, in-store”)

Social media over the years has changed from social platforms to commercial platforms, which companies use to advertise and communicate. The research by “Dana A. Al Qudah, Bashar Al-Shboul, Ala' Al-Zoubi, Rizik Al-Sayyed, Alexandra I. Cristea” of 2020 (“Investigating users'

experience on social media ads: perceptions of young users") analyzes younger users' experience with social media ads. The focus is on the personalization of advertisements. The results show that young users' experience is influenced by the personalization of the advertisement and that perceived usefulness significantly affects users' experience.

2.3 Social media and sales

The following studies give very significant insights on the shopping behavior from social media usage to shopping online.

Based on "Nisar & Whitehead" (2016) social media help to prove trust in brand-related content and build loyalty with customers. Kumar (2013) adds that loyalty leads to an increase in brand sales online. The impact of social media on consumers 'online purchases has been actively investigated. Alalwan, (2018) stated that high levels of perceived interactivity with advertising on social media makes the advertising more entertaining, leading to the online purchase of the product featured. Two years later in 2020, Yang & Che stated that online interactions on social media also influence consumers' purchase behavior.

The study of "Les Dolega, Francisco Rowe and Emma Branagan" of 2021 on "Going digital? The impact of social media marketing on retail website traffic, orders and sales" is the empirical evidence on the impact of social media as a marketing tool. The study used data over a period of a year from a considerable online retailer. The study analyzed the impact of daily social media activity on daily business outcomes as website traffic, orders and sales. The central conclusions have shown that social media guides to an increase in web traffic, but it does not lead to a rise in product orders and sale income. This study gives significant insights, but it does not provide any key findings on the consequence of social media on product orders on physical stores.

The study of "Valter Afonso Vieira, Marcos Inacio Severo de Almeida and Thomas Frank Schreiner" of 2022 on "Amplifying retailers' sales with a hub's owned and earned social media: The moderating role of marketplace organic search" propose a similar approach to the paper discussed previously but offers different key findings. The authors present a study that addresses the impact of blog comments, Facebook comments, fan following, and organic search

sources on retailers' performance. The key findings reveal that blog and Facebook comments, fan following, and hub organic search increase retailers' sales.

The study of “Md Rukon Miah, Afzal Hossain, Rony Shikder, Tama Saha, Meher Neger” of 2022 on “Evaluating the impact of social media on online shopping behavior during COVID-19 pandemic: A Bangladeshi consumers’ perspectives” investigates the impact of social media on online shopping behavior of Bangladeshi consumers during the COVID-19. During the COVID-19 pandemic, celebrity endorsements, promotional tools, and online reviews, from as the results show, had a positive and significant impact on the online shopping behavior of the Bangladeshi population. The study gives insightful information; the study I want to research will provide info about the impact on the physical shopping in the era after Covid-19.

The study of “Jae Yeon Yoon, Chaehyeon Lee, Jeonghye Choi, Sue Ryung Chang, Jikyung Kim” of 2022 on “The effect of social media apps on shopping apps” aims to examine the role of social media apps in driving mobile shopping. The performance metrics studied by the authors are two: "shopping app stickiness" and "time of use." In addition, social media apps are classified into two categories: "broadcasting" and "narrowcasting." The results reveal that for broadcasting apps, time of use has a positive impact, while for narrowcasting apps, it has a negative impact. In addition, offline interactions lead to the decreasing effect of social media usage on shopping apps.

These previous studies give many insights into the topic, but they do not consider any impact on the offline stores. Therefore, the purpose of my research is to understand the effect of communicating via social media on consumers intention to visit physical stores.

2.4 Organic and paid social media

In order to understand the impact of communication, whether organic or paid, on social media, it is important to research whether consumers usually follow the social media pages of brands they know or buy. In 2013, Muk conducted a study on social media advertising and the factors that drive users to follow brand pages. Companies on pages publish content about the brand, (namely posts and stories, in the case of Instagram), that users can re-share, like or comment on. Once a user starts following a brand page, the brand can easily reach users through what is called earned media.

In 2012, Nelson-Field, Riebe and Sharp examined the followers of several brand pages on Facebook and found that most followers were strong buyers, a smaller number were medium buyers and almost no followers were not buyers of the brand of the page they were following. These results are the opposite of the entire customer base of a brand, which is usually composed of mostly light buyers and very few heavy buyers. This made the two scholars question the value of brand pages as a stand-alone advertising medium, because they reach only a marginal part of the 'entire customer base. The conclusion of the study is that brand pages are a valuable communication tool for reaching and targeting the most loyal customers.

Research by "Valter Afonso Vieira, Marcos In´acio Severo de Almeida, Thomas Frank Schreiner" analyzes how sales are affected by organic communication and promotion. The study is based on 4107 observations from 615 retailers over the 26-month period. The suggested model shows that "blog, Facebook comments, fan following, as well as hub organic search" increase retailers' sales.

"Jen-Peng Huang and Genesis Sembiring Depari's" 2021 study aims to develop a method to improve the engagement on social media for both paid and unpaid publications through data mining. Different characteristics of the posts were used to rank the importance of the variables. Through algorithms with 79% accuracy, the result was that the total number of likes on the company page is the primary factor for getting more engagement on social media for both paid and unpaid posts.

The great impact of social media communication, whether through organic or paid media, is analyzed by the study by "Simon Kruschinski, Jörg Haßle,Pablo Jost & Michael Sülflow" from 2022 on the fundamental impact that social media, in this case Facebook, play in election campaigns. My thesis is not based on politics, but on the fashion and electronics industry. The study considered is interesting because it manually analyzes all posts and content from six parties. What emerges is that organic media allow to regularly engage a wide audience, while paid ads, draw on personal data, are used only for selected users. What this study is about, is how content is tailored depending on whether the media is organic or paid. What has emerged is that paid and organic are published at quite different times in the campaign and with different functions, themes and degrees of negativity.

Paid content on social media can also include testimonials and influencers. it is important to understand how the product is perceived by consumers when they are aware that it is a

sponsored post. In 2019 Marijke De Veirman and Liselot Hudders conducted a study analyzing consumer perception of sponsored posts. To reach a conclusion, a 4 × 2 between-subjects experimental design (N = 414) crossing influencer, brand, and two message types was used to understand how paid post disclosure impacts consumer responses to posts on Instagram. The results of the study show that showing that a post is sponsored, compared to no disclosure, negatively affects and triggers skepticism toward the ad. The results also showed that the brand and the credibility were negatively affected only when a one-sided post was used and not when the post was two-sided. In addition, the study reveals that when influencers post products and advice in a genuine way, thus no commercial relationship with the brand, they get a more positive reaction from followers when it is explicitly mentioned that the product is not publicized for commercial purposes or that it is not a collaboration. Including that a post is not sponsored, rather than not disclosing some information, generates a more positive response and reduces skepticism.

To analyze the impact of social media communications, it is important to consider which platform is the most efficient for a company to use to communicate. The 2019 study by Daniel Belanche, Isabel Cenjor, Alfredo Pérez-Rueda was one of the first to compare Instagram and Facebook Wall Stories as advertising platforms.

The study aims to analyze the effectiveness of advertising on two of the most important social platforms: Instagram and Facebook. The study analyzes the effectiveness of advertising on these two socials in terms of loyalty, engagement, and intrusiveness. Data were collected through an online survey with 303 responses. Both gender and age were used as moderators.

The results revealed that Instagram Stories improve engagement and increase intrusiveness, compared to Facebook Wall. In addition, related to age, the data show that the Millennial generation is distracted by ads on the Facebook wall, which is less disruptive to other generations. A triple interaction reveals that men who are not members of the Millennial generation are more loyal to advertisements on Facebook, in contrast, Millennials both men and women are more loyal to advertisements on Instagram. What is relevant from the study is that companies should use Instagram when they want to target the younger generation, who find this channel more engaging.

