



A STUDY ON IMPACT OF SOCIAL MEDIA AND DIGITAL MARKETING ON GEN Z COSMETIC BRANDS WITH REFERENCE TO TAMIL NADU STATE

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ABSTRACT

The value of social media as a tool for businesses to advertise their products has increased. Particularly in the cosmetics industry, the social media posts have the potential to raise awareness and connect with a sizable global audience of potential customers. The research of how social media and digital marketing strategies might enhance brand equity, value equity, and relationship equity is specifically focused on Gen Z Cosmetic firms. In comparison to Kim and Ko's (2012) findings in the luxury market, the results of a sample of 201 cosmetics consumers in Tamil Nadu state (South India) demonstrated that social media and digital marketing activities have a different impact on consumers' perceptions of brand, value, and relationship equity with Gen Z Cosmetic brands. The study also demonstrates that connection equity and value equity play different roles in establishing brand equity and determining the extent to which cosmetic consumers want to buy Gen Z Cosmetic brands in the future.

Keywords: Social Media and Digital Marketing, Brand Equity, Value Equity, Relationship Equity, Purchase Intention, Gen Z Cosmetic Brands

INTRODUCTION

In the present environment of digital marketing, social media is one of the most useful venues for marketers to communicate with their target audience. For Gen Z consumers, social media is more than just a medium for communication; it also has a big impact on their way of life, influencing how they act and what they buy. Brands need to understand how social media affects Gen Z's purchasing habits and their marketing strategy. This article will discuss the influence of social media on Gen Z's buying behavior, the most prominent social media platforms used by Gen Z, the advent of influencer marketing, the importance of user-generated content, and social media advertising

Social Media and Digital Platforms Used by Gen Z

Gen Z, the generation that followed the Millennials, was born between 1997 and 2012. Being the first generation to be both born and raised in the digital era, they have developed unique characteristics and preferences. Gen Z was raised with social media, and they now use it extensively in their daily lives. According to a poll by Global Web Index, 98% of Gen Z users have social media accounts and spend an average of 2 hours and 22 minutes daily on these platforms.

- Instagram: The most well-liked social media platform among Generation Z members worldwide is Instagram. According to Statista, 79% of Gen Z customers between the ages of 16 and 24 use Instagram, and 65% of them do so often. Instagram is an image- and video-sharing social media platform, giving it the ideal platform for companies to advertise their products and engage with customers.
- TikTok: A study by App Annie found that just in 2020, Gen Z users worldwide had a 325% increase in TikTok downloads. GlobalWebIndex found that 54% of Gen Z users in the UK use TikTok daily, accounting for 70% of the market. Thanks to its short-form films, music, and user-generated content, the website has established itself as a go-to resource for Gen Z entertainment and product discovery on a global scale.
- Snapchat: Snapchat has long been a popularity among Generation Z users worldwide. A GlobalWebIndex study found that 29% of Gen Z users of Snapchat use the app more than once daily. The fleeting nature, augmented reality capabilities, and user-generated content of Snapchat make it possible for marketers to interact with consumers in a unique way.
- Twitter: Although it may not be as well-liked by Gen Z users as other social media platforms, Twitter nevertheless has a substantial global following. For instance, 34% of Gen Z users in India, or roughly 50% of the country's Gen Z population, use Twitter daily, according to a study by GlobalWebIndex. Twitter's real-time conversations, hashtags, and brand participation make it a useful platform for marketers to engage with consumers.

LITERATURE REVIEW

Thanks to social media platforms and online communities, businesses can now engage with customers in two different ways (Alsaleh, Elliott, Fu, & Thakur, 2019; Cham, Lim, Aik, & Tay, 2016; Cheah, Ting, Cham, & Memon, 2019). Brands and customers have access to extra avenues for contact and communication thanks to social media sites like Facebook and Twitter. Two-way communication is crucial for businesses to develop a relationship with customers around their brands. In order to build customer equity, it is critical to consider the relationship equity between the business and the client. Relationship management requires the planning and organization of relationship values (Iyer, Sharma, and Bejou, 2008). Simply said, a business must focus on building relationships with customers in order to generate brand loyalty rather than producing goods and expecting them to buy them. According to Yuan, Kim, and Jin (2016), value is what a customer expects from a company's products and services. According to Kuvykaite and Piligrimiene (2014), a company's operations and continual, engaged consumer participation are what create value. Therefore, value equity is a consumer's unbiased

assessment of a perceived cost-benefit ratio based on a brand's utility. Value equity is attained when a good or service matches consumers' views of it. A brand can be a name, term, sign, symbol, or design. Brand equity is measured, in the words of Keller (1993), "in terms of the marketing effects uniquely attributable to the brand."

