



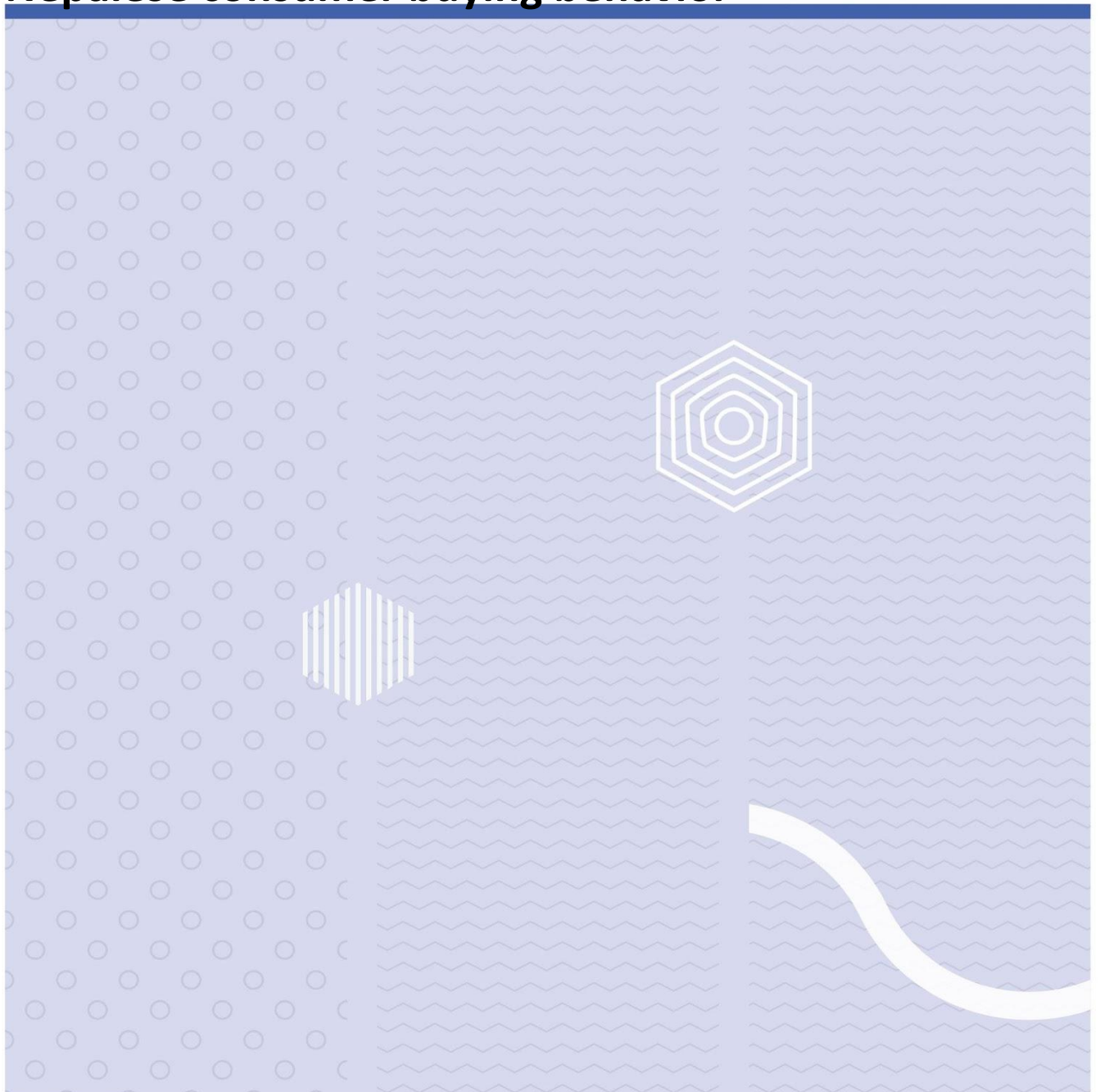
University of South-Eastern Norway  
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Master Thesis

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# Impact of Instagram promotions/endorsements on Nepalese consumer buying behavior



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This thesis is worth 30 study points.

## **Acknowledgment**

It was an incredible journey through master study in Management Information Systems, learning and learning with many exciting challenges. That journey was impossible or difficult in my situation without the University of South-Eastern Norway (USN), its professors, and staff members. First, I would like to thank Salah Uddin Ahmed respectfully for his supervision in this master thesis. Then, I would like to thank all participants in this study for enlightening me to capture new insight knowledge of the Instagram promotions and its impact on Nepalese consumer buying behavior.

My special thanks to my family for their support and for their tolerance. They understand my concerns, and I can share my closest moments with them.

## **Abstract**

This master thesis aims to investigate the impact of Instagram promotions/endorsements on Nepalese consumer buying behavior and further understand the determinant factors of Instagram promotions and which have a more significant influence on consumer buying behavior. As the Instagram business is one of the popular social sites among sellers and buyers, it has been creating a major impact on Nepalese society. The literature review gives a comprehensive overview of Instagram promotions and Consumer buying behavior. A framework was developed based on the literature review, which revealed the different determinant factors of Instagram promotions that might impact the Instagram promotions/endorsements in Nepalese consumer buying behavior. Then, the research method, including data collection and data analysis, is discussed, followed by the findings. The findings indicate that consumers are more brand loyal, and influencer marketing positively impacts consumers, but their number of followers doesn't necessarily influence the purchase decision. An online survey was conducted to test the framework hypothesis with 72 respondents, followed by five zoom interviews with active Instagram users. The results revealed that purchase intention, influencer marketing, brand loyalty, and perceived usefulness have a higher impact on consumers' buying behavior. Add to that; social proof does not impact the Nepalese consumer's buying behavior. Other relevant conclusions were established, suggesting several managerial, academic, and marketing implications.

**Keywords: Instagram, Instagram promotions, Consumer Buying behavior**

## Abstracts

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# 1. Introduction

Digital business is always in the limelight, but after the outbreak of covid-19, the technology has changed the way businesses are conducted, resulting in an unanticipated and quick shift to online consumption such as online businesses and social media marketing (Dubbelink et al., 2021). Both seller and buyer started getting more engaged in social media as a new B2C (business to consumer) platform, which opens more opportunities for both established and new businesses. This is because when it comes to grabbing users' attention, photos and videos are more aesthetically appealing than text-based material (Hanson, 2018). With the rapid development of the social network, a new era of content writing, where a user can easily share experiences and information with others, has emerged. Consumers can create content and make suggestions for others through social media (Fuller et al., 2009). Nowadays, social media facilitates consumers to get more engaged and interact via social platforms like Facebook, Twitter, TikTok, Instagram, and others. This breakthrough has made it easier for people to exchange information globally and quickly to use social media platforms. (Hajli, 2013).

For instance, Instagram is a social media platform that showcases the most popular and creative aspects of photography and videography and a feature that allows users to share information and form online communities (Astuti & Putri, 2018). It has become one of the popular channels in bringing the change to online shopping; however, the academic research related to this media is limited (Sheldon & Bryant, 2016). It has an enormous audience with roughly 1 billion monthly active users, a number too significant to ignore, suggesting it is essential to research this media type. It allows businesses and brands to study the impact of promotions on consumers, leading to new development. Instagram lets consumers directly interact with their favorite online stores or brands, which highly influences consumer purchase intention, significantly impacting consumer buying behavior.

Instagram promotions or endorsements have proven to be one of the marketing paradigm shifts directly aimed at the target customer group with low-cost investments. It has evolved into a destination for consumers to buy the things they want and gain access to a whole new selection of products, allowing them to browse till they find something they like. This freedom of surfing has resulted in a considerable surge in internet sales. The consumer buying behavior model, which was previously based on traditional methods of product acquisition, has undergone a significant shift (Negi & Pabalkar, 2020). Furthermore, Instagram promotions make consumers aware of the brand, increase



the brand's popularity and sales, facilitate word-of-mouth communication and information exchange in a commercial setting, and mainly provide social support for consumers (Hajli, 2013). Instagram is seen to be effective in developing marketing strategies for various businesses because of its mechanism for creating trust and influencing shoppers' intent to purchase online.

In the context of Nepal, Instagram promotion is the newest yet most followed approach which highly impacts consumer buying behavior. People are getting more influenced by Instagram promotions to get product details or reviews as a reference when making purchase decisions. Moreover, brands use celebrities and influencers as marketing strategies to endorse products that bring more reliability and trustworthiness to brands that eventually influence the consumer to purchase Instagram-promoted products. However, in the case of Nepal, no research has been done yet on Instagram promotions and their Influence on consumer purchase decisions. So, it is essential to research the impact of Instagram promotions on Nepalese consumer buying behavior as Instagram is getting more popular among Nepalese users, especially after the pandemic. Further, the impact of Instagram influencers enforcers as marketing communication tools have previously been extensively researched. Still, there is insufficient academic research (Jin & Phua, 2014). This thesis aims to determine the impact of Instagram promotions and endorsements on Nepalese buying behavior. Further, to contribute to this field of research, this study aims to analyze the impact of Instagram influencers on consumer buying behavior which will open the door for future researchers.

A brief introduction to the related topic, background studies, and thesis objectives are discussed at the paper's start. Similarly, the second section delves into the literature review, which gives a comprehensive overview of Instagram promotions and crucial theoretical elements that aid in understanding the fundamental research and thesis by gathering data on previous studies. Determinant factors like Purchase Intention, Influencer Marketing, Social Proof, Brand Loyalty, and Perceived usefulness were briefly discussed to assess the impact of Instagram promotions on consumer buying behavior. Then it is followed by a theoretical framework based on a literature review that identified the determinant factors of Instagram promotions on Nepalese consumer buying behavior. The research section discussed qualitative and quantitative research methods leading to the research approach, followed by a targeted audience. The questionnaire was sent out to 100 active

Instagram users, but only 75 took part in the survey, where 73 answers were considered valid. Out of 72, 5 of them are randomly chosen for the interview to analyze the impact of Instagram promotions on consumer buying behavior. The final chapter concluded with limitations, research implications, and suggestions for future research.

## **1.2 Research Questions**

During the process of this research various questions will arise. This study will examine the impact of Instagram promotions/endorsements on Nepalese consumer buying behavior. The possible questions that may arise during the process of research are as:

- What is the impact of Instagram promotions/endorsements on Nepalese consumer buying behavior?
- What factors influence the Nepalese consumers towards Instagram promotion?

## **1.3 Research Objectives**

- To examine the impact of Instagram promotions or endorsement on Nepalese consumer buying behavior.
- To identify the determinant factor of Instagram promotions and their significant relationship with Nepalese consumer buying behavior.

## **2. Literature Review**

Literature review, the chapter 2 of this study consists of the theories and concepts in Instagram, Instagram marketing, digital marketing, and Instagram in Nepal, along with determinants factors such as purchase intention, influencer marketing, social proof, perceived usefulness, brand loyalty, and consumer buying behavior concerning the relevant literature sources.

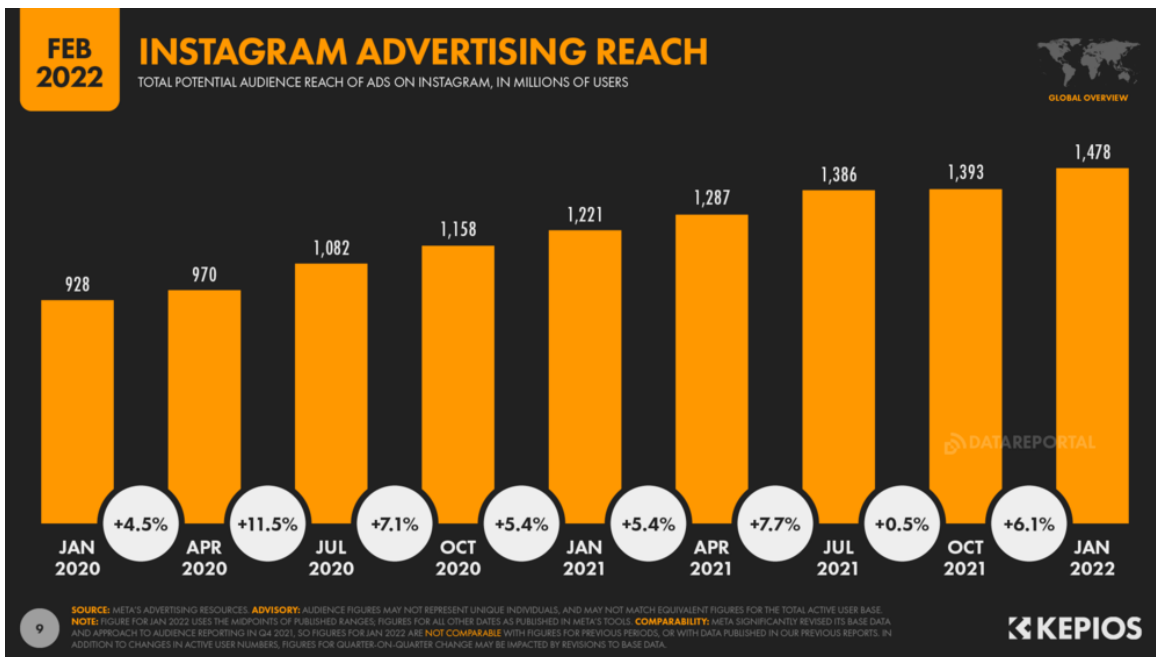
### **2.1 Instagram**

Instagram is a social media platform that showcases the most popular and creative aspects of photography and videography and a feature that allows users to share information and form online communities (Astuti & Putri, 2018). Due to the increasing number of social media users and the easy availability of the internet via smartphones, Instagram has gradually evolved as the most influential and trustworthy source of information (Gupta, Agarwal & Singh, 2020). Without question, Instagram has become the most popular and leading social networking site for individuals who use it as a workplace and a source of income. It is not only used to keep in touch with friends, but it has also evolved into a powerful commercial tool. According to (Negi & Pabalkar, 2020), nearly 60% of 18-30-year-old users follow their favorite fashion brands, travel blogs, restaurants, etc., on Instagram.