I already mentioned in the introduction that my study will be done using Instagram as social media platform. My choice was based on the 2023 data on social media engagement (Localiq, 2023), which confirm the conclusion of the just discussed study of 2019.

2.5 Industries of fashion and electronics

This section is devoted to the two sectors that I will use in my study as moderators, which are the apparel and electronics sectors.

The study by "Sisca Sisca, Andy Wijaya, Ernest Grace, Debi Eka Putri" of 2021, analyzes consumer behavior when shopping. The aim of the study is to understand the reasons why some products are purchased online and others offline, especially some products need to be personally evaluated before purchase, which can only be done in the physical store. The research focuses on fashion products to identify the factors that lead consumers to buy online or offline. The data was collected by sending an online survey on WhatsApp and Telegram groups in June and July 2021, 162 responses were collected. Chi-square tests were used to analyze the data. The results show that more than 50 percent of respondents prefer to buy apparel products offline rather than online. Interesting are the results regarding the relationship between purchase motivational factors and consumer demographic characteristics, which show significant results, based on age group, marital status, and education level. This study shows that although online shopping has increased exponentially in recent years, there are products such as fashion products that consumers prefer to buy in-store instead of online.

Given the increased competitiveness in the fashion industry, with many competitors selling cheap online clothes that follow the latest trends, it has become necessary for fashion brands to use social media marketing communication tools. Social media are two-way communication platforms that allow users to communicate with each other, sharing opinions, stories, photos... This communication tool can also be used by brands to increase the relationship with customers, so as to engage them more, creating a relationship of trust and increasing purchase intention. A preliminary test was conducted to select a sample of luxury fashion brands for the study. To select consumers to fill out a survey, only consumers who had purchased at least one luxury garment in the past two years were considered. Results from 133 respondents were used for statistical analysis. Using Varimax, the five most important properties of social media marketing were identified, which are "entertainment, customization, interaction, word of mouth, and trend". A multiple regression was used to test the effect of social media marketing on consumer relationship (trust, intimacy) and purchase intention. The results underline the positive outcome of entertainment on intimacy, trust, and purchase intention. Other positive outcomes identified are costuming on "trust, interaction on purchase intention and word of mouth on purchase intention". From the results, the study suggests that to improve customer

relationship, brands should provide consumers on social media with free entertainment content, costumed services and trends to follow.

“Jiyoung Kim, Xi Yu Leung, Brittany McKneely's” 2023 study focuses on Instagram pages of small brands in the fashion industry and analyzes the transfers of social bonding within the Instagram page. The study focuses on overall perception and purchase intention toward the brand. The study analyzes the mediating effect of brand trust and brand identification on the relationship between social bonding and purchase intention. Data were collected using an online survey, in which 599 responses were collected.

Both brand identification and brand trust have a significant mediating effect between social bonding and purchase intention. In addition, the study identified that the mediating effect of brand trust is greater for Generation Y, while the mediating effect of brand identification is greater for Generation Z. Therefore, since my study focuses on communication on Instagram, where the target audience is 18-34, it will be important to take into consideration to construct my survey, use brands that are well known to respondents.

3 Hypotheses

For my study, I will focus on investigating the impact of social media communication via paid and organic on consumers' intention to visit the physical store. As social media I will focus on Instagram since from the study discussed in the previous section, from the year 2019, Instagram is detected as the most relevant social media for generation X. I will use three different hypotheses to answer my research question, which was the following:

- Understand the impact of communicating to customers, through organic social media and paid social media on Instagram, on customers intention to visit stores;

- How and if the impact changes based on the sector, being fashion and electronic

3.1 The impact of the type of communication on the intention of customer to visit the store

Nelson's 2012 study (presented in the previous section) examines followers of several brand pages and finds that most followers are strong buyers and almost no followers were not buyers of the brand. This would suggest that since strong buyers follow brand pages and see organic posts, this would lead them to visit the store more than a person who does not follow the brand and sees a communication via a sponsored post.

The 2022 study discussed in the literature review on the impact of social media on in-store sales shows that the organic part of social media such as blogs, Facebook comments increase in-store sales. The same result is also confirmed by Valter Alfonso Vieia's research that analyzes how sales are impacted by organic promotion. The study shows that followers of brand pages buy more. This would lead to the assumption that organic communication is more effective than paid communication.

As a result, the following assumptions are made regarding the impact of the communication type (paid or organic) on the customers' willingness to visit a store.

H1: *Organic communication has a bigger influence on the willingness to visit the store regardless of the industry, than paid communication*

3.2 The influence of the industry (fashion-electronic) on customers 'willingness to visit the store

Statista's 2022 study on consumer buying habits shows that for the clothing sector, 30% of consumers prefer to buy in-store, while 34% prefer to buy online and the remaining 36% do a mix of in-store and online. Regarding, on the other hand, consumer buying habits for the electronics sector, 26% of consumers say they prefer to buy in-store, 38% say they prefer to buy online, and the remaining say they do a mix between in-store and online.

From the data, it can be assumed that for the fashion industry, consumers are more likely to visit the physical store than for the electronics industry.

In contrast, Accenture's 2023 report estimating online sales on social media in 2025 reveals consumers will buy 18% fashion clothing and 13% electronics products.

As a result, of the opposing information from the literature review, the two following opposing hypotheses are formulated:

H2a: *Consumers have a lower willingness to visit the store of the fashion industry than electronic industry;*

H2b*: Consumers have a higher willingness to visit the store of the fashion industry than electronic industry.*

3.3 The interaction between the 2-communication type and the different industries

There are no studies comparing social media communication via organic and paid on particular sectors and the impact on physical store visit, so for the last hypothesis of this research I propose to analyze the interaction between the type of communication, whether paid or organic with the sector, fashion or electronic, on the consumer's intention to visit the physical store.

As a result, the following hypotheses are formulated:

H3a*: Consumers are more likely to visit the store when the paid media communication is about fashion than when it is about electronic;*
H3b: *Consumers are more likely to visit the store when the organic media communication is about fashion than when it is about electronic.*

4 Research Procedure

The primary objective of this research is to explore whether the type of communication on Instagram (organic or paid) shown to consumers, influence their intention and willingness to visit the physical store. In addition, I investigate the moderating role of the industry being fashion and electronic. Since there is little known about the influence of the different types of communication via Instagram on specific industries and the influence of consumers to visit the store, I will conduct an experiment. The experiment will allow me to create different scenarios through which respondents will be asked to indicate their behaviors in different situations and regarding different industries. The experiment will be conducted based on a questionnaire (appendix 10.1) to test the hypothesis.

4.1 Design

The experiment is conducted through a between-subject design, each respondent is assigned to one industry, whether fashion or electronic, and one specific scenario, whether organic or paid.

4.1.1 Communication Type

The conditions with organic communication, implied that the respondent had to imagine that he or she was a loyal customer of Zara or Apple (depending on the assigned industry), that he or she regularly purchased products from the brand, and that he or she followed the brand page on Instagram.

Conditions with paid communication implied that the respondent had to imagine that he or she knew the brand (Zara or Apple), had purchased something of the brand in the past, and did not follow their Instagram page**.**

4.1.2.Industry

Regarding the industry, based on the study of "Jiyoung Kim, Xi Yu Leung, Brittany McKneely's" of 2023 on the overall perception and purchase intention of fashion brands' Instagram pages. Using mediators, it emerged that brand identification is very significant for Generation Z. This Generation strongly uses Instagram. Based on data collected by Statista in January 2023, 30.8% of the worldwide users of Instagram have an age range between 18-24 and 30.3% between 25-34. Given that brand identification is very significant for the younger generations, for the scenarios of my research I used brands very well known. In the case of the fashion industry, I used Zara, which is well known. It is a Spanish brand of the Inditex group, manufacturer of clothing and accessories based in northern Spain, precisely in Arteixo in Galicia. While for the electronic industry I used Apple, which is a U.S.-based multinational company that produces operating systems, smartphones, computers and multimedia devices, headquartered in Cupertino in California.

