THE IMPACT OF INFLUENCER CREDIBILITY & CONTENT VALUE ON PURCHASE INTENTION: THE MEDIATING EFFECT OF PARASOCIAL INTERACTION



HUMA TABASSUM 01-229192-005

A thesis submitted in fulfillment of the requirements for the award of the degree of Master of Philosophy (Management Science)

Department of Management Science

BAHRIA UNIVERSITY, ISLAMABAD CAMPUS

OCTOBER 2021

SUBMISSION FORM OF THESIS FOR HIGHER RESEARCH DEGREE BAHRIA UNIVERSITTY, ISLAMABAD

Candidate Name: Huma Tabassum

I submit <u>2</u> Copies of thesis for examination for the degree of <u>M.Phil. (Management Science)</u>, Thesis Titled: "<u>The Impact of Influencer Credibility & Content Value on</u> <u>Purchase Intention: The Mediating Effect of Parasocial Interaction"</u>

Candidate Signature: _____ Date: _____

Certificate of Principal Supervisor

I **<u>Dr. Muhammad Kasheer</u>** being the principal Supervisor for the above student, certify that thesis is in a form suitable for examination and that the candidate has pursued his course in accordance with the Rules of the University.

Signature: _____ Date: _____

Recommendation for Examination

I recommend that the thesis be examined.

Principal Supervisor:_____

Not Recommended for Examination

I recommend that the thesis be examined.

Principal Supervisor:	Date:

Co-Supervisor:	Date:	

Statement by the Head Faculty/Department

I support the submission of the thesis of the above named student for examination under the University Rules for higher degrees.

Signature: _____

Date:

Date: : _____

Approval for Examination

Scholar's Name: <u>Huma Tabassum</u> Registration No. <u>30941</u>

Programme of Study: M.Phil. (Management Science)

Thesis Title: "<u>The Impact of Influencer Credibility & Content Value on Purchase Intention:</u> <u>The Mediating Effect of Parasocial Interaction</u>"

It is to certify that the above scholar's thesis has been completed to my satisfaction and, to my belief, its standard is appropriate for submission for examination. I have also conducted plagiarism test of this thesis using HEC prescribed software and found similarity index 14% that is within the permissible limit set by the HEC for the M.Phil./PhD degree thesis. I have also found the thesis in a format recognized by the BU for the M.Phil./PhD thesis.

Principal Supervisor's Signature:

Date: _____ Name: Dr. Muhammad Kasheer

Author's Declaration

I, <u>HUMA TABASSUM</u> hereby state that my M.Phil. thesis titled <u>"THE IMPACT OF</u> <u>INFLUENCER CREDIBILITY & CONTENT VALUE ON PURCHASE INTENTION: THE</u> <u>MEDIATING EFFECT OF PARASOCIAL INTERACTION"</u>

is my own work and has not been submitted previously by me for taking any degree from this university

BAHRIA UNIVERSITY

or anywhere else in the country/world.

At any time if my statement is found to be incorrect even after my Graduate the university has the right to withdraw/cancel my M.Phil. degree.

Name of student: HUMA TABASSUM

Date:

Plagiarism Undertaking

I, solemnly declare that research work presented in the thesis titled "<u>THE IMPACT OF</u> <u>INFLUENCER CREDIBILITY & CONTENT VALUE ON PURCHASE INTENTION: THE</u> <u>MEDIATING EFFECT OF PARASOCIAL INTERACTION"</u>

is solely my research work with no significant contribution from any other person. Small contribution / help wherever taken has been duly acknowledged and that complete thesis has been written by me.

I understand the zero-tolerance policy of the HEC and Bahria University towards plagiarism. Therefore, I as an Author of the above titled thesis declare that no portion of my thesis has been plagiarized and any material used as reference is properly referred / cited.

I undertake that if I am found guilty of any formal plagiarism in the above titled thesis even after award of M.Phil. degree, the university reserves the right to withdraw / revoke my M.Phil. degree and that HEC and the University has the right to publish my name on the HEC / University website on which names of students are placed who submitted plagiarized thesis.

Student / Author's Sign: _____

Name of the Student: HUMA TABASSUM

Thesis Completion Certificate

Student's Name: <u>Huma Tabassum</u> Registration No. <u>30941</u>

Programme of Study: M. PHIL. (MANAGEMENT SCIENCE)

Thesis Title: <u>The Impact Of Influencer Credibility & Content Value On Purchase Intention</u>: <u>The Mediating Effect Of Parasocial Interaction</u>

It is to certify that the above student's thesis has been completed to my satisfaction and, to my belief, its standard is appropriate for submission for Evaluation. I have also conducted plagiarism test of this thesis using HEC prescribed software and found similarity index at 14% that is within the permissible limit set by the HEC for the MS/MPhil degree thesis. I have also found the thesis in a format recognized by the BU for the MS/MPhil thesis.

Principal Supervisor's Signature: _____

Date: _____ Name: Dr. Muhammad Kasheer

DEDICATION

To my beloved parents and family

ACKNOWLEDGEMENT

All thanks to Allah Almighty the Most Gracious and the Most Merciful who gave me strength and wisdom to complete this task.

In preparing this thesis, I was in contact with many people, researchers, academicians, and practitioners. They have contributed towards my understanding and thoughts. In particular, I wish to express my sincere appreciation to my main thesis supervisor, Professor Dr. Muhammad Kasheer, for encouragement, guidance, critics and acquaintance. Without continued support and interest, this thesis would not have been the same as presented here.