#### **2.1.1 Instagram Marketing**

Marketers' interest in advertising on social media via Instagram has risen dramatically with the number of mobile users worldwide (Gupta et al., 2020). As the most popular social media platform, Instagram has played a vital role in bringing out the change in the world of online shopping. Most brands have a professional Instagram presence where they can engage directly with their followers. The expansion of Instagram marketing is beneficial for developing marketing strategies for a variety of businesses, as it builds trust and influences customer intent to buy things online. The new marketing approach of Instagram allows audiences to connect through stories, posts, and IGTV videos with their likable brands and retailers. Instagram shopping, which was expanded in 2018 to allow companies to tag product photographs and sell directly to followers, has also become a significant inducer of impulse purchases (Djafarova & Bowes, 2021).

According to Datareportal (2022), advertisers could reach 1.478 billion users on Instagram in January 2022, making it one of the most "active" social media platforms. In the three months leading up to January 2022, the total number of users that advertisers can reach with ads on Instagram increased by nearly 85 million (+6.1%). However, the Instagram "eligible" figures must be higher than these data as its limits the use of its platform to people aged 13 and above. As per global advertising audience reach estimates, Instagram will have at least 1.478 billion users worldwide in January 2022. Similarly, Instagram's advertising audience reach expanded by 21.0% over the last 12 months, according to the data released in the company's self-service advertising tools (Datarreportal, 2022). To put that number in context, advertisers may now reach 257 million more Instagram users than they could last year.



**Fig1: Instagram Advertising Reach (Datareportal, 2022)**

Instagram has around 2 million monthly advertisers from different brands, and 44% of active users utilize the platform for brand research and discovery, with 53% of Instagram users following their favorite brands, which clearly shows how Instagram promotion is influencing the consumers (Onpageone, 2020). With the site's recent move to extend its advertising platforms, revenue earned from adverts on Instagram is estimated to exceed \$2.81 billion in 2017, surpassing both Twitter and Google in the United States (Vizard, 2015a, Vizard, 2015b).

### **2.1.2 Digital marketing and Instagram in Nepal**

First, Nepal is a developing country that has been developing in the digital market area for the past five years. The first e-commerce site, thamel.com, was launched in Nepal in the late 2000s. Despite the fact that the existence of internet shopping in Nepal, many businesses have started to go digital in the last 2 to 3 years as the economy has grown rapidly. However, due to a lack of public awareness, digital marketing has yet to reach its height in Nepal. The major cities, such as Kathmandu, Pokhara, and Chitwan, are exercising the digital marketing platform on a growing scale. As per the latest report from Datareportal, there were 11.51 million internet users in Nepal in January 2022, and Nepal's internet penetration rate stood at 38.4 percent of the total population at the start of 2022 (Kemp, 2022). Further, Kepios's analysis indicates that internet users in Nepal increased by 822 thousand (+7.7 percent) between 2021 and 2022, which concludes that many people in Nepal are living in a digital age.

Talking about Instagram, numbers published in Meta's advertising tools indicate that Instagram had 2.30 million users in Nepal in early 2022. This figure suggests that Instagram's ad reach in Nepal was equivalent to 7.7% of the total population at the start of the year. However, Instagram restricts the use of its platform to people aged 13 and above, so it's helpful to know that 10.0% of the "eligible" audience in Nepal will use Instagram in 2022. It's also worth noting that Instagram's ad reach in Nepal at the start of 2022 was equivalent to 20.0% of the local internet user base (regardless of age). In early 2022, 43.8% of Instagram's ad audience in Nepal was female, while 56.2 percent was male (Kemp, 2022).

## **2.2 Purchase Intention**

In a general view, purchase intention is an individual's intention to buy products (Wu & Chan, 2011). According to Assael (1998), purchase intention shows the intention of customers to repurchase. Learning and thinking processes that generate a perception influence purchase intention which arouses motivation, is permanently recorded in mind, and become a strong desire. Eventually, consumers who must meet their wants will actualize what is in their minds. The hierarchical effect of purchase intention describes the sequence of belief occurrence, (Oliver & Rust, 1997). Regardless of consumer needs, an individual's desire to repurchase is heavily influenced by the store's trust and

perceived usefulness. Still, the negative perception of the use of social sites may reduce the customer purchase intention. As per Saragih et al. (2012), customer satisfaction after online buying significantly impacts customer intention to repurchase from the same online store. The perceived informativeness and persuasiveness of online product reviews and the perceived quantity of reviews are found to have a considerable beneficial impact on consumers' purchase intentions (Zhou et al., 2013; Zhang et al., 2014).

Regardless of the products or services purchased, the way customers make purchasing decisions, and the shop has evolved considerably in recent years. Customers are changing their living styles to their preferred personalities, significantly impacting their purchasing intention (Jaffari & Hunjra, 2017). As per the consumer decision process by Wu and Chan (2011), consumers making purchasing decisions will evaluate and consider different sorts of brands and consumer traits, experiences, and the product's image. Further, social media interactions influence purchase decisions as they rely on the social network before deciding (Hinz et al., 2011). As seen by reviews or suggestions, consumer connection via social media like Instagram promotes trust in e-commerce. However, customer reviews highly influence purchase intention (Hajli, 2013). According to Eze et al. (2012), product quality had the most considerable influence on consumers' purchase intentions, brand image, product knowledge, and price promotions. According to Ferdinand (2006), purchase intention can be identified through transactional intention, reference intention, preference intention, and explorative intention.

### **2.3 Influencers Marketing**

Influencer marketing is a new marketing strategy that uses well-known online personalities or social media influencers as independent third-party endorsers to deliver a brand's message to a specific audience. According to (Sudha& Sheena, 2017), influencers have a substantial social media following and are perceived as trustworthy and influential in one or more niche areas. Trusted and influential in one or more specialist areas. This user has a broad audience, can influence others, and creates social media trends. Brands worldwide use social media influencer marketing as a primary marketing tactic. This was made possible by the widespread acceptance and popularity of Instagram, Facebook, and YouTube, which allowed ordinary individuals to become social media influencers (Khamis et al., 2017). The more considerable number of followers is considered, the greater the reach. However, this figure

is not always accurate as some profiles pay for more followers to increase their "engagement rate" or "authorization" (Gilbreath, 2017).

The rise of influencer marketing has made marketers realize that they need to shift their focus because individuals rather than corporations govern a company; direct marketing has witnessed a drop in recent years and is no longer as effective as it once was, emphasizing the need for a personalized advertising approach to be monitored (Negi & Pabalkar, 2020). According to the Linqia research, 86% of marketers engaged in influencer marketing in 2017, with 92% finding it effective (Groenwald, 2018). Influencer marketing is becoming a fundamental part of the marketing mix and is not a fad, as seen by its broad adoption. However, influencer marketing poses several challenges because it is an entirely different tool that necessitates new methods of communication. It is unlikely to be similar to traditional advertising or celebrity spokesperson models. (Xiao, Wang & Chan-Olmsted., 2018). According to Rahim, Aravinthan, & Hooi (2018), influencer marketing aims to engage in open and honest conversations with potential customers. Today, it's common for online sellers to market their Instagram Shop (InstaShop) through reviews from celebrities, bloggers, and other trustworthy sellers on social media platforms like Instagram. Sellers exploited celebrity endorsements to entice online buyers to purchase their products.

### **2.3.1 Source Credibility**

The persuasiveness of a communicator or message source is influenced by their credibility (Hovland and Weiss 1951). Similarly, Ohanian (1990) defined source credibility as a three-dimensional construct, relying on threads from earlier literature such as trustworthiness, knowledge, and attractiveness. According to Hall (2015), social media influencers are "micro-endorsers." Previously, academics employed source credibility to assess a source's effectiveness on a persuasive message (e.g., Giffin 1967; Hovland and Weiss 1951; McGuire 1985). Previous research on source credibility investigated the impact of endorsers on customers (e.g., Cunningham and Bright 2012; Dwivedi, Johnson, and McDonald 2015; Guido and Peluso 2009; Lee and Koo 2015). Based on Munnukka, Uusitalo, and Toivonen's (2016) research on peer endorsers, the study employs a four-dimensional conceptualization of source credibility, which comprises trustworthiness, knowledge, resemblance, and attractiveness in light of influencer marketing practice. According to the research of Andotora and

Sinha (2020), Instagram influencers who are highly knowledgeable and trustworthy are perceived to have a more significant impact on their followers' actions. As a result, a reliable source is crucial.

### **2.3.2 Source Attractiveness**

Source attractiveness boosts the impact of communication by generating massive attention and participation (Mills and Aronson, 1965, Sternthal and Samuel, 1982). An engaging influencer can increase product conversion rates. Influencers with a more appealing appearance are more likely to gain the attention of their followers, which has an impact on consumer purchase behavior (Andotora and Sinha, 2020). The source attractiveness model (McGuire, 1968) considers familiarity, resemblance, likability, and attractiveness. Physical attractiveness and homophily were chosen as two variables of source attractiveness in the context of influencer marketing. Physical attractiveness has a huge impact on consumers to attract influencers and get more accepted through advertisements created by them. The physical traits or attributes of influencers are directed by source attractiveness, which impacts the advertisement (Andotora and Sinha, 2020).

### **2.3.3 Trustworthiness**

Trustworthiness in e-commerce could be defined as the willingness of a consumer to rely on the seller even if they disadvantaged the consumers. It is more concerned with the belief of a source as honest, sincere, or truthful (Giffin 1967). One of the essential aspects of influencer marketing is trust. When the customer loses trust in the influencer, the marketing campaign will fail. Therefore, it's essential to promote transparency when using influencer marketing, specifically when paying an influencer. According to Hajli (2013), trustworthiness has a significant, positive effect on consumer buying behavior which serves as the total capital in igniting customer intention to shop at online stores. If the marketplace effectively gains people's confidence, social commerce will become more popular. Individuals' desire to participate in online buying can be boosted through trust in the marketplace, which reduces risk perceptions (Hassan, Iqbal, Khanum, 2018). There is a real effect of trust on the buy intention variable, such that customers' perceptions of trust influence their (Semuel & Chandra, 2014).

### **2.3.4 Expertise**

Source expertise refers to a source's ability or qualification to make specific assertions about a subject or topic, including the source's knowledge or abilities (McCroskey 1966). The results of Djafarova and



Rushworth's (2017) in-depth interviews suggest that Instagram users' faith in celebrities' product reviews was affected by the celebrities' expertise and knowledge about such products and their relevance to consumers. Lou and Yan's (2019) results showed that followers see influencer-generated branded content; their expertise and attractiveness aid in raising brand awareness. Influencers' experience in specific areas may qualify them to promote particular brands or items effectively. Furthermore, firms seeking to increase brand awareness among a big target audience may seek social media influencers with an appealing presentation and explicit competence status in areas relevant to the brand's business offers.

## **2.4 Social Proof**

Social proof is a psychological phenomenon in which people believe that the activities of others are correct to follow. Social proof is quite visible on social media sites like Facebook, Instagram, and Twitter, and in online shopping, social proof comes from other people's reviews and recommendations. Social networking sites made it possible for online shoppers to establish a social community where shoppers can obtain and share product-related and seller-related information. For a shopper who has yet to make a purchase, Amblee and Bui (2012) discovered that electronic word-of-mouth (eWOM) among social communities, such as online ratings and reviews, is a valuable and effective signal of product repute. The research shows using eWOM technologies are the more effective and primary source of social proof. According to Liao & Wang (2009), consumers purchase products not only for material belonging but also for social proof. As per Nielsen's (2014) survey, 92% of people worldwide trust recommendations from friends and family, and 70% see online consumer evaluations as the second most reliable source of information. Dzisah and Ocloo discovered that social proof in the form of celebrity endorsement influences not just marketing campaigns but also customer purchase and repurchase behavior. Similarly, a quasi-experiment survey at Pepsi Cola advertising with and without celebrity endorsement found that celebrity-endorsed ads significantly impact students' purchase intention (Apejaye, 2013). On the other hand, in India, Jain (2011) discovered that celebrity endorsement aids brand promotion and sales.

Furthermore, social media networks have a 'liking' feature. The 'like' button on Facebook and the 'follower' button on Instagram reflect the number of individuals who have liked or followed the business or seller's web page. Many people post the product they purchase from online sites to gain

attention among their followers, which eventually shows social validation. The number of followers, views, likes, and comments on social sites are considered the most essential and effective instruments for influencing others' perceptions of vendors. Reed (2021), for social validation consumers, seeks users with million of followers on Twitter are then users with thousand of followers as they perceive them as more trustworthy and reliable with higher engagement. A user who 'likes' a social networking seller page is more likely to buy the goods, promote them to others, and share the information. As a result, the ghost follower industry exists solely to increase social proof on social media (Reed, 2001). However, Asur et al. (2011) found that the number of followers does not influence trend formation. Similarly, Thackeray et al. (2012) discovered that 'liking' the page does not lead to a product purchase. They went on to say that the lack of significance could be due to a mismatch between the shared content and the preferences of the users.

## **2.5 Perceived Usefulness**

The perceived usefulness is defined as the perceived utility of social media and love and support from group members, and research shows that online communities generate beneficial knowledge and emotional support (Ballantine & Stephenson, 2011). Instagram is an excellent example of people providing social support to others which attracts consumers to go online and seek information through social media. Further, the social media study is valuable for understanding how people form social interactions on the internet (Gruzd et al., 2011). According to Thompson et al. (1991) findings, the influence expected by information technology users in executing their duties determines the value of information technology. They also stated that people employ information technology if they fully appreciate its benefit or utility. As per Ahn et al. (2007) research, businesses can improve their websites and perceived usefulness by focusing on system information, service, and quality. Islam & Daud (2011) and Lim & Ting (2012) discovered that perceived usefulness indirectly affects online shopping intention, mediated by attitude toward online shopping.