In the case of Zara, respondents were supposed to see a post on the wall of Instagram with a dress that he or she was interested in and liked. In the case of Apple, respondents were supposed to see a post on the wall of Instagram with a smartphone that he or she was interested in and liked.

4.2 Data Collection

The experiment is conducted via an online survey made with a software named Qualtrics. The survey was sent to respondents via WhatsApp and Instagram. Given that the survey was sent mainly to friends, friends of friends, most of the respondents are in the main target of Instagram, which is 18-34. Studying in an international university, the survey was not sent only to people from a specific country, even though most of the respondents are Italians.

The survey for the experiment consists of 5 parts. The first part consists of only one question, which is a screening question in order to make sure that the respondents to the survey own an Instagram account. Among the 188 respondents that were willing to fill in the survey, 159 respondents were eligible according to the screening question. The second section which consists of two questions, is concerning the Instagram use of respondents. A question is related to the usage time on Instagram, while the other question is a selective question. The latter asks respondents whether they follow or not brands on social media. Based on their answers, respondents are directed to different scenarios (branch question). If they answer "Yes", meaning that they follow brands on Instagram, respondents are assigned to a scenario with the organic communication, whereas if the respondents answer "No", they are assigned to a scenario with a paid communication.

The third section, which is the central part of the experiment, concerns the intention to visit the store through one of the two different communication types and for one specific industry. The research is conducted using between-subjects manipulation, to assure that respondents do not know what the experiment is about. The between-subject method consists of each respondent is appointed to one industry and one communication type only.

Based on what the respondents has answered in the previous question, he or she is assigned to a condition with organic communication or paid communication. Furthermore, the conditions differ also for the industry. The respondents are assigned randomly (randomizer questions) to the industry. For each of the four scenarios the questions are the same, and they are related to the attitude of respondents towards the omnichannel experience and their willingness to visit the store. The question is made of four statements where respondents have to indicate their intentions through a 7-point Likert scale.

The experiment consists of four different conditions, namely 2 conditions of the communication type and two conditions of the industry. Each communication type is used for both industries, leading in a 2 on 2 matrix, which results in 4 different conditions, shown below.

Table 1: Conditions

CONDITIONS	**Fashion**	**Electronics**
Paid	Condition 1	Condition 3
Organic	Condition 2	Condition 4

The fourth section is related to shopping behavior and the last section is related to demographic characteristics.

5 Method

In order to test the hypotheses, I used two Anova, two regression equations, one independent t-test and several crosstabs, frequencies and descriptives. To compute the tests, I used SPSS statistics.

For hypothesis H1, I used Anova analysis in order to test which communication channel had the highest effect on the willingness of customers to visit the store. The dependent variable is the intention of respondents to visit the physical store, which is measured through a 7-point Likert scale (1 - definitely not willing to visit the store, 7 - definitely willing to visit the store), therefore a metric variable. The independent variable is the type of communication, which is a non-metric variable.

For the hypothesis H2, I used an independent sample t-test to compare the means of two independent groups. The independent variable is the intension of respondents to visit the store and the dependent variables are the two industries, fashion and electronics, that are both nonmetric variables.

A regression (R1) is run, which has as depend variable the willingness of respondents to visit the store, a metric variable; and as independent variables, I computed two dummy variables, one for the industry and one for the type of communication.

The results of both the Anova for H1 and the independent t-test for H2 are compared with the results of the linear regression R1.

For the third and last hypothesis H3, I used a N-way Anova to check the main effects of the industry and type of communication on customers willingness to visit the store. The model is equal to the Anova used for H1, but it is added the interaction between type of communication and industry.

Hypothesis H3 regarding the moderating effect of the industry is tested via regression equation R2. In order to form the regression equation, interaction terms are formed by multiplying the fashion industry with the type of communication. The table below shows an overview of the regression equations.

Table 2: Regression equations

H1-H2	Regression Equation (R1)	Intention to visit the store	β0 + β1*Organic + β2*Fashion
H3	Regression Equation (R2)	Intention to visit the store	β0 + β1*Organic + β2*Fashion*Paid + β3*Fashion*Organic

Some crosstabs are used to analyze demographic data and check whether there are relationships between gender and the attitude of following brands on Instagram, and between age and attitude of following brands on Instagram.

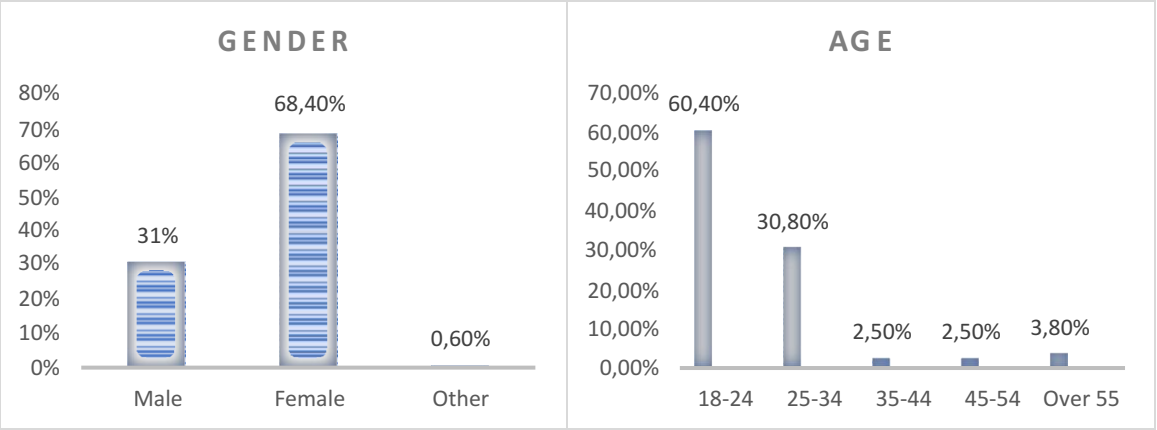
6 Results

The survey was answered by 188 people. After the first question, which was a screening question, 23 respondents could not fill the survey. After cleaning the data from missing values, the number of respondents to the survey was 159.

6.1 Demographics

Among the 159 respondents who completed the survey, most of them were young: 60,4% were between the age 18-24, 30,8% between 25-34, 2,5% between 35-44, 2,5% between 45-54 and the remaining 3,8% over 55 years old. The majority of the respondents are female, being 68,4%.

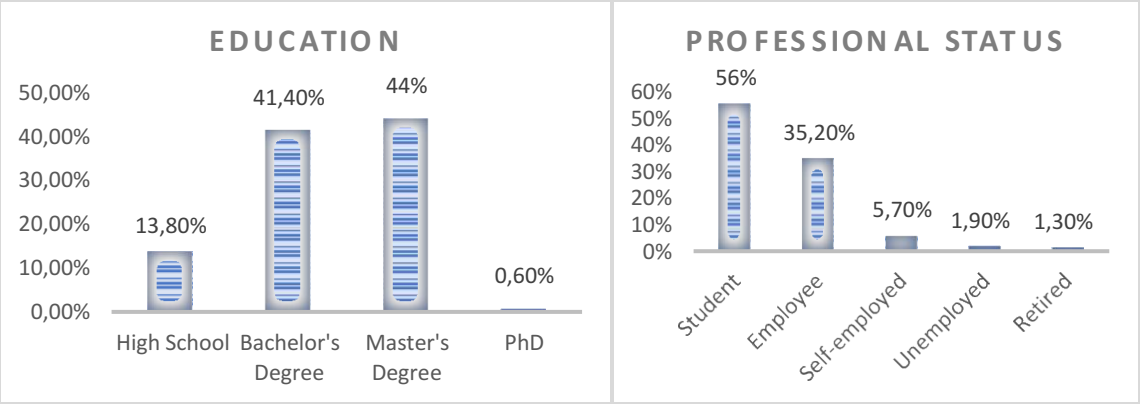
Figure 2: Gender and Age



Regarding the highest level of education, 44% of the respondents have a master's degree, 41,5% have a bachelor's degree, 13,8% have only high school and only one respondent, corresponding to 0,6% has a PhD.