Librarians at Bahria University also deserve special thanks for their assistance in supplying the relevant literatures. My fellow postgraduate students should also be recognized for their support. My sincere appreciation also extends to all my colleagues and others who have provided assistance at various occasions. Their views and tips are useful indeed. Unfortunately, it is not possible to list all of them in this limited space. I am grateful to all my beloved parents and family members.

ABSTRACT

Influencer marketing has gained popularity all over the world and it is crucial to have a profound understanding about the underlying mechanisms of the influencer marketing, the role of the influencers, their value and the determinants in the strategic communication perspective. The purpose of this study is to investigate the effect of influencer credibility and message content value of influencer-generated content on purchase intention of followers through the mediating role of the parasocial interaction. A cross-sectional questionnaire is conducted with 400 social media users in Rawalpindi and Islamabad. The data were assessed using SmartPLS with structural equation modeling (SEM). The findings of this study were in line with uses and gratifications theory and depicted that the content and social gratifications the social media users obtain from following and interacting with the influencers' content significantly improve the users' purchase intention. The SEM results indicated that the U&G theory explains users' attitude toward the social media influencers. The social media users who perceive the social media influencers' content as entertaining and informative have a positive attitude towards the influencers. Parasocial interaction plays a mediating role when it comes to the relationship of influencer credibility and message content value with the purchase intention of the users. Young adults consume a lot of social media content and have more highly engaged interactions with the influencers, the brands can leverage strategic partnership with good content creators for long term benefits.

Keywords: Influencer Marketing, Credibility, Parasocial Interaction, Message Content Value, Consumer Purchase Intention

TABLE OF CONTENTS

TITLE

CHAPTER

	DECLARATION	iv
	DEDICATION	vii
	ACKNOWLEDGEMENTS	viii
	ABSTRACT	ix
	TABLE OF CONTENTS	Х
	LIST OF TABLES	xiii
	LIST OF FIGURES	xiv
	LIST OF SYMBOLS	XV
	LIST OF APPENDICES	xvi
Ι	INTRODUCTION	1
	1.1 Research Gap	3
	1.2 Problem Statement	4
	1.3 Objectives of Study	5
	1.4 Research Question	5
	1.5 Operational Definitions	6
	1.6 Significance of Study	7
	1.7 Organization of Study	7
II	LITREATURE REVIEW	8
	2.1 Credibility	9
	2.2 Message Content Value	11
	2.3 Parasocial Interaction	13

2.4 Purchase Intention 14

PAGE

III	THEORETICAL FRAMEWORK	16
	3.1 Uses and Gratification Theory	16
	3.2 Conceptual Model	19
IV	RESEARCH METHODOLOGY	20
	4.1 Research Paradigm	20
	4.2 Research Design	20
	4.2.1 Type of Study	20
	4.2.2 Research Approach	21
	4.2.3 Unit of Analysis	21
	4.2.4 Time Horizon	21
	4.2.5 Population, Sample Size and Sampling Technique	21
	4.3 Data Collection Procedure	22
	4.4 Sample Description	23
	4.4.1 Gender	23
	4.4.2 Age	23
	4.4.3 Influencer Following	24
	4.4.4 Social Media Usage	24
	4.5 Measurement of Variables	25
	4.5.1 Credibility	25
	4.5.2 Message Content Value	25
	4.5.3 Parasocial Interaction	25
	4.5.4 Purchase Intention	26
V	DATA ANALYSIS AND FINDINGS	27
	5.1 Data Screening and Data Cleaning	27
	5.2 Descriptive Statistics	28
	5.3 Measurement Model	29
	5.4 First Order Factor Model	29
	5.4.1 Reliability	29
	5.4.1.1 Indicator Reliability	30
	5.4.1.2 Internal Consistency Reliability	30
	5.4.2 Convergent Validity	31
	5.4.3 Discriminant Validity	32

xi

	5.5 Second Order Factor Model	32
	5.5.1 Reliability	32
	5.5.1.1 Indicator Reliability	32
	5.5.1.2 Internal Consistency Reliability	33
	5.5.2 Convergent Validity	34
	5.5.3 Discriminant Validity	34
	5.6 Structural Model	36
	5.7 Summary of Hypotheses	40
	DISCUSSION AND CONCLUSION	41
	6.1 Discussion	41
	6.2 Practical Implications	44
	6.3 Limitations	46
	6.4 Future Research Direction	46
	6.5 Conclusion	47
FER	ENCES	49

REFERENCES

Appendix A

VI

LIST OF TABLES

TAB	LE NO.	TITLE	PAGE
1.	Operational Definitions of the Variabl	es	6
2.	Frequency Distribution of Gender		23
3.	Frequency Distribution of Age		23
4.	Number Of Influencers Followed on S	Social Media	24
5.	Respondents' Social Media Usage on	Daily Basis	24
6.	Measurement of the Variables		26
7.	Descriptive Statistics		29
8.	Loadings, Reliability and Validity (Fin	rst Order)	30
9.	HTMT (First Order)		32
10.	Loadings, Reliability and Validity (Se	cond Order)	33
11.	HTMT (Second Order)		35
12.	Collinearity Analysis		36
13.	Goodness of Fit and Predictive Releva	ince	37
14.	Hypothesis Testing		38
15.	Summary of Hypotheses		40

LIST OF FIGURES

FIGURE NO.		TITLE	PAGE
1.	Conceptual Model		19
2.	PLS-SEM Model		39

LIST OF SYMBOLS

- n Sample size
- N Population size
- e Acceptable sampling error

LIST OF APPENDICES

APP	PENDIX	TITLE	PAGE
A	Questionnaire		65

xvi