One of the criteria in the TAM (Technology accepted model) is the ease of use, which was assessed in Davis et al. research (1989). They discovered that perceived usefulness had a greater influence on actual online system utilization than ease of use. The research highlights the relevance of perceived usefulness in influencing the actual use of online purchases, and it is believed to influence the purchasing behavior of consumers in northern Malaysia. According to Peng et al. (2008), perceived

usefulness has a direct and major influence on the adoption of online commerce in China. As per their research findings, perceived usefulness has a significant impact on customers' online purchase behavior. Similarly, Ramlan & Omar (2011) study proves that perceived usefulness is the most critical factor motivating Malaysian customers to shop online. Based on this discovery, internet retailers can develop marketing strategies by including content on their websites that sets them apart from their competition. A study on shopping on social networking sites shows that the bigger the number of customers shopping on social sites, the more they find beneficial, and the stronger the propensity to buy from those sites (Hajli, 2013).

## **2.6 Brand Loyalty**

According to the American Marketing Association (2020), "A brand is an unique features like name, term, design, symbol or which identifies one seller's goods or services as distinct from those of other sellers." The seller or marketer creates the primary value of a brand by distinguishing it from other competitors and creating ownership protection value in the marketplace. A brand is more than a name, sign, symbol, or other aspects of today's world. At the same time, brand loyalty stood for the positive association of consumers with particular brands or products. Customers loyal to a brand are committed to a product or service, as seen by their repeated purchases despite attempts by competitors to entice them away (Kopp, 2021). Traditional marketing literature has extensively studied the topic of brand loyalty, with a focus on two distinct components of the concept: behavioral and attitudinal loyalty.

Oliver & Rust (1997) proposed a brand loyalty conceptual framework based on a hierarchy of effects model with cognitive, affective, conative (behavioral intent) and action (repeat purchase behavior) components that encompasses the entire spectrum of brand loyalty. "E-loyalty is a concept that applies traditional brand loyalty to online consumer behavior. Although the theoretical foundations of traditional brand loyalty and the newly established phenomenon of e-loyalty are usually comparable, there are some differences in Internet-based marketing and buyer behavior. The research of Schultz (2000) shows that customer/brand loyalty in cyberspace is evolving from a product-driven, marketer-controlled idea to a distribution-driven, consumer-controlled, and technology-facilitated concept. Furthermore, e-loyalty shares numerous similarities with the "store loyalty" idea (Corstjens & Lal, 2000), such as encouraging repeat store visits and the purchase of well-known brand name items.

E-loyalty is all about exceptional customer service, on-time delivery, appealing product displays, convenient and reasonably priced shipping and handling, and transparent and trustworthy privacy rules, according to Reichheld & Schefter (2000). The standard definition of attitudinal brand loyalty includes cognitive, emotive, and behavioral intent components. Brand image creation through mass media communications has been a big part of traditional brand loyalty development efforts.

## **2.7 Consumer Buying Behavior**

Consumer Buying Behavior refers to the actions performed by customers before purchasing a product or service (both online and offline). Understanding this process is beneficial to organizations because it allows them to tailor better their marketing initiatives to previous marketing efforts that have effectively encouraged consumers to buy (DemandJump, 2020). According to marketing and consumer behavior studies, eWOM (electronic word of mouth), or information gained from interpersonal sources, influences customer decision-making more than traditional advertising tactics (Veirman et al., 2017). Research conducted by (Ali et al., 2016) on the impact of social media marketing on consumers' perception of brands found a significant impact of social media marketing on brand perception. Their study analyzed social media marketing, promotional marketing, and door-to-door marketing. They found that social media marketing outperforms other marketing in affecting consumer perception. Schiffman & Kanuk's (2010) studies indicated that the customer had followed the purchasing decision using community metrics and social metrics. The community metrics have more impact and are the most detailed of consumer behavior. The social metrics are where advertisers can understand the impact of customers' political, subcultural, and social groups.

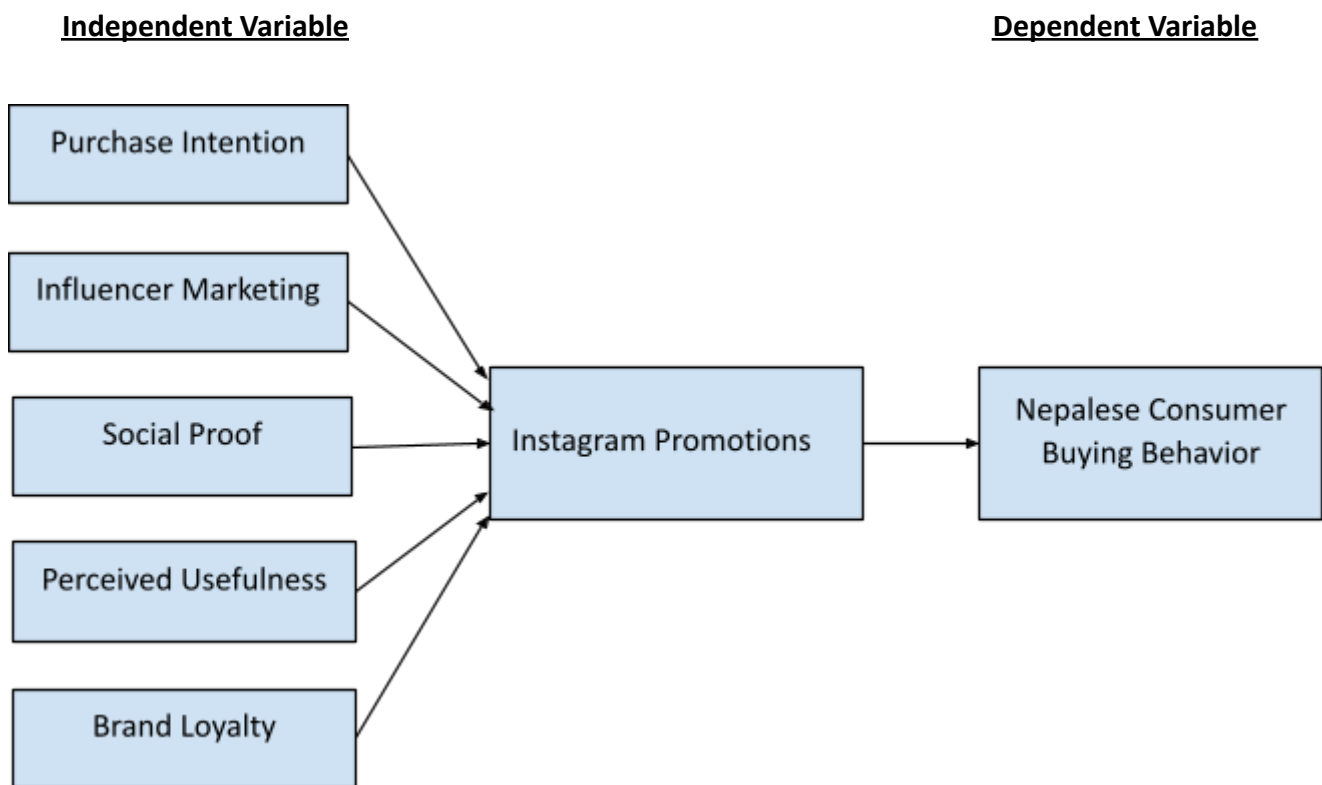
According to Smith (2009), nowadays, consumers' buying behavior is heavily dominated by strangers in the digital environment, influencing opinions in the offline space. Social media has empowered consumers, but marketers have little control over the content, timing, or frequency of online dialogues among customers (Mangold & Faulds, 2009). Marketers closely monitor consumer use of social media, but little is known about how it affects consumer decision-making (Darley et al., 2010). Many studies focus on consumer behavior in an online buying environment but often ignore the impact of the internet on the various stages of the decision-making process. Social networking sites have brought 'participatory culture' with other like-minded individuals to engage in an endless circle of exchanging information, monitoring developments, and requesting comments and ratings on all kinds of products,

services, and activities (Ashman et al., 2015). Duangruthai & Klieb's (2019) research on the "Impact social media on consumer behavior" shows that consumer satisfaction improved through social media throughout the first phases of information search and alternative evaluation, but not so much during the buy selection stage or the post-purchase evaluation.

### 3. Conceptual Model and Research Hypothesis

#### 3.1 Conceptual Framework

Based on the literature review, the determinants factor of Instagram promotions in Nepalese consumer buying behavior are seen under the proposed framework. Five determinants factors like Purchase intention, Influencer marketing, Social proof, Perceive usefulness and Brand loyalty of Instgram promotions are focused as independent variables. These variables may influence the buying behaviour of Nepalese consumer which regarded as dependent variable.



**Fig 2: Conceptual Framework**

#### 3.2 Hypothesis Formulation

Based on literature arguments, the hypotheses were advanced to identify the relationship of consumer buying behavior in accordance with the purchase intention of the consumer, influencer marketing, social proof, perceived usefulness, and brand loyalty.

**H1:** Purchase intention has a significant relationship with Instagram promotions in Nepalese consumer buying behavior

**H2:** Influencer Marketing significant relationship with Instagram promotions in Nepalese consumer buying behavior

**H3:** Social Proof significant relationship with Instagram promotions in Nepalese consumer buying behavior

**H4:** Perceived Usefulness significant relationship with Instagram promotions in Nepalese consumer buying behavior

**H5:** Brand Loyalty significant relationship with Instagram promotions in Nepalese consumer buying behavior.

## **4. Research Methodology**

The research part is the most important factor in producing results on a specific topic, so choosing a better research approach is critical to managing the empirical aspect of the research. Redman & Mory (1933) define “research is a systematic effort to gain new knowledge.” According to Clifford Woody (Kotahri 2004), research involves defining and redefining issues, generating hypotheses or proposed solutions, collecting, organizing, assessing evidence, making deductions, reaching conclusions, and carefully testing the conclusions to see if they fit the hypotheses. In short, research methodology determines the outcome of a given problem on a specific subject or problem, also known as a research problem. This research is based on mixed methods, i.e., qualitative and quantitative.

For the qualitative part, the semi-structured interview research approach was conducted. An interview is an efficient tool for the research approach that offers the researcher more specific information. The researcher can ask a follow-up question to clarify or obtain further information related to the research question. The interview might be coupled with other methodologies in a multi-method design, such as questionnaire measurements or observation (Brewerton & Millward, 2001). An online survey was conducted by sending questionnaires to collect data and information for the quantitative part. The method appeals to academics and practitioners because of its low cost, minor resource requirements, and potential for colossal sample capture abilities (Brewerton & Millward, 2001).

### **4.1 Collecting Qualitative Data**

Qualitative research is a sort of scientific investigation that involves systematically using a specific set of methods to answer a question. This form of research gathers evidence, provides findings that are not predetermined, and has implications beyond the scope of the study. According to Monette, Sullivan, and DeJong (2010), qualitative techniques recognize abstraction and generalization. Vision, images, forms, and structures in various media, spoken and printed words, and recorded sound are all classified as qualitative data gathering methods by Polonsky and Waller (2011). In simpler form, qualitative data is a collection of people's emotions or perceptions. These data are exploratory in nature, focusing on in-depth insight, causes, and motivation. Field notes, interviews, dialogues, photographs, recordings, and other interpretive resources are part of qualitative research. The



researchers' goal is to understand the meanings of a phenomenon through the eyes of the individuals who experience it (Flick, 2007).

The primary data for the qualitative part of the study was collected by organizing an interview with an open-ended question with an active Instagram user from Nepal. The interview was done with 5 Instagram users who participated in the survey and were conducted through the Zoom call. The interview was organized individually during the data collection process. Further, the interview duration was 30-40 minutes. The interviewees were switched in the middle of the interview according to the question concerning their responsibilities. The interviewee agreed to a different schedule than their available time for each interview. The names were not displayed in the thesis as agreed with the terms and conditions of the interviewee.

The interview focuses on the impact of Instagram promotions on their online purchase behavior. The ultimate aim is to obtain qualitative information about the Instagram promotions, study participative perspectives about new Instagram promotions or endorsement strategies, how the different factors influence their purchase, receiving general feedback from users about Instagram shopping. The overall structure of the interview was proposed to receive depth information and be able to gain information from their thoughts, desires, and expectation the interviewees based on their experience as Instagram users and Instagram shoppers.

## **4.2 Collecting Quantitative Data**

Quantitative data is described as a collection of numerical value data used to transform large amounts of data into a more manageable and accessible format by drawing conclusions and uncovering patterns. It is used for mathematical calculations and statistical analysis, which also contain the calculation of frequencies and variables. It focuses on providing outcomes in numbers rather than descriptions, so the quantitative approach to research is notable for saving time and resources. Quantitative data can be conducted via surveys, polls, or questionnaires, and the data obtained from the quantitative analysis can be linked to finding evidence or rejecting the hypothesis. Furthermore, the quantitative technique has a clear goal and guideline, making it possible to duplicate the results in different contexts or timeframes (Daniel, 2016).

The survey questionnaire was prepared for the quantitative research part of the thesis consisting of 24 questions related to every five independent and one dependent variable. The questionnaire was prepared with the help of "Nettskjema," affiliated with the University of Oslo. It consists of various questions from nominal questions, matrix scale, and Likert-scale questions. The questionnaire was sent out to 100 active Instagram users for the research, but only 75 took the participation out of 3 were considered an error. The 3-participation answer was invalid because of time duration as they completed the survey in less than 1 minute and didn't answer the whole questionnaire, which may affect the data analysis. So, only 72 respondents' answers were made to the finale for further analysis.