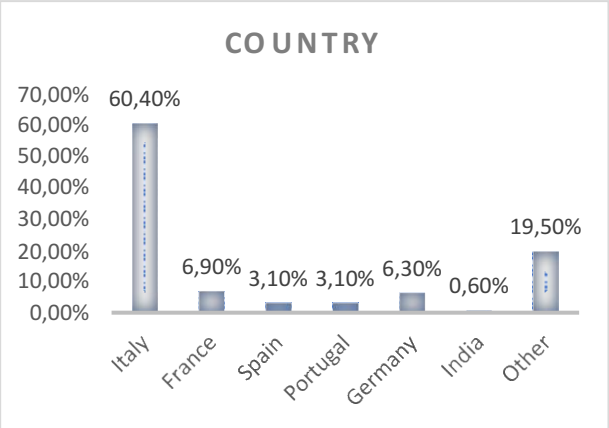
Most of the respondents, more specifically 56%, are students, followed by 35,2% who are employee.

Figure 3: Education and Professional status



The majority of the respondents are Italian, being 60,4%, 6,9% are French, 6,3% are German, 3,1% Portuguese, 3,1% Spanish, 0,6% Indian and 19,5% chose the option "other". Among "other" there are respondents from China, Uk, Morocco, Lithuania, Switzerland, Sweden, Malaysia, Hungary, Netherlands, United States (Kansas), Mexico, Austria, Vietnam, Finland, and Philippines.

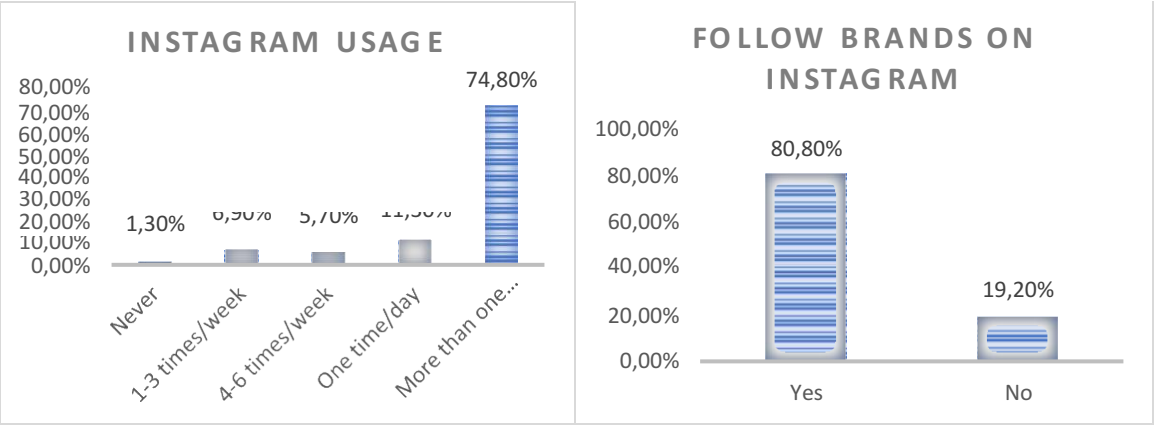
Figure 4: Country



6.2 Frequencies

Respondents were asked the frequency whit which they use Instagram, 119 respondents, which corresponds to 74,8% stated to use Instagram more than one time per day. Therefore, most of the respondents are heavily users of the platform. Among the 159 respondents 80,8% do follow at least one brand on social media, while the remaining 19,2% do not follow brands online.

Figure 5: Instagram usage and Follow brands on Instagram

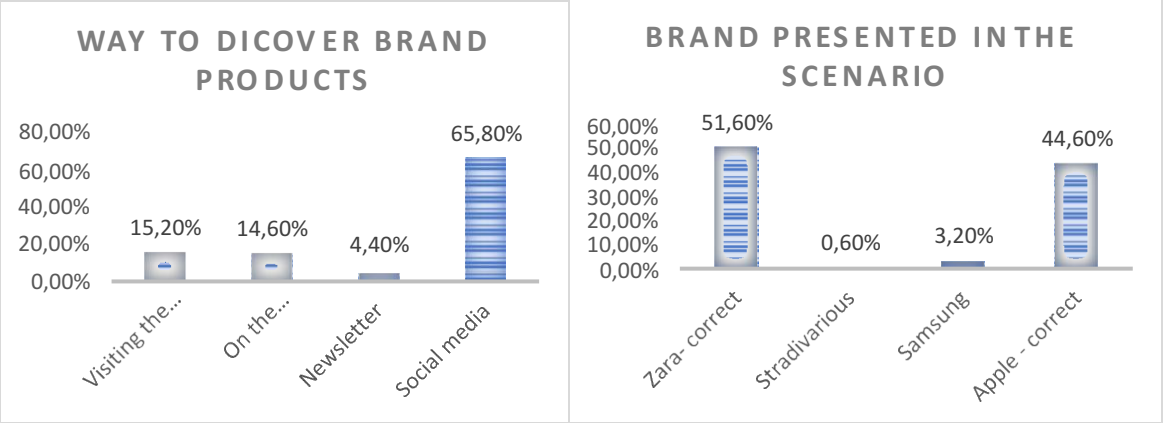


Respondents were asked where they usually discover brand new products and promotions, most of the respondents, 65,8% stated that that they discover brand products on social media, 15,2% visiting the store, 14,6% on the brand's website and only 4,4% through the newsletter.

To check whether the respondents carefully answered the survey, at the end of the survey, before the demographic questions, I asked which brand was presented in the scenario. A very

small percentage answered wrongly; therefore those respondents were eliminated from the analysis of data.

Figure 6: Way to discover brand products and Brand presented in the scenario



6.3 Cross tabs

6.3.1 Relation gender and follow/no follow brands on Instagram

I used crosstabs to study the relationship between 2 nonmetric variables, gender and if respondents follow or do not follow brands on Instagram. Both for women and men most of the respondents follow brands, but for women the results are stronger.

Table 3: Gender and brands on Instagram

	Gender	
Follow	**Male**	**Female**
Yes	68,7%	85,8%
No	31,3%	14,2%
Total	100%	100%

To check if there is a significant relationship between the two variables, I looked at the Pearson Chi-Square, which is 0,040, (lower than 5%). Therefore, there is a relationship between the gender and the fact of following or not brands on Instagram. To determine the strength of the association I used the phi coefficient, contingency coefficient and Cramer's V. The value of Phi-Cramer is 0,204 , which indicates that the relation is not very strong.

6.3.2 Relation age and follow/no follow brands on Instagram

It has been also studied the relationship between age and the fact of following or not brands on Instagram. The results show an inverse relationship between the two variables. Higher is the age of respondents, lower is the percentage of respondents following brands on Instagram.

Table 4: Age and brands on Instagram

	Age				
Follow	**18-24**	**25-34**	**35-44**	**45-54**	**Over 55**
Yes	84,4%	80,9%	75,0%	75,0%	80,8%
No	15,6%	19,1%	25,0%	25,0%	19,2%
Total	100%	100%	100%	100%	100%

The Pearson Chi-Square is 0,012, which is lower than 5%. The Phi – Cramer is 0,287. Therefore, age has a higher relationship than gender on the fact of following or not brands on Instagram.

6.3.3 Relation age and way of discovery brand products

Most of the respondents stated to discover brand new products mainly on social media (figure:6)

I used crosstabs to check whether this attitude differs from one generation to another. Literature reviews stated that the target between 18-34 is the one that purchases the most online and use the most Internet and social media. The results confirm what just discussed. Respondents who discover brands mainly visiting the store are mainly those over 55 years old, those who discover on the brand's website are those between 35-44 and 45-54, those discovering brands via newsletter are mainly over 55 and those who discover via social media are 18-24 (67,7%) and 25-34 (70,8%).

Table 5: Age and way to discover brands

	Age				
Discover brand products	**18-24**	**25-34**	**35-44**	**45-54**	**Over 55**
Visiting the store	13,5%	14,6%	25,0%	25,0%	33,3%
On the brand's website	14,6%	14,6%	25,0%	25,0%	0%
Newsletter	4,2%	0%	25%	0%	33,3%

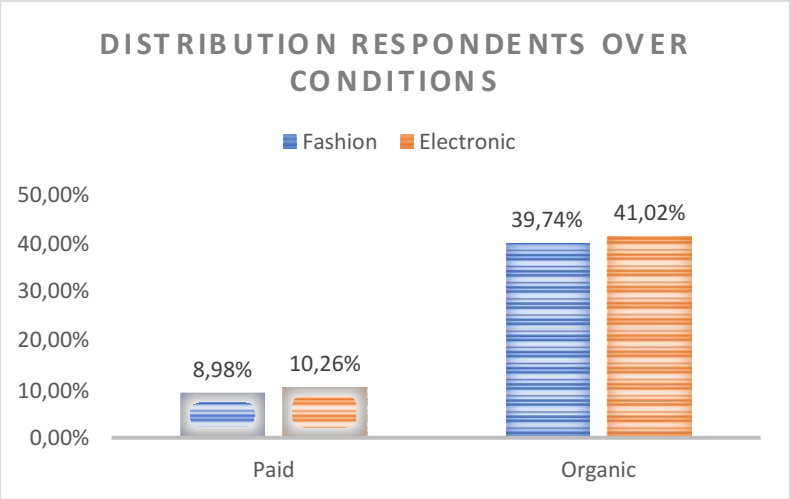
Social media	67,7%	70,8%	25%	50%	33,3%
Total	100%	100%	100%	100%	100%

The Pearson Chi-Square is 0,025, (lower than 5%), therefore, there is a relationship between the age and the way respondents discover brand products. To determine the strength of the association I used the phi coefficient, contingency coefficient and Cramer's V. The value of Phi-Cramer is 0,025, which indicates that the relation is not very strong.

6.4 Descriptives

The experiment resulted in 4 different scenarios to which respondents were assigned based on their answer to a branch question and later randomly assigned to an industry. Figure 7 represents in percentage how respondents have been assigned to each condition. It is clear from the figure that many more respondents have been appointed to a scenario with organic communication. This is given by the fact that they answered "Yes" to the branch question. The branch question was asking respondents whether they follow at least one brand on Instagram. Those who answered "Yes" were assigned to a random condition with organic communication, whereas those who answered "No", meaning that they do not follow any brand on Instagram were assigned to a random condition with paid communication. Being that 80,8% answered "Yes" and 19,2% answered "No", many more respondents answered to scenarios of organic communication than paid communication.

Figure 7: Distribution respondents over conditions



The dependent variable of this study is the intention to visit the physical store measured on a 7-point Likert-scale (metric variable). Being a 7-point Likert scale, the variable has a minimum of 1 and a maximum of 7. The mean value of the intention to visit the store shows that regardless of the different scenario respondents were assigned to, the average willingness to visit the store is quite high, being 4,45 out of 7.

Table 6: Descriptive statistics of the willingness to visit the store

	Mean	**Min**	**Max**	**Std. Deviation**
WTVS	4,45	1	7	1,93

In order to get more insight into the variable, the average mean have been compared for each type of communication and each industry. The figure 6 shows that respondents in general have higher intention to visit the store when the communication is organic, than when is sponsored/paid. Looking more specifically, respondents have higher intention to visit the store when they see a communication via organic about fashion, with a mean of 4,89. Respondents have a slightly lower intention to visit the store when they see a communication via organic about electronics. On the other hand, the intention to visit the store when the communication is paid and about fashion is 2,86 and the intention to visit the store when the communication is paid and about electronics is 4,19. The values for paid communication are much lower compared to organic communication, and in regard to the sector are the opposite than for organic. This is to say, that for organic communication it seems that the intention of visiting the store is higher for the fashion industry, while for paid communication the intention to visit the store is higher for electronic products.

Figure 8: Average willingness to visit the store per condition

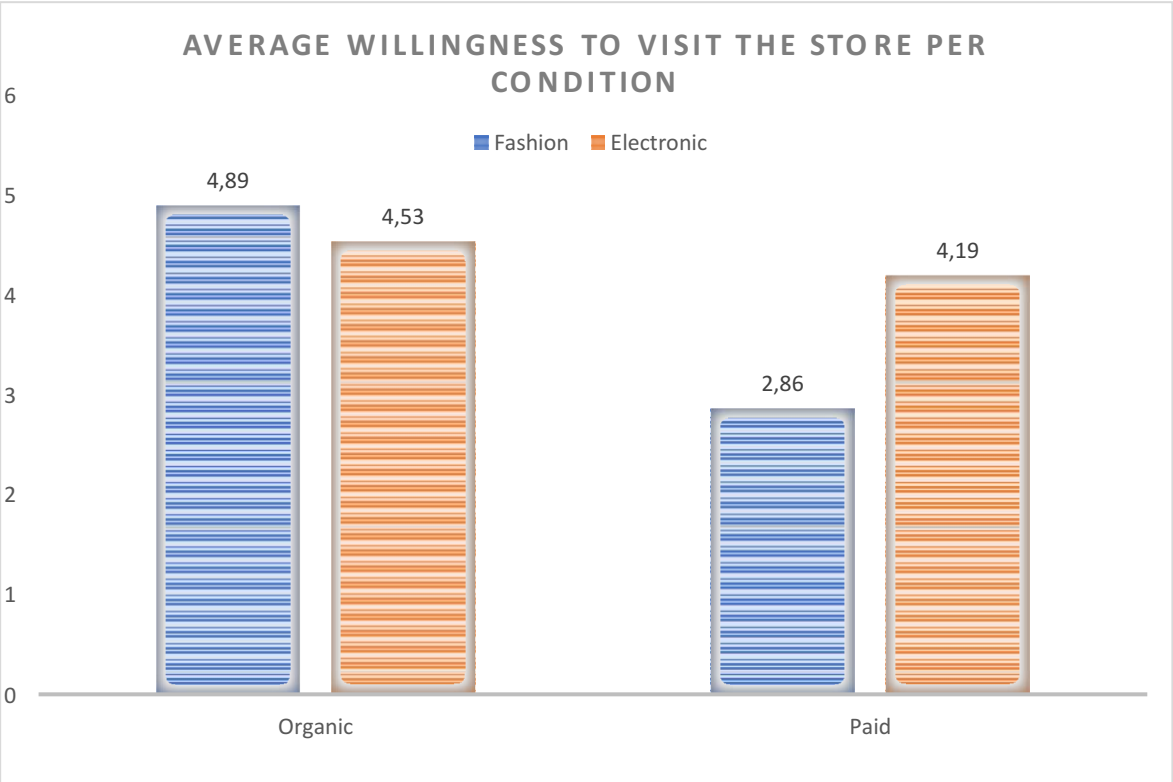


Table 7: Distribution respondents and willingness to visit the store per scenario

	N	Min	Max	Mean	Std. Deviation
Paid-fashion	14	1	7	2,86	2,214
Paid-electronic	16	1	7	4,19	2,105
Organic-electronic	64	1	7	4,53	1,799
Organic-fashion	62	1	7	4,89	1,784

6.5 Independent-sample t test:

Respondents who do not follow brands on Instagram have been appointed to paid communication. To these respondents an additional question was asked, asking based on the previous scenario if they would have started to follow the brand page on Instagram. Through an independent t-test I could check based on the intention to visit the store, the intention to follow the Instagram brand page (a dummy has been created for the intention to follow the brand page).