### **4.3 Setting, sampling, and participant**

The place of the research is referred to as the setting. The setting for this study was virtual, meaning that the data was obtained in a virtual environment rather than a physical one. Both the survey as well as the semi-structured interviews were conducted entirely online.

The process of selecting an appropriate sample for research is known as sampling. A sample is a subset of the overall population concerned with the study picked from the total population size (Mujere, 2016). For this research, the samples are studied from the active Instagram users population. The number of 72 respondents is taken as a sample size. The convenience sampling technique was adopted for the purpose of this research. Those conveniently and readily available samples are picked in convenience sampling (Taherdoost, 2016).

A convenient sampling technique was used for the preparation of this report. So, a sample was drawn to meet the required purpose of the project. In convenience sampling, those readily and easily available samples are chosen (Taherdoost, 2016). It is a widely used sample approach that prioritizes the researcher's convenience as the significant sampling objective (Farrokhi & Mahmoudi-Hamidabad, 2012).

## 5. Data Analysis

In this chapter, both qualitative and quantitative research result is explained. Content approach analysis describes every aspect of the collected answer for the qualitative part. For the quantitative part, SPSS is used for data analysis and Microsoft Excel to represent the charts, tables, and statistical part of the research.

### 5.1 Interview with Instagram Users

The Interview was conducted with five Nepalese Instagram Users who have been actively involved in Instagram and like to purchase from it. A half an hour-long interview was held with each Instagram users over zoom call. The interview questions were more in-depth than the questions in the questionnaire. Therefore, the interview aimed to gain more in-depth perspective on the topic. The interview questions are listed in Appendix B.

#### 5.1.1 Interview 1

Interviewee 1 is a 25-year-old active Instagram (IG) female user with quite a good number of followers. She is a full-time student and also works as a freelancer. She has been using Instagram since 2016 and usually spends more than 4 hours on the platform interacting with Instagram pages. She said that Instagram promotions or endorsements hugely impact her buying decision because she is more into fashion and skincare. She easily found her favorite international brands on Instagram pages than in physical stores. She added, "*Honestly, I shop a lot from Instagram, so a review of the products, engagement of page with followers, transparency, cost, and authenticity matters to me while purchasing stuff from Instagram.*" For her, Instagram influencers play a vital role in her purchasing behavior; if she is looking for fashion than she looks up to fashion influencers like "@komalpandeyofficial," "@Masoominawala," but if she has to buy skincare products than she must visit "@skincarenepal," "@prettyclicknepal," and talking about influencers "@gitanjali\_" and "@ekatatandukar" recommendations she highly considered.

Talking about the number of Influencers' followers, she said it rarely impacts her while considering their promotions or endorsements. For her, Influencers or page interactions with followers matter the most. The 25 years old IG user mentioned that other than fashion and cosmetics/skincare, she mostly preferred to purchase domestic products on Instagram like; Homemade decors, Accessories,

Handicraft goods, Coffee/Tea, Paintings, Plants, and others. She recommended some pages too, like, "@cottonmillnepal", "@hhastakala", "@floramandu", "@juas.store". For her, Instagram is the only social platform she considers for online shopping, so she strongly believes that Instagram promotions and endorsements are more genuine than other social sites. She also added that Instagram pages and brands started getting more attention during the pandemic as people started surfing the internet a lot, which inhibits the habits of online shopping that continue till now.

According to Interviewee 1, Instagram promotions or endorsements are already doing great marketing among Nepalese consumers. Still, if they focused more on their reach and targeted audiences in the future, they could do even better than most renowned online websites. She thinks about the drawback of Instagram promotions: users cannot pay via Instagram directly as it redirects them to the official websites of the page and lengthy payment process. In the context of Nepal, it took days or even weeks to deliver goods to the consumers. Many Nepalese Instagram pages and Influencers have a good reach among users, but they lack to connect with their audiences. As a consumer, I want to have a direct conversation with the retailer, and they did, but sometimes they took days to reply, and I opted not to purchase those products. She added that all customer service matters to the audiences, so they can focus more on that. Lastly, she suggested to new users while purchasing on Instagram to never fall into the trap of many followers. She added, ask many questions before making a final purchase to the Instagram page, go through reviews and customer satisfaction, compare prices between stores, and consider ratings from customers.

### **5.1.2 Interview 2**

Interviewee 2 is a 27-year-old female Instagram user who started using Instagram in 2013, but she has been more active since 2020 because of a pandemic. She works at an IT company as Human Resources Manager. She hardly spends two hours on Instagram, but she invests more time on it when she wants to purchase something. Instagram promotions or endorsements merely impact her buying behavior because she only chooses Instagram shopping for specific products she can't find in other stores. She said she considers real customer reviews, results from the products, and engagement of pages or influencers before making a purchase decision. She added, "*As I mentioned earlier, I only shop for specific products on Instagram, so celebrities or influencers merely impact my buying behavior. If in case some influenced me, I don't care about the number of followers they have.*"

The 27-year-old IG user is more into domestic products; she prefers to purchase local brands than international brands, and the same with influencers; she looks up to Nepalese Influencers. She mentioned that anything made in Nepal attracts her more than its clothes, accessories, decor, or anything. She usually purchased from stores like "@juas.store," "@booksmandala," "@ralycosnepal," "@the\_goodhealth," "@prettyclicknepal," and talking about Influencers, she only follows those with whom she can connect and find genuine like "@\_\_lemii\_\_," "@shrinkhala\_." She shares her first Instagram shopping experience and loyalty towards Instagram endorsements: *"I never shop online before, but my friends suggested to me about @juas.store. The shop is about organic products like oil, honey, seeds and others"*. Added to that, *"At first I am not sure but later it turned out to be good purchase and that's how I gain trust on Nepalese brands."* She finds Instagram promotions more genuine than other social sites.

According to her, brands and Instagram pages are getting more attention than ever because every store has its business pages. Users also like to spend more time on Instagram, increasing engagement. Instagram is a really good platform for established as well as upcoming business ventures, and considering the phase right now, there would be a bright future for the Instagram business. What is more, Nepalese consumers are more into Instagram, especially Gen-Z users who like to purchase from Instagram pages and later posted on their stories may be for social validation. Still, it just increases the wider scope for Instagram business. The HR manager felt the drawbacks of Instagram promotions or endorsements are a lengthy payment system, difficulty in exchange, and a return policy. Mostly you don't get what they display on the pages they need to work on. I think Instagram can make business pages quite different than other pages, which would be easier for users to get more connected. In the end, she recommended new users filter out the products and prices before making a purchase, and she highly suggested considering reviews from Influencers and real customers.

### **5.1.3 Interview 3**

Inter Interviewee 3 is a 25-year-old active female Instagram user who has been active since 2013, and till now, she has garnered more than 12K followers. She worked as a content editor at a renowned Nepalese magazine and is also known as a rising Instagram influencer. She spends most of her day on Instagram, usually 6-7 hours because she works there and has to make content for brands and other Instagram pages. Further, she added that she gets lots of PR (Public Relations) packages as an

influencer, but she shops a lot on Instagram and calls herself a shopaholic. Being an Influencer herself, she said that Instagram promotions impact her buying behavior a lot because the more appealing and trustworthy the promotions look alike, the more they influence the purchase decision. For her, engagement of pages or brands to the audience pages up to date with trends, honest reviews from customers, and the after the result of the product plays an important role while purchasing the products from Instagram.

Talking about the number of followers, she said, *“See, I am a rising influencer and I invest so much of time on making good content, so I want more number of followers but what I learned from my journey is number of followers doesn’t make any Influencers or IG pages authentic or genuine what really matter is how you are influencing the number of people, so for me, numbers really don’t matter.”* The 24-year-old IG user loves to purchase cosmetics, skincare products, and fashion, including dresses, shoes, and bags, from Instagram. She is a huge fan of the American model “@Kendall Jenner,” and she mentioned that she tries her best to purchase every promotional brand endorsed by the model, which highly impacts her buying behavior. Other than Kendall Jenner, she follows “@gitankalii\_,” “@thatbohogirl,” “@glambehavior\_,” and Instagram business pages she looks up to before making a purchase are “@miss.hastag,” “@tsarmoire,” “@ichhya.store” and others. She is only active on Instagram, and to date, she only shops from Instagram pages than on other social media platforms, so she finds Instagram shopping more reliable and genuine.

The 25-year-old Influencers think Instagram pages or brands are getting more attention, especially from the age group between 15-30, because she also gets lots of Dm (Direct message) from those age groups asking for her recommendations and suggestions about new products. She added that Nepalese brands or pages are getting more hyped among Nepalese consumers than international brands may be because local brands are easily available and consume less time to deliver. She believes Instagram promotions would have a bright future. There would be a positive impact on the Nepalese consumer buying behavior because lots of Nepalese stores or brands have their pages on Instagram. They put lots of effort into endorsement through photos, reels, Influencer marketing, and engagement with audiences which only wins the trust and credibility among consumers. Speaking about drawbacks of Instagram promotions, she said, most of the time, Instagram promotions or endorsements fail to maintain their connectivity with the audience; for instance, at first, they will be more active and will

respond to every dm, but as time pass, they just ignore their audiences. What is more, Instagram pages display one thing on their page and sell another thing, and when customers ask for an exchange or refund, they just vanish. Most of the time, they used fake promotional campaigns like Instafamous celebrities who never used that product, and these activities lose the trust among consumers. She added that if they tried to overcome the issues I mentioned, it would be a great experience shopping on Instagram. Finally, she suggested to new users as a consumer and Influencers themselves that Instagram promotions or endorsements can be good or bad, so always filter out and research as much as you can before making a final purchase.

#### **5.1.4 Interview 4**

Interviewee 4 is a 20-year-old active male Instagram user who has been using Instagram since 2017. He is a full-time student, and he usually spends 4-5 hours on Instagram. He owns an online store Instagram where he and his friends sell shoes and customized t-shirts, so, for him, Instagram promotions or endorsements highly impact his buying behavior because he believes he knows the Instagram business more. He added though he owned his online store, he shops a lot from other Instagram pages especially branded shoes like "@Nike," "@Adidas," and "@Reebok." He said he considers the page's authenticity before making a purchase, like the page's number of followers, the popularity of pages among audiences, and the types of products they sell through their online stores.

Talking about influencer marketing, the 20-year-old user said he merely considers Instagram influencer's promotions because he believes many influencers only endorse or promote products for money. Still, in reality, they never used such products. He added that such marketing wouldn't last long as they fail to connect with their audiences, no matter how many followers. So, for him, the number of followers of influencers or celebrities was never the factor when purchasing from Instagram. However, followers of brands and Instagram pages of online stores do affect his buying behavior. He said, *"As I mentioned earlier, I am a huge fan of sneakers, especially international brands, and in Nepal, it's tough to get your desired brands, so Instagram pages made it easier to get my favourite brands and IG pages like @Damioutfits, @Mintt are making it possible."* Compared to other social sites, Instagram is genuinely more reliable in shopping. He added that on Instagram, you get more varieties of products than you hardly get in other social sites and physical stores.

Interviewee 4 mentioned, *"I personally owned an online store on Instagram, and as a buyer and seller. I think Instagram business pages originally from Nepal are getting more attention on Instagram. Those pages are not only popular in Nepal but with other international audiences as well, especially handicraft goods, authentic Nepali fabrics, and herbal stuff like medicines, tea, coffee, honey, and others."* According to him, Instagram promotions would positively impact Nepalese buying behavior. Most people have already started purchasing online, and Instagram pages are doing great to reach their consumers with quality goods, marketing, and other PR packages. He thinks about drawbacks in Instagram promotions is many times, IG pages or brands fail to deliver the products they display on their pages.

Moreover, Instagram pages choose celebrities with high followers and completely rely on them with all promotional activities rather than applying other ways to engage with customers. He added that if Instagram pages or brands would be more real with their consumers, like products' pros and cons before selling them. For example, if they are selling some drinks, they can mention allergies, age group, and ingredients with customers, and other products. He suggested new Instagram users as a consumer always check the pages or brands' followers, how they are reaching their targeted audiences, what kind of products they are selling, and consider the price before making a final purchase.

#### **5.1.5 Interview 5**

Interviewee 5 is a 22-year-old active female Instagram user who started using Instagram in 2016. She is a full-time student and will soon complete her under graduation. She said she spent more than 5 hours on Instagram, and it all started during a pandemic. Talking about Instagram shopping, she loves to purchase clothes and shoes from Instagram pages as she believes she finds more trendy clothing on Instagram than on other sites. She purchases products as soon as she likes on Instagram; she added many times that she spends her entire pocket money on a single dress. She said that Instagram promotions highly impact her buying behavior, especially celebrity-endorsed products with a good number of followers. She mostly considered the price and post-purchase effect of products while purchasing goods from Instagram.