The table below (referred to paid communication – fashion industry) shows that respondents that have low intention to visit the store, with a value of 2,44, also have no intention to start following the Instagram page of the brand. While those respondents with higher intention of visiting the store, mean 4,25, also have intention to start following the brand.

Table 8: Follow brands on Instagram (fashion)

	N	Mean	Std. Dev
No	9	2,44	2,128
Yes	4	4,25	2,217

Through the independent t-test I compare that the mean of the 2 groups, those who stated to be willing to follow the brand page on Instagram and those who stated not to be willing to follow the brand page on Instagram, are significantly different.

The Leven's test for equality of variance, shows a significance of 0,995, which is higher than 5%, therefore I do not reject that the variances of the two groups are equal. Looking at the t-test for equality of means and more specifically at two-sided p, the significance is 0,190, higher than 5%, therefore I do not reject that the means of the two groups are equal. Therefore, the two groups have different attitudes towards following or not the brand presented, but these data are not statistically significant.

The table below (referred to paid communication – electronic industry) shows that respondents that have low intention to visit the store, with a value of 2,83, also have no intention to start following the Instagram page of the brand. While those respondents with a higher intention of visiting the store, mean 5,00, also have intention to start following the brand.

Table 9: Follow brands on Instagram (electronic)

	N	Mean	Std. Dev
No	6	2,83	2,128
Yes	10	5,00	2,217

The Leven's test for equality of variance shows a significance of 0,244, which is higher than 5%, therefore I do not reject that the variances of the two groups are equal. Looking at the t-test for equality of means and more specifically at two-sided p, the significance is 0,041, lower

than 5%, therefore I do reject that the two means of the two groups are equal. Therefore, the test confirms that the mean of the two groups are statistically independent.

6.6 Main Analysis

6.6.1 The influence of the type of communication on the intention of customer to visit the store (H1)

The first hypothesis was the following:

H1: *Organic communication has a bigger influence on the willingness to visit the store regardless of the industry, than paid communication*

The influence of the type of communication on the intention of customers to visit the store is tested through a one-way Anova analysis. A dummy variable is created for the type of communication.

Table 10: Mean and significance

	N per group	**Mean**	**Sig.**
Organic	123	4,67	0,005
Paid	30	3,57	

The results of the one-way Anova analysis in the table above shows that the mean of organic communication (mean: 4,67) is higher than the one of paid communication (mean: 3,56). The test of homogeneity of variance shows a significance of 0,007, which is lower than 5%, therefore the homogeneity of variance is rejected, since it has been violated. Therefore, I computed the Brown-Forsythe and Welch tests. For both tests the significance is 0,016, which is lower than 5%. The table Anova, which indicates if there are overall differences between groups, shows a significance of 0,005, being lower than 5%, therefore the treatments do not have the same effect on the dependent variable. This means that there is a significant difference in intention to visit the store between the different communication types. In this case, organic communication and paid communication do not have the same effect on the willingness of customers to visit the store. The hypothesis was that organic communication had a higher influence on customers' intention to visit the store, and the results of the analysis show that

mean of organic communication is higher than paid communication, therefore the hypothesis H1 is accepted.

6.6.2 The influence of the type of industry on the intention of customer to visit the store (H2)

The second hypotheses were the following:

H2a: Consumers have a lower willingness to visit the store of the fashion industry than electronic industry

H2b: Consumers have a higher willingness to visit the store of the fashion industry than electronic industry

In order to test the influence of the industry on the willingness of customers to visit the store, an independent samples t-test is used. This test compares the average willingness to visit the store for the two industries, namely fashion and electronics. Since 2 opposite hypotheses were formulated in section related to hypotheses, there is no clear indication about the direction of the effect of the industry on the intention to visit the store of consumers.

Table 11: Results independent sample t-test

	N	Mean	Sig. Levene's test	Sig. Two-sided p
Fashion	74	4,459	0,354	0,958
Electronic	79	4,443		

The table above shows that willingness to visit the store is almost the same for the fashion and electronic industries. Running the T-test, from the first table showing the group statistics, it shows that the mean of electronic (mean:4,44) is very similar to the mean of fashion (4,46).
The Leven's test for equality of variance, shows a significance of 0,354, which is higher than 5%, therefore I do not reject that the variances of the two groups are equal. Looking at the t-test for equality of means and more specifically at two-sided p, the significance is 0,958, higher than 5%, therefore I do not reject that the two means of the two groups are equal.
Therefore, respondents have the same willingness to visit stores of fashion and stores of electronics.

6.6.3 The main determinants of customer intention to visit store (H1 – H2a – H2b)

The regression model explains the main determinants of customer intention to visit store and it is used to understand the nature of the relationship between two or more variables. Hypotheses H1 and H2 are also tested through a linear regression (equation R1). In the regression the dummy variable organic and fashion are regressed on the willingness to visit store. Paid communication and electronic industry are the benchmark in this regression.

The dependent variable is the willingness to visit the store, measured on a 7-point Likert scale (metric variable), the independent variables are the type of communication and the industry, which are dummy variables (non-metric).

Looking at the results of the regression, the correlation table shows that there are no correlations above 0,8 or below -0,8, therefore the results do not suggest collinearity. The model summary, which shows the R square, which is the variance in the dependent variable explained by the model and the adjusted R square, being respectively 0,052 and 0,039. Therefore, it implies that 5,2% of the variance of the willingness to visit the store is explained by the variance of the communication dummies and the industry dummy.

Table 12: Model summary

R square	Adjusted R square
0,052	0,039

The significance of the model is 0,019, lower than 5%, therefore we reject that predictors are equal and equal to zero. However, it is not possible to know which predictor is not equal to zero, and it is needed to look at the coefficients.
The coefficient table (table 13) shows that organic communication is significant with a value of 0,005, whereas the fashion industry is not significant with a value of 0,995. Since the two independent variables are dummy, I looked at the standardized coefficient Beta, which shows that the predictor with the highest coefficient is Organic communication, which means that it has the highest contribution to overall intention to visit the store.

Table 13: Coefficients

	Stand. Coeff. Beta	Sig.
Organic Communication	0,227	0,005
Fashion Industry	0,000	0,995

Looking at the collinearity statistics, the data shows that there is not multicollinearity, being the values of tolerance higher than 0,4 and the VIF lower than 2,5.

Looking at the Collinearity Diagnostics and more specifically at the condition index, which is 2,45 for Organic communication and 5,04for fashion industry, it is confirmed that there is not multicollinearity in the model, being the values lower than 15.

Table 14: Regression equation

	Understand Beta	Sig.	Std. error	VIF
Constant	3,566	0,001	0,374	
Organic	1,100	0,005	0,385	1,000
Fashion	0,002	0,995	0,306	1,000

The results from the regression analysis confirm the results of the Anova (H1) and independent t-test (H2), that is that the type of communication matters and has an impact on the willingness of customers to visit the store (H1), whereas the industry is not significant (H2) and does not influence the intention of respondents to visit the store.

6.6.4 The interaction between the type of communication and the type of industry (H3)

The third hypotheses were the following:

H3a*: Consumers are more likely to visit the store when the paid media communication is about fashion than when it is about electronic;*

H3b: *Consumers are more likely to visit the store when the organic media communication is about fashion than when it is about electronic.*

The third hypotheses are tested via an n-way Anova and a regression equation named R2.