The 22-year-old user said, *"I prefer to shop clothes and accessories from Instagram and the pages which have thousands of followers. I choose that one to make my purchase because I believe a good*



*number of followers indicates high authenticity.” She added, “I prefer more Nepal based online stores than international ones, and I usually purchase from “@Misshastag”, “@-dscollections\_,” “@basemarknepal,” “@topshopkathmandu,” “@kls\_collection16” because I have best shopping experience with them as they never failed to deliver the product I choose online.” Talking about celebrities, she looks up to “@asmishrestha,” “@shah\_niti,” “@sriyansu,” “@pramita2.0”. According to her, Instagram shopping is always a reliable source of social media, especially in the case of quality and authentic products. She believes Instagram promotions are genuine but mostly associated with influencers who used those products and give real reviews. She thinks brands and Instagram business pages are getting more hyped in recent times, where both buyers and sellers are actively involved in getting the best shopping experiences.*

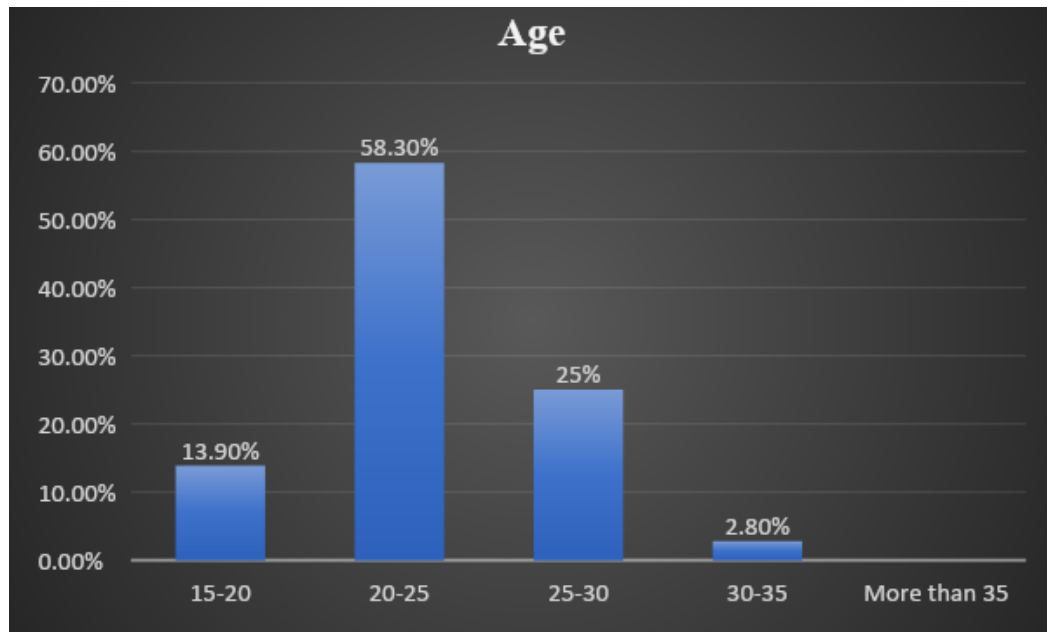
Interviewee 5 thinks that in the future, Instagram promotions and its business will reach every audience because, for now, only limited people are using Instagram, and most of the Nepalese population are active on Facebook and TikTok. So, in the future, Instagram promotions and Instagram shopping will be as popular as in other developed countries. Talking about drawbacks, she said Instagram promotions are in the initial phase in Nepal, and all the pages and brands are learning different approaches to promotions and endorsements. So, she thinks it’s too early to say anything bad about Instagram promotions. Lastly, she recommended new users in Instagram shopping do check the number of followers of Instagram pages or brands and the years they are in the business. Do check reviews and customer satisfaction and reach out to the pages directly to buy goods.

## 5.2 Analysis of Survey Data

The survey was sent out to 100 Instagram users, of which 72 took part in the survey. The survey questionnaire consists of two parts: Basic information of respondents and a Likert scale questionnaire. The result of the gathered information is represented in the figures that appear in the following charts and made in Microsoft Excel. As shown in the figures, each review's questions are depicted and investigated separately.

### 5.2.1 Basic information of respondents

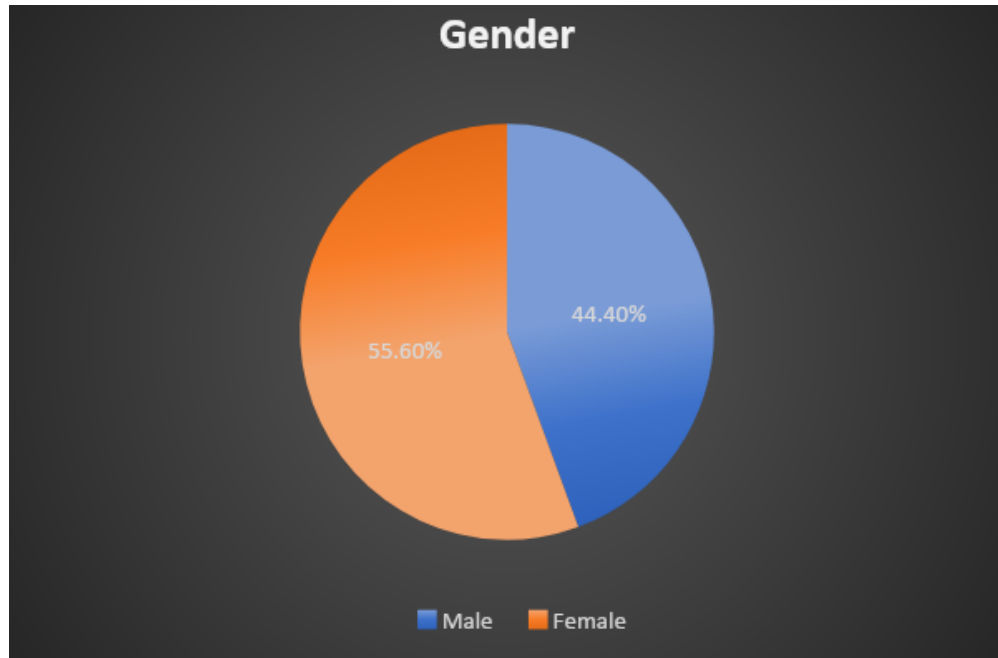
#### 5.2.1.1 Age



**Fig 3: Distribution of Age**

The given bar chart explains that 13.90% of the Instagram users belong to the age group of 15-20, 58.30% belong to 20-25, 25% belong to 25-30, 2.80% belong to 30-35, and none of the respondents belongs to the age group of more than 35. As per the research, out of 72, 42 respondents fall between the age group 20-25 and are more active on Instagram. Overall, the samples are found to be concentrated in the age group 20-25.

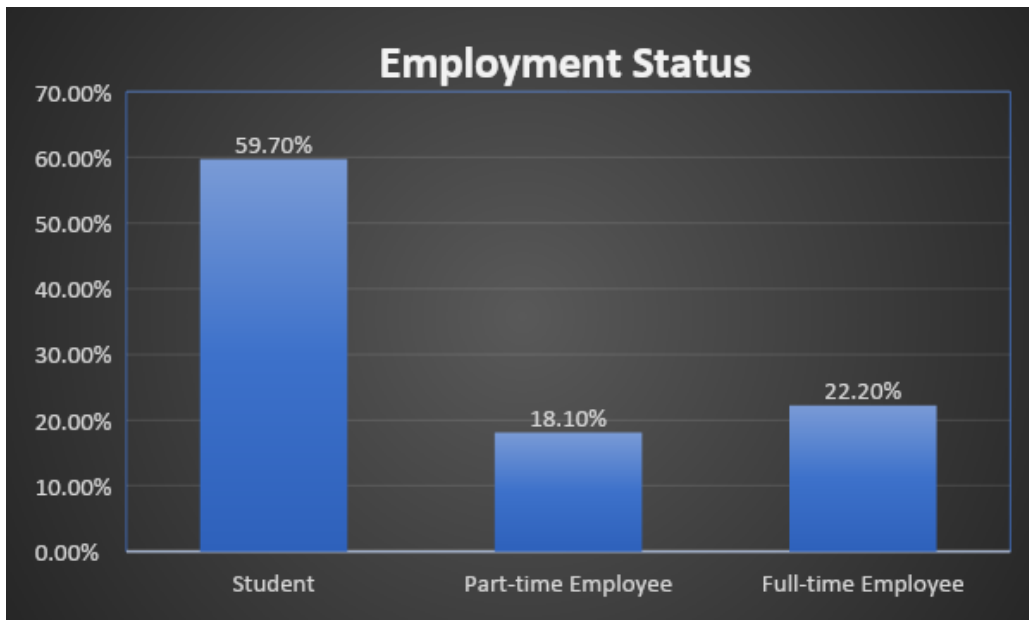
### 5.2.1.2 Gender



**Figure 4: Distribution of Gender**

The given pie chart reveals that 55.6% of the respondents were female, and the other 44.40% were male. It shows that most of the respondents were female.

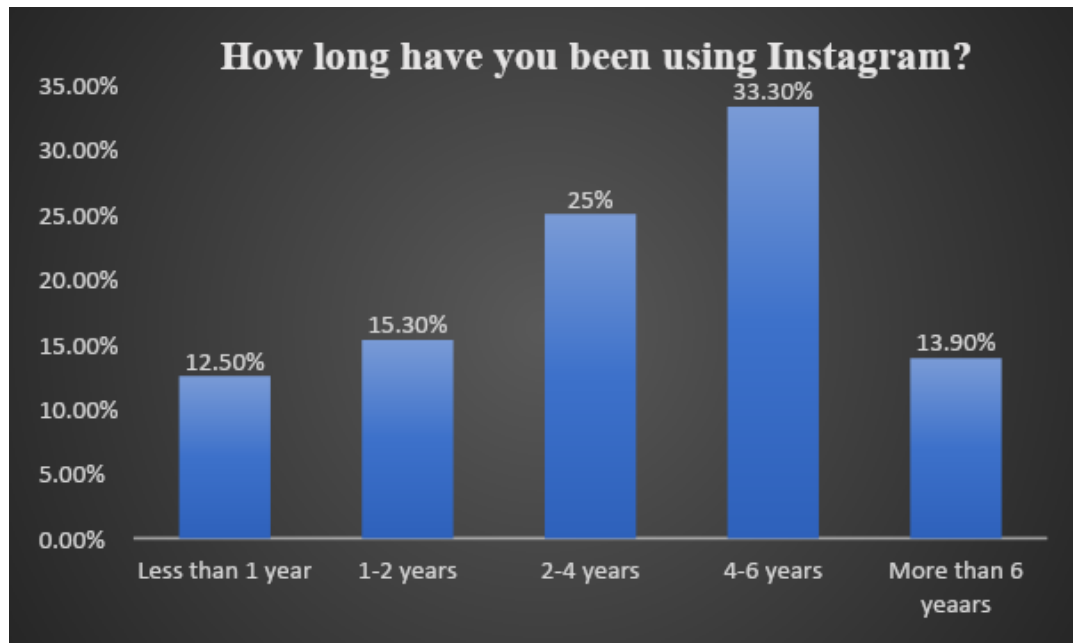
### 5.2.1.3 Employment Status



**Figure 5: Current Employment Status**

The figure 5 illustrate that about 59.70% respondents are students, 18.10% worked as part-time employee and 22.20% are full-time employee. So, majority of the respondents were students.

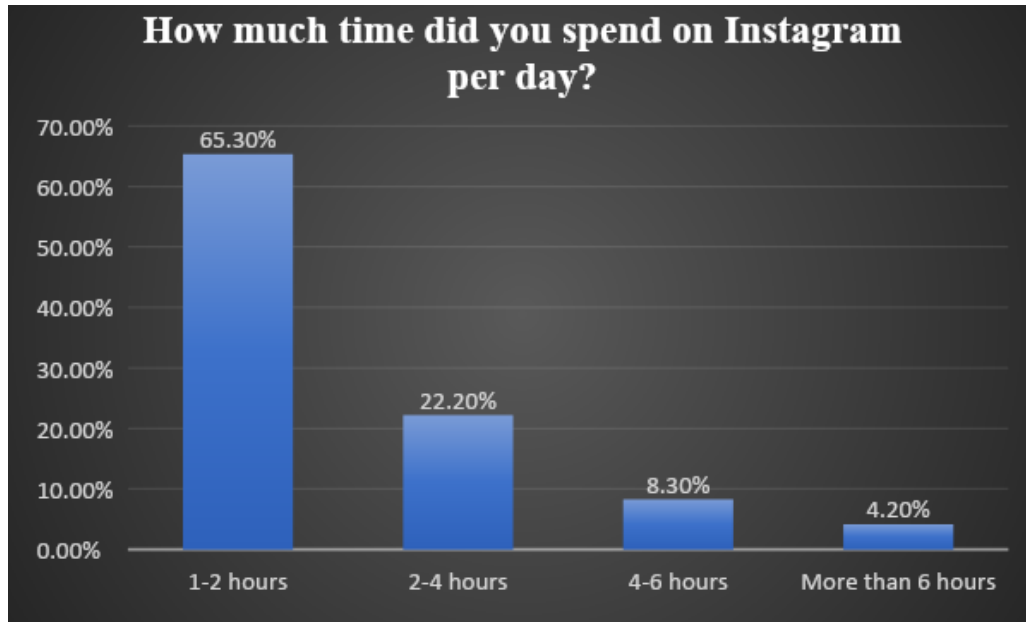
#### 5.2.1.4 How long have you been using Instagram?



**Figure 6: Representing Time span of respondents on Instagram**

The bar diagram shows that 12.5% of respondents have been active on Instagram for less than one year, 15.30% of respondents started using it for 1-2 years, 25% are using it for 2-4 years, 33.30% have been active for 4-6 years and 13.90% respondents are using Instagram for more than six years. The data obtained reveal that most of the respondents have been active on Instagram for 4 to 6 years.