6.6.4.1 N-way Anova

The descriptive statistics show that the mean is higher for organic communication (mean: 4,67) than for paid communication (mean: 3,57). Regarding the industries, the means of the two industries are very similar, being 4,46 for the fashion industry and 4,44 for the electronic industry. These data match what I explained previously with the Anova (H1-communication types) and independent t-test (H2-industries).

Table 15 : Descriptives Statistics

Communication type	**Industry**	**Mean**
Organic	Electronic	4,51
	Fashion	4,83
	Total	4,67
Paid	Electronic	4,19
	Fashion	2,86
	Total	3,57
Total	Electronic	4,44
	Fashion	4,46
	Total	4,45

Looking at the test of between-subject effects, it is shown that the communication type is significant, being 0,003 (lower than 5%), while the industry is not significant being 0,189. Looking at the interaction between communication type and industry, the table shows a significance of 0,031. Therefore, there is a significant main effect for communication type. Paid communication and organic communication differ in terms of their effect on respondents' intention to visit the physical store. There is no significant main effect for industry. However, there is a significant interaction effect for communication and industry on respondents' intention to visit the store. The R square, which is the variance in the dependent variable

explained by the model is 0,081, meaning that the model explains 8,1% of the variance, then the model has low explanatory power.

Table 16: Significance

	Sig.	**Partial Eta Squared**
Corrected model	0,006	0,081
Intercept	0,001	0,756
Communication	0,003	0,057
Industry	0,189	0,12
Communication*Industry	0,031	0,031

Therefore, since the interaction between the type of communication and the industry is significant, the hypothesis H3b is accepted, while hypothesis H3a is not acceptable.

6.6.4.2 Regression equation (R2)

In order to analyze the interaction between the two types of communication and the two different industries, 2 interaction terms are added to regression equation R1, by multiplying fashion with each communication type. In order to avoid the dummy variable trap, the fashion dummy is removed from the regression equation. Therefore, the resulting benchmark consists of paid.

Looking at the results of the regression, the correlation table shows that there are no correlations above 0,8 or below -0,8, therefore the results do not suggest collinearity. The model summary, which shows the R square, which is the variance in the dependent variable explained by the model and the adjusted R square, being respectively 0,081 and 0,062. Therefore, it implies that 8,1% of the variance in the dependent variable is explained by the model.

Table 17: Model summary

R square	**Adjusted R square**
0,081	0,062

The significance of the model is 0,006, lower than 5%, therefore we reject that predictors are equal and equal to zero. However, it is not possible to know which predictor is not equal to zero, and it is needed to look at the coefficients.
The coefficient table (table 18) shows that organic communication is not significant with a value of 0,541. Also, the interaction effect between the type of communication organic and the fashion industry is not significant (sig:0,336), whereas the interaction between the organic communication and the fashion industry is significant with a value of 0,054.

Since the two independent variables are dummy, I looked at the standardized coefficient Beta, which shows the effect of the predictors on the dependent variable, which means that it has the highest contribution to overall intention to visit the store. Not all predictors have a positive effect, as the table below shows.

Table 18: Coefficients

	Stand. Coeff. Beta	**Sig.**
Organic Communication	0,066	0,541
Organic*Fashion	0,083	0,336
Paid*Fashion	-0,199	0,054

Looking at the collinearity statistics, the data shows that there is not multicollinearity, being the values of tolerance higher than 0,4 and the VIF lower than 2,5.

Looking at the Collinearity Diagnostics and more specifically at the condition index (CI), it is confirmed that there is not multicollinearity in the model, being the values lower than 15.

Table 19: Regression equation

	Understand Beta	**Sig.**	**Std. error**	**VIF**
Constant	4,188	0,001	0,467	
Organic Communication	0,320	0,541	0,523	1,890
Organic*Fashion	0,325	0,336	0,337	1,187
Paid*Fashion	-1,330	0,054	0,684	1,703

There are two interaction terms, (only one is significant Paid*Fashion). The interaction term Paid*fashion has a negative coefficient, which means that respondents value paid

communication about fashion less than about electronic. Therefore adding 1 unit of paid*Fashion will decrease the overall willingness to visit the store by 1,33. In other words, increasing the paid communication about fashion will lead to decrease the intention of customers to visit the store, while the opposite will happen with the electronic industry. While, the interaction term Organic*Fashion has a positive coefficient, which means that respondents value organic communication about fashion more than about electronics. Therefore adding 1 unit of Organic*Fashion will increase the overall willingness to visit the store by 0,33. In other words, increasing organic communication about fashion will lead to increase the intention of customers to visit the store, while the opposite will happen with the electronic industry.

The results from the regression analysis confirm the results of the Anova (H3a-H3b), that is that consumers are more likely to visit a fashion store when the communication is organic, and consumers are more likely to visit an electronic store when the communication is paid.

7 Conclusions

The main goal of this research was to analyze the behavior of consumers in the omnichannel landscape. This is a test of whether some communication methods are more efficient than others and more specifically towards different sectors. Nowadays, retailers communicate with customers in various ways, from physical stores, email marketing, sea, social media and many others.

The object of my research is to indicate which type of communication should be used to communicate with customers and the impact of the industry. Although multiple types of communication and channels exist, I limited the research to Instagram's organic and paid communication and 2 industries (fashion and electronic).

The research in my master's thesis suggests that consumers are more likely to visit a physical store when the communication is via organic than when the communication is via paid. From the information collected through the survey, it shows that customers get to know new products and promotions mainly from social media. Moreover, the majority of the respondents follow brands on Instagram and are already heavily influenced by organic communication on Instagram.

In my study, two industries have been used to test whether the intention to visit the store was influenced by the sector. The results show that for the fashion industry customers are more

likely to visit the store if they see a post on their Instagram's wall of a brand that they follow (organic communication). Whereas for the electronic industry, the intention to visit the store is lower than for the fashion industry and the intentions are higher when consumers see a sponsored post on their Instagram's wall (paid communication). This might be due to the fact that, the fashion industry includes items such as shoes and clothes which many people prefer to try in the store to see how they fit, rather than just shop them online.

The results of the study show that organic communication has a higher impact and influence on customers' willingness to visit the store and they confirm the study of Nelson of 2012, which examined followers of brand pages and the buyer (light, strong).

These results could be useful for companies in order to decide whether to invest more in sponsored posts to target customers or in making customers follow the brand page and therefore communicate more often via organic communication. The latter could be implemented by some specific initiatives, gamification and promotions for which customers are required to follow the brand page in order to get a special discount or sample for instance.

8 Limitations

One of the limitations is definitely the sample, the survey was sent to friends and family, the respondents come from more than 20 different countries, but most of them are females between 18 and 24 and Italians (northern Italy, Turin area). To have a valid result to the study, a group of people evenly distributed throughout Italy should be used as a sample.

A second limitation was that most respondents to the survey, follow brands on Instagram, so since there was a selection question that referred respondents to different scenarios, much more data was collected on organic communication than on paid communication.

Another limitation may be people biased. In the scenarios it was specified, that the respondent was in a certain position and role, such as two scenarios communicated to the respondent to imagine being a loyal customer of Zara or Apple. The respondents, although they had to answer about their intention to visit the physical store based on the specific scenario, of their biased for sure influenced their response. A respondent who hates Zara, if he or she even has to imagine being loyal, will have a lower propensity to indicate in the 7 point-Likert scale a high intention to go to the Zara store, the same is true for Apple.

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10 Appendix

10.1 Survey

Introduction

"Dear participant,

I would like to thank you in advance for taking the time to participate in this survey that is part of my Master's thesis in the program of Management at the ESCP Business School.

The survey takes about **3 minutes** to answer. It is important that you answer all questions as honestly as possible, after reading each question carefully. There are no right or wrong answers.

If you have any questions or interest in knowing the results of this research, please contact: alessandra.vergano@edu.escp.eu

Thank you very much!

Alessandra Vergano"

Screening

1-Do you have Instagram?