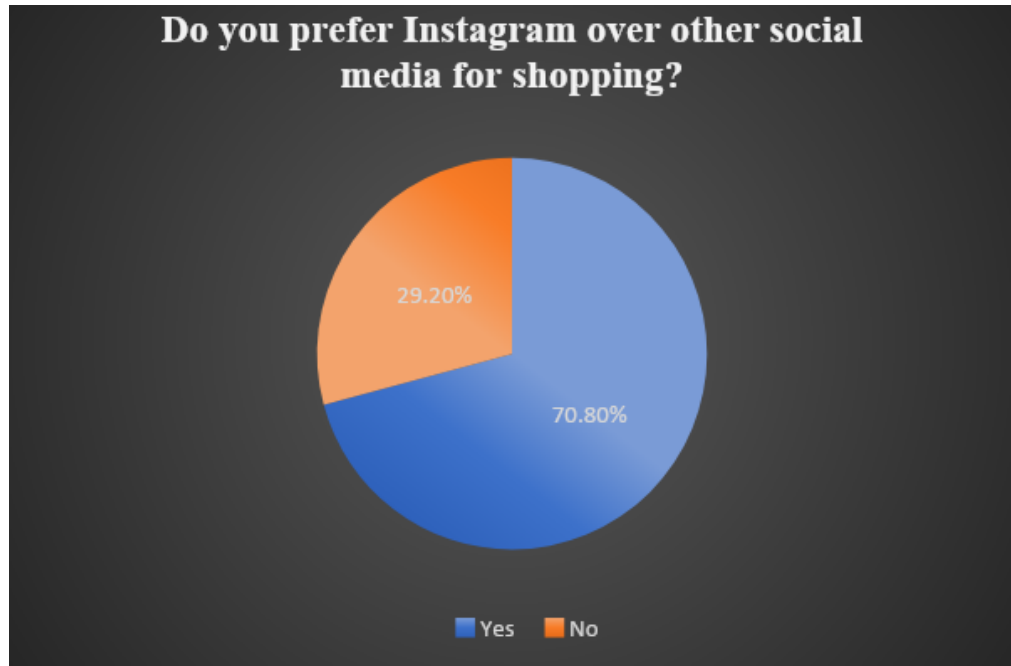
**5.2.1.5 How much time did you spend on Instagram per day?**



**Figure 7: Representing total numbers of hours spent on Instagram by the respondents**

The above graph represents 65.30% of respondents spend 1-2 hours a day on Instagram, 22.20% spend 2-4 hours, 8.30% spend 4-6 hours, and only 4.20% of users spends more than 6 hours on Instagram. From the obtained data, out of 72 respondents, 47 users browse Instagram only for 1-2 hours.

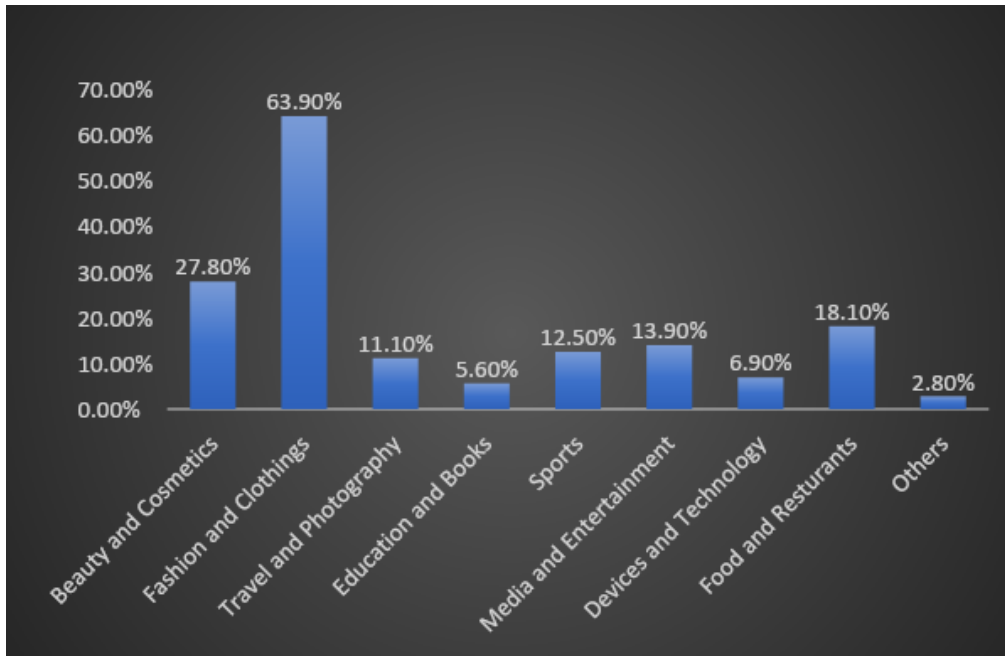
5.2.1.6 Do you prefer Instagram over other social media for shopping?



**Fig 8: Instagram over other social media for shopping**

Figure 8 depicts the preference of users over Instagram over other social sites, and 70.80% of respondents said yes, whereas 29.20% said no, which results in Instagram shopping being superior as compared to other social platforms.

**5.2.1.7 If you answered yes, what kind of brands or products do you prefer to purchase on Instagram? (You can choose more than one option)**



**Fig 9: Brands or Products prefer to purchase on Instagram**

The above figure 9 illustrates that 27.80% of users prefer Beauty and Cosmetics purchases on Instagram, 63.90% choose Fashion and clothing, and 11.10% choose Travel and Photography. Similarly, 5.60% of respondents are more into Education and books, 12.50% like Sports, 13.90% are into Media and Entertainment, 6.90% prefer Devices and technology, while 18.10% of users select Food and restaurants, and only 2.80% of respondents choose Others. The survey shows that most users are more into Fashion and clothing, followed by Food and Restaurants.

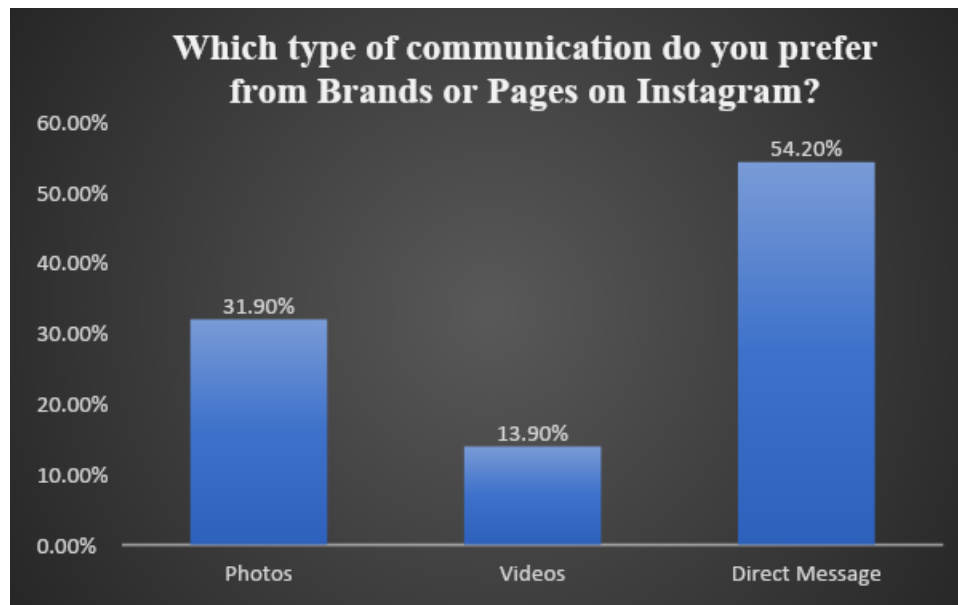
**5.2.1.8 How often did you purchase products from Instagram?**



**Fig 10: Purchasing frequency on Instagram**

The bar diagram represents the purchasing frequency of respondents on Instagram. It shows that 91.70% of users purchase on Instagram as per their needs, while none of the respondents shop weekly. Likewise, 2.80% purchase daily, and 5.60% of respondents purchase monthly from Instagram shopping.

**5.2.1.9 What type of communication do you prefer from brands or Pages on Instagram?**



**Fig 11: Types of communication prefer on Instagram**



The graph elucidates that more than half of the respondents, which is 54.20% prefers direct message from brands or pages on Instagram. 31.90% of users prefer photo sharing while communicating on Instagram with pages, and only 13.90% of respondents choose video sharing as a communication tool.

## 5.2.2 Descriptive Analysis of Dependent Variables

### 5.2.2.1 Descriptive Analysis of Purchase Intention

Table 1: Descriptive analysis of Purchase Intention

Statement	Mean	Standard Deviation
I look for purchase inspiration on Instagram.	3.60	0.833
I use Instagram to research products that I am considering buying.	3.43	0.885
I read other Instagrammers reviews of products before making a purchase.	3.51	0.964
I spend time searching through Instagram to find alternative product.	3.42	0.960
Purchase Intention	3.49	0.733

Table 1 shows the descriptive analysis of purchase intention with the highest mean value of 3.60 and a standard deviation of 0.833 and the lowest mean of 3.42 and a standard deviation of 0.960. So, it shows that respondents, on average, look for purchase inspiration on Instagram, but they didn't spend time searching through Instagram to find an alternative product. On average, there exist an influence of purchase intention towards Instagram promotions in Nepalese consumer buying behavior, as shown by the overall mean of 3.49.

### 5.2.2.2 Descriptive Analysis of Influencer Marketing

Table 2: Descriptive analysis of Influence Marketing

Statement	Mean	Standard Deviation
I purchase products based on Influencer Marketing recommendation.	3.10	1.077
I found celebrity or influencers endorsement more reliable than the digital ad.	3.04	1.106
The number of followers and popularity of Influencers on Instagram influenced my purchase decision.	2.86	1.190
Influencer marketing helps me to become aware of the newly launched products.	3.26	1.078
Influencer Marketing	2.96	1.026

Table 2 shows the descriptive analysis of Influencer Marketing with the highest mean value of 3.26 along with a standard deviation of 1.078 and the lowest mean of 2.86 along with a standard deviation of 1.190. So, it shows that respondents, on average, believe that Influencer marketing helps them become more aware of the newly launched products. Still, the number of followers and popularity of Influencers on Instagram don't influence their purchase decision. On an average, influencer marketing has a moderate impact on Instagram promotions among Nepalese consumer buying behavior, with an overall mean of 2.96.

### 5.2.2.3 Descriptive Analysis of Social Proof

Table 3: Descriptive analysis of Social Proof

Statement	Mean	Standard Deviation
I post pictures or videos of my purchased items on Instagram to assert influence.	3.46	0.918
I post reviews of my purchased items on Instagram.	3.58	0.884
I post about my purchases on Instagram to gain attention from my followers.	3.44	1.033
I discuss my purchases on Instagram to help others with their purchases.	3.67	0.993
Social Proof	3.53	0.7251

Table 3 shows the descriptive analysis of Social Proof with the highest mean value of 3.67 and a standard deviation of 0.993, and the lowest mean of 3.44 along with a standard deviation of 1.033. So, it shows that respondents, on average, admit they discuss their purchases on Instagram to help others. Still, they didn't post their purchases on Instagram to gain attention from their followers. On an average social proof has an impact on Instagram promotions among Nepalese consumer buying behavior, with an overall mean of 3.53.

#### 5.2.2.4 Descriptive Analysis of Perceived Usefulness

Table 4: Descriptive analysis of Perceived Usefulness

Statement	Mean	Standard Deviation
The services and offers provided by Instagram promotions / endorsements are considered to be a good deal.	3.60	0.883
The deals and offers I receive from Instagram promotions / endorsements are worth my time and money.	3.46	0.903
I believe Instagram promotions / endorsements provide great deals and high satisfaction than other social media.	3.57	0.901
Overall, the deals, services, and offers I receive from Instagram promotions / endorsements are valuable	3.47	0.934
Perceived Usefulness	3.52	0.732

Table 4 shows the descriptive analysis of Perceived Usefulness with the highest mean value of 3.670 and a standard deviation of 0.883 and the lowest mean of 3.47 and a standard deviation of 0.934. So, it shows that respondents, on average, believe that the services and offers provided by Instagram promotions/endorsements are a good deal, but they didn't believe the deals and offers they received are worth their time and money. On an average, Perceived usefulness has an impact on Instagram promotions among Nepalese consumer buying behavior.

### 5.2.2.5 Descriptive Analysis of Brand Loyalty

Table 5: Descriptive analysis of Brand Loyalty

Statement	Mean	Standard Deviation
I believe that Instagram promotions / endorsement has a better image than other social media advertisement.	3.62	0.941
The Instagram promotions / endorsements aim much effort to the benefits of the consumer needs and demand.	3.75	0.765
I found my favourite brands and products easily on Instagram.	3.71	0.911
The Instagram promotions / Endorsements has overall good reputation	3.81	0.833
Brand Loyalty	3.72	0.700

Table 5 shows the descriptive analysis of Brand Loyalty with the highest mean value of 3.81 and standard deviation of 0.883, the lowest mean of 3.62, and a standard deviation of 0.941. So, it shows that respondents, on average, believe that Instagram promotions/endorsements have an overall good reputation. Still, they didn't believe that Instagram promotions/endorsement has a better image than other social media advertisement. On an average, Brand loyalty has a good impact on Instagram promotions among Nepalese consumer buying behavior, with overall mean of 3.72.

### 5.2.3 Descriptive analysis of Dependent Variable

#### 5.2.3.1 Descriptive analysis of Nepalese consumer buying behavior

Table 6: Descriptive analysis of Nepalese consumer buying behavior

Statement	Mean	Standard Deviation
Instagram shopping is able to satisfy my needs and demand.	3.79	0.821
I am happy with my purchase from Instagram.	3.72	0.859
I will recommend Instagram shopping to others	3.78	0.809
I will continue to purchase from Instagram pages.	3.67	0.888
Nepalese consumer buying behavior	3.74	0.698

Table 6 shows the descriptive analysis of Nepalese consumer buying behavior with the highest mean value of 3.79 and standard deviation of 0.821, the lowest mean of 3.67, and a standard deviation of 0.888. So, it shows that respondents, on average, believe that Instagram shopping can satisfy their needs and demand, but they will not continue to purchase from Instagram pages. On an average Nepalese consumer buying behavior is influenced by Instagram promotions, with an overall mean of 3.74.

### 5.2.4 Correlation Analysis

Correlation Analysis is used to find the degree of relationship between two or more variables, and for that, a summary statistic is needed, known as the correlation coefficient. The correlation coefficient( $r$ ) always lies between -1 to +1 and is a relative statistic. The correlation coefficient equals +1 indicates a perfect positive correlation between independent and dependent variables, and  $r$  equals -1 indicates a perfect negative correlation between independent and dependent variables. The correlation coefficient close to +1 indicates a high degree of positive correlation, and close to -1 indicates a high degree of negative correlation.

Here Nepalese consumer buying behavior is a dependent variable, and Purchase intention, Influencer marketing, social proof, Perceived Usefulness, and Brand loyalty are independent variables. The correlation analysis is presented in Table 7.

Table 7: Correlation Analysis

Independent Variables		Nepalese consumer buying behavior
Purchase Intention	Pearson Correlation	0.240*
	Sig.(2-tailed)	0.042
	N	72
Influencer Marketing	Pearson Correlation	0.244*
	Sig.(2-tailed)	0.039
	N	72
Social Proof	Pearson Correlation	0.211
	Sig.(2-tailed)	0.075
	N	72
Perceived Usefulness	Pearson Correlation	0.287*
	Sig.(2-tailed)	0.014

	N	72
Brand Loyalty	Pearson Correlation	0.494**
	Sig.(2-tailed)	0.01
	N	72

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

\* Correlation is significant at the 0.05 level (2-tailed).

### 5.2.5 Hypothesis Testing

To further analyze the linearity between the variables, it is necessary to check the assumptions of independent variables (Purchase intention, Influencer Marketing, Social Proof, Perceived Usefulness. Brand Loyalty) has a significant relationship or not with Instagram promotions in Nepalese consumer buying behavior. One of the main assumptions is already assumed by the model construction, which is the linearity of the relationship between X variables and Y (Nepalese consumer buying behavior).

**H1: Purchase intention has a significant relationship with Instagram promotions in Nepalese consumer buying behavior**

The result shows that P-value is  $0.042 < 0.05$  that confirmed the relationship between Purchase intention and Nepalese consumer buying behavior. So, H1 is accepted.

**H2: Influencer Marketing significant relationship with Instagram promotions in Nepalese consumer buying behavior**

Since P-value is  $0.039 < 0.05$ , there exists a relationship between Influencer marketing and Nepalese consumer buying behavior. Hence, H2 is accepted.

**H3: Social Proof significant relationship with Instagram promotions in Nepalese consumer buying behavior**

The P-value of social proof is greater than 0.05, i.e.,  $0.075 > 0.05$ . The result shows that there is no relationship between social proof and Instagram promotions. So, H3 is rejected.



**H4: Perceived Usefulness significant relationship with Instagram promotions in Nepalese consumer buying behavior**

Since P-value is  $0.14 < 0.05$ , Perceived usefulness has a relationship with Instagram promotions. So, H4 is accepted.

**H5: Brand Loyalty significant relationship with Instagram promotions in Nepalese consumer buying behavior.**

The correlation table shows P-value is equal to 0.01, i.e.,  $0.01 = 0.01$ ; there exists a relationship between brand loyalty and Nepalese consumer buying behavior.

**5.2.6 Regression Analysis**

Since correlation analysis only gives the strength and direction of the relationship between independent and dependent variables but doesn't give the exact shape of the relationship. And some cases, decisions are based on a prediction of one variable upon another. The predictor has to rely on what is already known (independent) and what is to be known (dependent). Therefore, in such a situation, a statistical procedure called regression analysis could be used to develop an equation showing how independent and dependent variables are related. Let us consider that Nepalese consumer buying behavior (Y) depends on the determinant factor of Instagram promotions like; Purchase Intention (X1), Influencer Marketing (X2), Social Proof (X3), Perceived Usefulness (X4), and Brand Loyalty (X5). Then the fitted regression model of Y on X1, X2, X3, X4, and X5 is given by:  $Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e_i$ .

Table 8: Model Summary

Model	R	R square	Adjusted Square	Std. Error of the Estimate
1	.546 <sup>a</sup>	0.298	0.245	0.60731

a. Predictors: (Constant), Brand Loyalty, Influencer marketing, Purchase intention, Social Proof, Perceived Usefulness

Through the analysis of above table 8, it has been known that the value of R square, i.e., coefficient of multiple determination, is 0.298. It means that there is a 29.8% variation in the dependent variable, i.e., Nepalese consumer buying behavior, which has been explained by the variation in independent variables such as; Purchase intention, Influencer marketing, Social proof, Perceived Usefulness, and Brand Loyalty. In the case of the standard error of estimate, the lower the value of error, the higher the suitability of the fitted regression line, and its value ranges from 0 to 1.

### 5.2.6.1 ANOVA

In this ANOVA table, F-value and its significance will be in the output when regression is done if the F-value is statistically (typically  $p < 0.5$ ), which signifies the model did an excellent job of predicting the outcome variable. There is a significant relationship between the independent and dependent variables.

Table 9: ANOVA Table

Model		Sum of squares	DF	Mean squares	F	Sig.
1	Regression	10.337	5	2.067	5.605	<.001 <sup>b</sup>
	Residual	24.343	66	0.369		
	Total	34.680	71			

a. Dependent Variable: Nepalese consumer buying behavior

b. Predictors: (Constant), Brand Loyalty, Influencer Marketing, Purchase Intention, Social Proof, Perceived Usefulness

From the above ANOVA table, at a 1% level of significance, the value of F is 5.605. The p-value is 0.001 since  $p\text{-value} = 0.001$  is less than the level of significance  $\alpha = 0.01$ , i.e. ( $0.001 < 0.01$ ), we can say that the fitted regression model for the independent and dependent variable, i.e.,  $Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e_i$ .

### 5.2.6.2 Coefficient Table

The fitted regression model for independent and dependent variables are  $Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e_i$ , and its analysis is presented below along with the coefficient table:

Table 10: Coefficient table

Model	Unstandardized coefficient		Standardized coefficient	T	Sig.
	B	Std. Error			
(Constant)	2.170	0.425		5.109	0.000
Purchase Intention	-0.126	0.320	-0.132	-0.392	0.696
Influencer Marketing	0.165	0.095	0.243	1.740	0.086
Social Proof	-0.304	0.168	-0.316	-1.808	0.075
Perceived Usefulness	0.047	0.358	0.049	0.130	0.897
Brand Loyalty	0.653	0.155	0.654	4.216	0.000

Dependent Variable: Nepalese consumer buying behavior

From the analysis of coefficient table 9,  $b_1 = -0.126$ , which means that Purchase Intention ( $X_1$ ) has a negative impact of 12.6% upon Nepalese consumer buying behavior ( $Y$ ), i.e., if  $X_1$  increases by 1 unit, then  $Y$  decreases by 0.126 units keeping  $X_2$ ,  $X_3$ ,  $X_4$  &  $X_5$  constant and vice versa. Similarly,  $b_2 = 0.165$  means that Influencer marketing ( $X_2$ ) has a positive impact of 16.5% upon Nepalese consumer buying behavior ( $Y$ ), i.e., if  $X_2$  increases by 1 unit, then  $Y$  increases by 0.165 units keeping  $X_1$ ,  $X_3$  &  $X_4$  constant and vice versa.  $B_3 = -0.304$  means that social proof ( $X_3$ ) has a negative impact of 30.4% on Nepalese consumer buying behavior ( $Y$ ), i.e., if  $X_3$  increases by unit, then  $Y$  decreases by 0.304 units keeping  $X_1$ ,  $X_2$ , &  $X_4$  constant and vice versa. Likewise,  $b_4 = 0.047$  means Perceived Usefulness ( $X_4$ ) has a positive impact of 4.7 % on Nepalese consumer buying behavior ( $Y$ ), i.e., if  $X_4$  increases by 1 unit, then  $Y$  also increases by 0.047 units keeping  $X_1$ ,  $X_2$ , &  $X_3$  constant and vice versa. And  $B_5 = 0.653$  means Brand loyalty ( $X_5$ ) has a positive impact of 65.3% on Nepalese consumer buying behavior ( $Y$ ), i.e., if  $X_5$  increases by 1 unit, then  $Y$  increases by 0.653. So, the final regression model for this study is:  $Y = 2.170 - 0.126X_1 + 0.165X_2 - 0.304X_3 + 0.047X_4 + 0.653X_5 + e_i$ .

### 5.2.7 Reliability and Validity

In research, reliability is frequently defined as the degree of consistency or dependability the researcher measures the attributes under investigation (Edwin, 2019). The degree to which a

measuring instrument accurately measures what it promises to measure is known as validity (Edwin, 2019). In quantitative research, reliability refers to the exact replicability of the research process and findings, but reliability and validity are more challenging in qualitative research. In qualitative research, reliability refers to the consistency with which procedures are applied, even though the data generated varies in richness from time to time (Leung, 2015). Similarly, validity is more related to the tools, procedure, and data adequacy.

In this study's quantitative research, the consistency of survey questions ensures the research's reliability. The contents of the survey questions, which are designed to answer the research questions, assure their validity. Further, the use of MS-Excel and SPSS in data analysis also enhances the validity of the research.

The survey was sent out to 100 Instagram users from Nepal, out of which only 72 respondents took part in the survey, which gives a response rate of 72%. The response rate is vital to analyze the validity of the survey. Reliability and validity are required factors in every research technique to assess the survey's accuracy.

**Table 11: Case Processing Summary**

		N	%
Cases	Valid	72	100.0
	Excluded <sup>a</sup>	0	.0
	Total	72	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability analysis is used to check the internal consistency of the use of data collected, and the reliability coefficient is its indicator. The reliability coefficient, i.e., Cronbach's Alpha coefficient value ranges from 0 to 1. The coefficient value greater than or equal to 0.9 is considered excellent, 0.8 to 0.89 as good, 0.7 to 0.79 as adequate, and a value below 0.7 has limited applicability.

**Table 12: Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.934	.935	24

Selection of all Likert scale questions was taken to measure the reliability of the research. An alpha was considered for the test. Cronbach's Alpha shows a positive value at 0.934, which shows the strong reliability of the research done (TABLES 11 and 12).

## 6. Key Findings

The research questions that this thesis aims to answer; What is the impact of Instagram promotions/endorsements on Nepalese consumer buying behavior? And What factors influence the Nepalese consumers toward Instagram promotion? The following chapter will present the key findings of the questionnaire and interview.

The findings of the questionnaire were quite interesting. The data collected from the survey shows that, Based on data collection, most of the respondents were female as of fig 4, and respondents aged 20 -25 (fig3) are the most active users on Instagram. Out of 72 respondents, 43 were students (fig 5), and 24 users started using Instagram for 4-6 years (fig 6), while 47 respondents spent 1-2 hours on Instagram per day (fig 7). The research also shows that 70.8% of respondents prefer Instagram over other social media for shopping (fig 8) and mostly choose fashion and clothing as the favorable brands (fig 9). 91.7% of respondents shop as per their needs on Instagram (fig 10), and 54.2% prefer direct message (fig 11) to communicate with Instagram pages and brands.

Furthermore, in this research, various determinant factors like Purchase intention, Influencer marketing, Social Proof, Perceived Usefulness, and Brand loyalty were analyzed. Among them, consumers considered brand loyalty one of the most important determinant factors of Instagram promotions/endorsements. After having the hypothesis testing, it was found that Purchase intention, Influencer marketing, Perceived Usefulness, and Brand loyalty have a significant relationship with

Instagram promotions. However, there was no significant correlation between social proof and Nepalese consumer buying behavior.

According to the interview, most of the interviewees are female between 20-27. They mostly prefer local-based products and Instagram shops to international brands. It indicates that influencer marketing has some impact on users, but a number of followers of influencers don't have that much influence on purchase decisions among consumers. Most all the interviewee believes; that Instagram is the most reliable source for online shopping compared to other social sites. Further, they all think Instagram promotions positively impact Nepalese consumer buying behavior.

## **7. Conclusion**

In this thesis report, five determinant factors of Instagram promotions or endorsements are discussed and researched to identifies the impact towards Nepalese consumer buying behavior. The result shows purchase intention, influencer marketing, perceived usefulness and brand loyalty highly influenced the buying behavior of Nepalese consumers except social proof. More to that, the survey proved that brand loyalty has high impact on Nepalese consumers buying behavior than other factors. Results also reveals that most of the respondents believes Instagram promotions/endorsements has overall good reputation. However, the result shows that the number of followers and popularity of influencers on Instagram doesn't affect the consumer buying behavior. The research shows that Instagram promotions or endorsements have strong reliability in Nepalese consumers buying behavior with Cronbach's alpha value 0.934.

This study may come with some Management and marketing implications, and academic implications.

### **7.1 Management and Marketing Implications**

The research may bring some important findings for academics, managers and professionals in the marketing management field. The findings were able to provide a better understanding of the impact of Instagram promotions/endorsements on Nepalese consumer buying behavior. Business houses can have better ideas about Instagram promotions, determinant factors and its impact on consumer, academics have more insights regarding Instagram promotions and Instagram marketing.

The study found evidence of heavy patterns of Instagram usage. People spend a lot of time on Instagram for online shopping. Moreover, if there were still doubts about Instagram being a good environment to promote products and brands, results reveal that consumers believe that Instagram promotions / endorsements provide great deals and high satisfaction than other social media and respondents consider Instagram shopping valuable. Being that it's a good environment to find new products and brands which means that, if marketers want to promote a product or brand, endorsing through Instagram should totally be considered especially in fashion and clothing.

Professionals in the marketing area often look forward to which factor of Instagram promotions should consider to reach wider range of audiences. The research results suggest that, when choosing an important factor of Instagram promotions, the professionals first need to understand the purchase intention of consumers. Then need to invest on genuine Influencers or celebrities. Even though, the number of followers, likes, and comments is not the most important attribute, it is still a component that influences buying intent and should be considered when making a decision.