- Yes
- No

(Screening question)

Instagram use

2-How often do you use Instagram?

- Never
- 1-3 times a week
- 4-6 times a week
- One time per day
- More than one time per day

3-Do you follow brands on Instagram (choose Yes if you follow at least one brand)?

- Yes
- No

(Those who answers “yes” get the scenario with the communication via organic, who answers “no” get the scenario with the paid communication)

Attitude towards the omnichannel experience

Based on what they answered in question 2 respondents will get an Organic or Paid post either in the fashion or electronic industry

4a- Imagine you are familiar with the brand Zara and have purchased from them in the past. You don't follow the brand's Instagram page. One day on the Instagram wall you see a post with a dress which you are interested in and would like to buy, please respond to the following statements based on how you would behave. (1 Definitely no - 7 Definitely yes)

- I would click the "view shop" button to get more information and eventually purchase it in-store
- I would click the "view shop" button to get more information and eventually purchase it online
- I would not click the "view store" button and would go in-store to get more information and possibly purchase it
- I would not click the "view store" button and I would not go in-store

OR

4b- Imagine you are familiar with the Apple brand and have purchased from them in the past. You do not follow the brand's Instagram page. One day on the Instagram wall you see a post with a cell phone which you are interested in and would like to buy, please respond to the following statements based on how you would behave. (1 Definitely no - 7 Definitely yes)

- I would click the "view shop" button to get more information and eventually purchase it in-store
- I would click the "view shop" button to get more information and eventually purchase it online
- I would not click the "view store" button and would go in-store to get more information and possibly purchase it
- I would not click the "view store" button and I would not go in-store

OR

4c-Imagine you are a loyal Zara consumer who regularly buys clothes from the brand. On Instagram you follow the official Zara page. One day on the Instagram wall you see a post with a dress which you are interested in and would like to buy,

please respond to the following statements based on how you would behave. (1 Definitely no - 7 Definitely yes)

- I would click the "view shop" button to get more information and eventually purchase it in-store
- I would click the "view shop" button to get more information and eventually purchase it online
- I would not click the "view store" button and would go in-store to get more information and possibly purchase it
- I would not click the "view store" button and I would not go in-store

OR

4d- Imagine you are a loyal Apple consumer who regularly buys electronic products from them. On Instagram you follow Apple's official page. One day on the Instagram wall you see a post with a cell phone which you are interested in and would like to buy, please respond to the following statements based on how you would behave. (1 Definitely no - 7 Definitely yes)

- I would click the "view shop" button to get more information and eventually purchase it in-store
- I would click the "view shop" button to get more information and eventually purchase it online
- I would not click the "view store" button and would go in-store to get more information and possibly purchase it
- I would not click the "view store" button and I would not go in-store

4a.1/4b.1-Based on the previous question (you are interested in the product), would you start following the brand page?

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

(only for those who get the sponsored scenario)

Shopping behavior

5-Where do you usually discover brand new products and promotions?

- Visiting the store
- On the brand's website
- Social media
- Newsletter

6-How do you shop most of the time ?

- Research online, buy online
- Research online, buy in store
- Research in store, buy in store
- Research in store, buy online

7- Please indicate your attitude towards research and purchase of products for each of the following statements

- Research online, buy online
- Research online, buy in store
- Research in store, buy in store
- Research in store, buy online

"Demographic characteristics

8-What is your gender?

- Female
- Male
- Other

9-Where do you come from?

- Italy
- France
- Spain
- Portugal
- Germany
- India
- Other _____

10-What is your age?

- Less than 18
- 18-24
- 25-34
- 35-44
- 45-54
- Over 55

11-What is your highest level of education?

- High school

- Bachelor's degree
- Master's degree
- PhD

12-What is your professional status?

- Student
- Employee
- Self-employed
- Unemployed
- Retired"

End of the survey

"We thank you for your time spent taking this survey.

Your response has been recorded."

10.2 Operationalization of the variables

Table 20: operationalization

N°	Variable	Questions (own question)	Operationalization
1	Screening	Do you have Instagram?	1-Yes 2-No
2	Instagram use	How often do you use Instagram?	1-Never 2-1 to 3 times a week 3-4 to 6 times a week 4-One time per day 5-More than one time per day
3	Branch question	Do you follow brands on Instagram (choose Yes if you follow at least one brand)?	1-Yes 2-No
4a	Willingness to visit the store (4 conditions)	Imagine you are familiar with the brand Zara and have purchased from them in the past. You don't follow the brand's Instagram page. One day on the Instagram wall you see a post with a dress which you are interested in and would like to buy, please respond to the following statements based on how you would behave. (1 Definitely no - 7 Definitely yes)	1-I would click the "view shop" button to get more information and eventually purchase it in-store 2-I would click the "view shop" button to get more information and eventually purchase it online 3-I would not click the "view store" button and would go in-store to get

			more information and possibly purchase it 4-I would not click the "view store" button and I would not go in-store
4b		Imagine you are familiar with the Apple brand and have purchased from them in the past. You do not follow the brand's Instagram page. One day on the Instagram wall you see a post with a cell phone which you are interested in and would like to buy, please respond to the following statements based on how you would behave. (1 Definitely no - 7 Definitely yes)	1-I would click the "view shop" button to get more information and eventually purchase it in-store 2-I would click the "view shop" button to get more information and eventually purchase it online 3-I would not click the "view store" button and would go in-store to get more information and possibly purchase it 4-I would not click the "view store" button and I would not go in-store
4c		Imagine you are a loyal Zara consumer who regularly buys clothes from the brand. On Instagram you follow the official Zara page. One day on the Instagram wall you see a post with a dress which you are interested in and would like to buy, please respond to the following statements based on how you would behave. (1 Definitely no - 7 Definitely yes)	1-I would click the "view shop" button to get more information and eventually purchase it in-store 2-I would click the "view shop" button to get more information and eventually purchase it online 3-I would not click the "view store" button and would go in-store to get more information and possibly purchase it 4-I would not click the "view store" button and I would not go in-store
4d		Imagine you are a loyal Apple consumer who regularly buys electronic products from them. On Instagram you follow Apple's official page. One day on the Instagram wall you see a post with a cell phone which you are interested in and would like to buy, please respond to the following statements based on how you would	1-I would click the "view shop" button to get more information and eventually purchase it in-store 2-I would click the "view shop" button to get more information

		behave. (1 Definitely no - 7 Definitely yes)	and eventually purchase it online 3-I would not click the "view store" button and would go in-store to get more information and possibly purchase it 4-I would not click the "view store" button and I would not go in-store
4a.1 4b.1	Only for paid scenarios	Based on the previous question (you are interested in the product), would you start following the brand page?	"1-Strongly disagree 2-Disagree 3-Neutral 4-Agree 5-Strongly agree"
5	Shopping Behavior	Where do you usually discover brand new products and promotions?	1-Visiting the store 2-On the brand's website 3-Social media 4-Newsletter
6		How do you shop most of the time ?	"1-Research online, buy online 2-Research online, buy in store 3-Research in store, buy in store 4-Research in store, buy online"
7		Please indicate your attitude towards research and purchase of products for each of the following statements (1 Definitely no - 7 Definitely yes)	"1-Research online, buy online 2-Research online, buy in store 3-Research in store, buy in store 4-Research in store, buy online"
8	Demographics	What is your gender?	1-Female 2-Male 3-Other
9		Where do you come from?	1-Italy 2-France 3-Spain 4-Portugal 5-Germany 6-India 7-Other _____
10		What is your age?	1-Less than 18 2-18-24 3-25-34 4-35-44

			5-45-54 6-Over 55
11		What is your highest level of education?	1-High school 2-Bachelor's degree 3-Master's degree 4-PhD
12		What is your professional status?	1-Student 2-Employee 3-Self-employed 4-Unemployed 5-Retired