## **7.2 Academic Implications**

Many researchers have already studied social media promotions or endorsements. There is already research investigating the impact of social media and its impact on consumer buying behavior. However, no study investigated the impact of Instagram promotions or endorsements on consumer buying behavior, especially in the case of Nepal. This research may bring new findings that are relevant and can be a starting point to further investigation on the topic.

## **8. Limitations**

It is now feasible to take a step back and critically examine and analyze the study's limitations after performing the research and reaching the conclusions. Despite the efforts to avoid bias, every study has limitations. The first issue was time limitation, as the entire research assignment must be completed in a semester. Then, it comes to sample size, even though the sample size was sufficient to assume normal distribution and build a valid database, a larger sample would improve the study's dependability by being more representative of the population. Same with interviews, due to limited time, only five interviews are attempted, which doesn't give the general views of Instagram users.

Moreover, the online survey is conditioned with imprecise responses, and it is not sure that the respondents read the questions and options carefully. In this research, some invalid values were detected, which naturally decreased the size of the final sample. The sampling method used in the research was non-probability sampling, which has several limitations by default. The results may not indicate the entire population and are only considered in the context of the sample analyzed. The digital interview is also one of the limitations; although technology has advanced a lot, the traditional interview setting still helps gather more reliable data. Further, the respondents' background was also a restricting factor as research shows the maximum number of respondents were students. So, they may not be a good predictor of purchasing power.

## **9. Future Work**

The thesis reports only depend upon five determinants of Instagram promotions; the future researcher can study more factors that will give the more concepts and provide accurate results. Moreover, Future research should include a broader spectrum of consumers and other generation cohorts to produce more reliable results. Also, the study was just applied to the Instagram promotions without mentioning any specific products or brands categorization so that future research might investigate some specific products or brands. Another point is that this research only focuses on Nepalese consumer buying behavior who are active on Instagram; it would be wonderful to see the impact of other social media like Facebook, Tiktok and their promotions on consumer buying behaviour. Mostly, the interviewees were female in this research; the future researcher can interview an equal number of male and female candidates so that they will get reliable results. What is more, they can analyze the distinctions between female and male Instagram users, corresponding to their topic, to get more accurate information.



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# 11. Appendixes

## Appendix A: NSD Assessment

### Impact of Instagram Promotions/Endorsement on Nepalese Consumer Buying Behavior

#### Reference

945362

#### Status

Assessed

Our assessment is that the processing of personal data in this project will comply with data protection legislation, so long as it is carried out in accordance with what is documented in the Notification Form and attachments, dated 25.03.2022, as well as in correspondence with NSD. Everything is in place for the processing to begin.

#### NOTIFY CHANGES

If you intend to make changes to the processing of personal data in this project, it may be necessary to notify us. This is done by updating the Notification Form. On our website we explain which changes must be notified. Wait until you receive an answer from us before you carry out the changes.

#### TYPE OF DATA AND DURATION

The project will be processing general categories of personal data, special categories of personal data regarding ethnic origin until 30.06.2021.

#### LEGAL BASIS

The project will gain consent from data subjects to process their personal data. We find that consent will meet the necessary requirements under art. 4 (11) and 7, in that it will be a freely given, specific, informed and unambiguous statement or action, which will be documented and can be withdrawn. The legal basis for processing general categories of personal data is therefore consent given by the data subject, cf. the General Data Protection Regulation art. 6.1 a). The legal basis for processing



special categories of personal data is explicit consent given by the data subject, cf. art. 9.2 a), cf. the Personal Data Act § 10, cf. § 9 (2).

### **PRINCIPLES RELATING TO PROCESSING PERSONAL DATA**

NSD finds that the planned processing of personal data will be in accordance with the principles under the General Data Protection Regulation regarding:

- lawfulness, fairness and transparency (art. 5.1 a), in that data subjects will receive sufficient information about the processing and will give their consent
- purpose limitation (art. 5.1 b), in that personal data will be collected for specified, explicit and legitimate purposes, and will not be processed for new, incompatible purposes
- data minimisation (art. 5.1 c), in that only personal data which are adequate, relevant and necessary for the purpose of the project will be processed
- storage limitation (art. 5.1 e), in that personal data will not be stored for longer than is necessary to fulfil the project's purpose

### **THE RIGHTS OF DATA SUBJECTS**

NSD finds that the information that will be given to data subjects about the processing of their personal data will meet the legal requirements for form and content, cf. art. 12.1 and art. 13. Data subjects will have the following rights in this project: access (art. 15), rectification (art. 16), erasure (art. 17), restriction of processing (art. 18), data portability (art. 20). These rights apply so long as the data subject can be identified in the collected data. We remind you that if a data subject contacts you about their rights, the data controller has a duty to reply within a month.

### **FOLLOW YOUR INSTITUTION'S GUIDELINES**

NSD presupposes that the project will meet the requirements of accuracy (art. 5.1 d), integrity and confidentiality (art. 5.1 f) and security (art. 32) when processing personal data. To ensure that these requirements are met you must follow your institution's internal guidelines and/or consult with your institution (i.e. the institution responsible for the project).

## **FOLLOW-UP OF THE PROJECT**

NSD will follow up the progress of the project at the planned end date to determine whether the processing of personal data has been concluded.

Good luck with the project!

Contact person ...

Data Protection Services for Research: +47 55 58 21 17 (press 1)

## **Appendix B: Interview Guide**

Interviewees are active Nepalese Instagram users and the impact of Instagram promotions or endorsement on their buying behavior.

### **About Consent**

- Information about the research project
- Information about the rights of the participants, including the privacy rights
- Information about the way data is being stored
- Information about the recording
- Start recording

### **Semi-structured interview questions**

1. How old are you?
2. How long have you been using Instagram?
3. How many hours did you spend on Instagram on a day?
4. How often did you shop from Instagram?
5. Did Instagram promotions impact your buying behavior? If yes how?
6. What factors did you consider before buying products from Instagram?
7. Did Instagram celebrities or influencers affect your purchase behavior? If yes, then how?
8. Did Instagram celebrity or influencers' number of followers impact your buying behavior?
9. Which kind of products do you prefer to buy from Instagram promotions and why?
10. What kind of celebrities or Instagram pages you look up to before making purchase on Instagram?
11. Is Instagram shopping being more reliable than other social media shopping? (Eg; Facebook, Tiktok and other social media)
12. Do you think Brands or Instagram business pages (Domestic or International) getting more attention in Instagram if yes how?
13. What do you think would be the future of Instagram promotions and their impact on Nepalese consumer buying behavior?
14. In your opinion, what are the drawbacks of Instagram promotions and what would be the preventive measures?
15. Any recommendations or ideas to new Instagram users in Instagram shopping?

## **Appendix C: Survey Questionnaire**

I am Jyoti K.C., 4th semester MIS (Management Information System) student at University of South-Eastern Norway. I am conducting my master's thesis on "Impact of Instagram promotions on Nepalese Consumer Buying behavior" as the part of my study. I would be thankful if you could co-operate with me in filling the questionnaire. I want to assure that the information will be kept confidential and there will be no misuse of the information.

### **1.What is your age?**

- 15-20
- 20-25
- 25-30
- 30-35
- More than 35

### **2. What is your Gender?**

- Male
- Female
- Others

### **3. What is your current employment status?**

- Student
- Part-time employee
- Full-time employee

### **4. How long have you been using Instagram?**

- Less than 1 year
- 1-3 years

3-6 years

More than 6 years

**5. How much time did you spend on Instagram per day?**

1-2 hours

2-4 hours

4-6 hours

More than 6 hours

**6. Do you prefer Instagram over other social media for shopping?**

Yes

No

**7. If you answered yes, what kind of brands or products do you prefer to purchase on Instagram?**

Beauty and Cosmetics

Fashion and Clothing

Food and Restaurant's

Travel and photography

Device and Technology

Education and Books

Sports

Media

Others

**7. How often did you purchase products from Instagram?**

Daily

- Weekly
- Monthly
- As per my need

**8. Which type of communication do you prefer from brands on Instagram?**

- Pictures
- Videos
- Direct Message

**To what extent do you agree with the following statements?**

Opinion Statement: as per the scales mentioned, you would choose any of the 5 scales as per your consent. The Likert Scale consist of Strongly Agree (SA), Agree (A), Neutral (N), Disagree (D), and Strongly Disagree (SD).

SN	STATEMENT	SA	A	N	D	SD
1.	I look for purchase inspiration on Instagram					
2.	I use Instagram to research products that I am considering buying.					
3.	I read other Instagrammers reviews of products before making a purchase.					
4.	I spend time searching though Instagram to find alternative product					
5.	I purchase products based on Influencer Marketing recommendation.					
6.	I found celebrity or influencers endorsement more reliable than the digital ad.					
7.	The number of followers and popularity of Influencers on Instagram influenced my purchase decision.					

8.	Influencer marketing helps me to become aware of the newly launched products					
10.	I post pictures or videos of my purchased items on Instagram to assert influence					
11.	I post reviews of my purchased items on Instagram					
12.	I post about my purchases on Instagram to gain attention from my followers					
13.	I discuss my purchases on Instagram to help out others with their purchases					
14.	The services and offers provided by Instagram promotions / endorsements are considered to be a good deal.					
15.	The deals and offers I receive from Instagram promotions / endorsements are worth my time and money.					
16.	I believe Instagram promotions / endorsements provide great deals and high satisfaction than other social media					
17.	Overall, the deals, services, and offers I receive from Instagram promotions / endorsements are valuable					
18.	I believe that Instagram promotions / endorsement has a better image than other social media advertisement.					
19.	I found my favourite brands and products easily on Instagram.					
20.	The Instagram promotions/Endorsements has overall good reputation.					
21.	Instagram shopping is able to satisfy my needs and demand.					
22.	I am happy with my purchase from Instagram.					
23.	I will recommend Instagram shopping to others					
24.	I will continue to purchase from Instagram pages.					

## **Appendix D: Information Letter and Consent Form**

### **Format for Consent Form**

#### **Are you interested in taking part in the research project?**

#### **Impact of Instagram promotions?**

This is an inquiry about participation in a research project where the primary purpose is to investigate the impact of Instagram promotions/endorsements on Nepalese consumer buying behavior. In this letter, you will be given information about the purpose of the project and what your participation will involve.

#### **Purpose of the project**

I am doing this research project for my master thesis in Management information systems at the University of South-Eastern Norway (USN). Concentrating on the Instagram promotions among Nepalese consumer buying behavior, I am interested in finding impact and determinant factors of Instagram promotions or endorsement on Nepalese consumer buying behavior. The data collected in this research will be used only in this project and not any other projects, nor any other purpose.

#### **Who is responsible for the research project?**

The University of South-Eastern Norway (USN) is the institution responsible for the project.

#### **Why are you being asked to participate?**

I am inviting you to participate in this project because:

- You are an active Instagram user
- You do have an experience with online shopping
- You have good number of Instagram followers
- You have opinion about the research topic

#### **What does participation involve for you?**

The data collected in this research project is primarily based on semi-structured interviews. Online meeting platform “Zoom” provided by USN will be used as the primary software to interview and record the interview. It is totally up to you if you want to turn your camera on or off. You will be asked and informed when the recording starts and ends. Each interview takes approximately 20-30minutes.



The questions are about Impact of Instagram promotions, how you convinced to purchase online products, which factors did you consider while purchasing products and so on. To explore those topics and questions from different angles, we are interested in having an interactive interview.

### **Participation is voluntary**

Participation in the project is voluntary. If you chose to participate, you can withdraw your consent at any time without giving a reason. All information about you will then be made anonymous. There will be no negative consequences for you if you chose not to participate or later decide to withdraw.

### **Your personal privacy – how we will store and use your personal data**

USN will only use your personal data for the purpose(s) specified in this information letter. We will process your personal data confidentially and in accordance with data protection legislation (the General Data Protection Regulation and Personal Data Act).

From USN, my supervisor, Salah Uddin Ahmed, may also have to access the data.

- Your username will not be instead will be replaced with a code.
- The data will be processed on the data controller's computer

Basic demographic information about the participant, such as gender, education, and age range may use. None of the participants will be recognizable in the project paper.

### **What will happen to your personal data at the end of the research project?**

- The project is scheduled to end on December 31, 2022.
- All recording and data, including lists and contact information, will be destroyed permanently, and only anonymized transcripts will be kept for future research.

### **Your rights**

So long as you can be identified in the collected data, you have the right to:

- access the personal data that is being processed about you

- request that your personal data is deleted
- request that incorrect personal data about you is corrected/rectified
- receive a copy of your personal data (data portability), and
- send a complaint to the Data Protection Officer or The Norwegian Data Protection Authority regarding the processing of your personal data

What gives us the right to process your personal data?

We will process your personal data based on your consent.

Based on an agreement with the University of South-Eastern Norway (USN)., NSD – The Norwegian Centre for Research Data AS has assessed that the processing of personal data in this project is in accordance with data protection legislation.

### **Where can I find out more?**

If you have questions about the project, or want to exercise your rights, contact:

- The University of South-Eastern Norway (USN) via

Jyoti KC at:

Email: [238852@usn.no](mailto:238852@usn.no)

Telephone: +4748664079

And Salah Uddin Ahmed at

Email: [Salah.Ahmed@usn.no](mailto:Salah.Ahmed@usn.no)

Telephone: +4748503234

### **Consent form**

I have received and understood information about the impact of Instagram promotions or endorsement on Nepalese consumer buying behavior and have been given the opportunity to ask questions. I give consent:

- to participate in an interview
- for the anonymized transcript of the interview, to be stored after the end of the project for future research

I give consent for my personal data to be processed until the end date of the project, approx. 31<sup>st</sup> December 2022.

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(Signed by participant, date)