OBJECTIVE OF THE STUDY

Cosmetics are always in demand on a global scale. Due of their expanding populations, a number of titans in the beauty business have chosen to invest in emerging regions. Doan (2019) estimates that Asia Pacific accounts for 32% of the global market for cosmetics and personal care. Using Tamil Nadu as a case study for the emerging market, our study updated the model offered by Kim and Ko (2012)'s work in the luxury fashion industry. We want to evaluate how Gen Z cosmetic brands are doing at influencing the buying behavior of customers who use cosmetics through social media and digital marketing.

THE HYPOTHESIS OF THE STUDY

H1: Social media marketing activity has a favorable impact on customers' perceptions of a) relationship equity, b) value equity, c) brand equity, and d) buy intention.

H2: Consumers' perceptions of the relationship equity, value equity, and brand equity of a cosmetic brand all have a positive effect on their intention to purchase.

H3: The perceptions of consumers about a) relationship equity, b) value equity, and c) brand equity operate as mediators between social media marketing activities and buy intention for Gen Z cosmetic items.

H4: Among Gen Z consumers of cosmetics, perceptions of relationship equity and brand equity mediate the relationship between social media marketing activity and purchase intention.

H5: Consumer perceptions of value equity and brand equity among Gen Z consumers of cosmetics serve to regulate the relationship between social media marketing activities and purchase intention.

METHODS OF RESULT ANALYSIS

Sample

We adopted a quantitative technique in this study to reach our objectives. As the analysis's unit of analysis, women who use cosmetic goods are taken into account. A total of 201 respondents are chosen for this study using non-probability quota sampling. To collect information from respondents who were located in Tamil's most urbanized and populated areas, self-administered questionnaire surveys using the paper and pencil questionnaire method as well as the online questionnaire method were employed.

Data analysis

The study's data were analyzed using the SmartPLS3.0 tool. Partial least squares (PLS) approach was applicable because the goal of our study was to investigate the predictive relationship between the dependent and independent variables. In order to confirm that the data gathered is not influenced by Common Method Variance (CMV), we adhered to Podsakoff, MacKenzie, Lee, and Podsakoff's (2003) procedural remedy to avoid common method bias by maintaining respondents' anonymity throughout data collection.

A measurement model

We assessed the indicator reliability (outer loadings), Cronbach's alpha, composite reliability (CR), and average variance extracted (AVE) to see if the measurement model was validly convergent. We adopted the parameters proposed by Hair, Hult, Ringle, and Sarstedt (2016) for the outer loading (>0.70), CA (>0.6), CR (0.71), and AVE (>0.50). Items SMM6 and SMM11 had outside loadings of 0.67 and 0.69, respectively. Once these components were eliminated, the other indices, such CA, CR, and AVE, did not considerably improve. Thus, SMM6 and SMM11 were retained. According to Table 2, every other indicator reliability (outer loadings), CA, CR, and AVE values are adequate. As a result, convergent validity is established. In accordance with Hair et al. (2017), we further assessed the model for discriminant validity using the Fornell-Larker Criterion and the Heterotrait-Monotrait Criteria (HTMT). The findings in Tables 3 and 4 show that discriminant validity is established because both ratios did not exceed 0.9. The model's SRMR value of 0.07, which is less than 0.08, indicates a strong model fit.

Structural model.

For the path that had previously been hypothesized, the coefficients were assessed. The structural model for our study is shown in Figure 1. Table 5's findings show that while social media marketing initiatives do not considerably increase the likelihood that consumers would make a purchase (H1d), they do significantly increase connection equity (H1a), value equity (H1b), and brand equity (H1c). Relationship equity (H2a) and brand equity (H2c) are the only factors that favorably and significantly influence customers' intentions to buy cosmetics. Customers' perceived connection equity (H3a) and perceived brand equity (H3c) mediate the relationship between social media marketing activities and purchase intention, while H3b, which hypothesizes a similar mediating role of perceived value equity, is unsubstantiated. The findings also showed a multi-level mediation between customers' perceived brand equity and relationship equity on the association between social media marketing activities and consumers' propensity to buy cosmetics (H4).

Table 1: Measurement Model

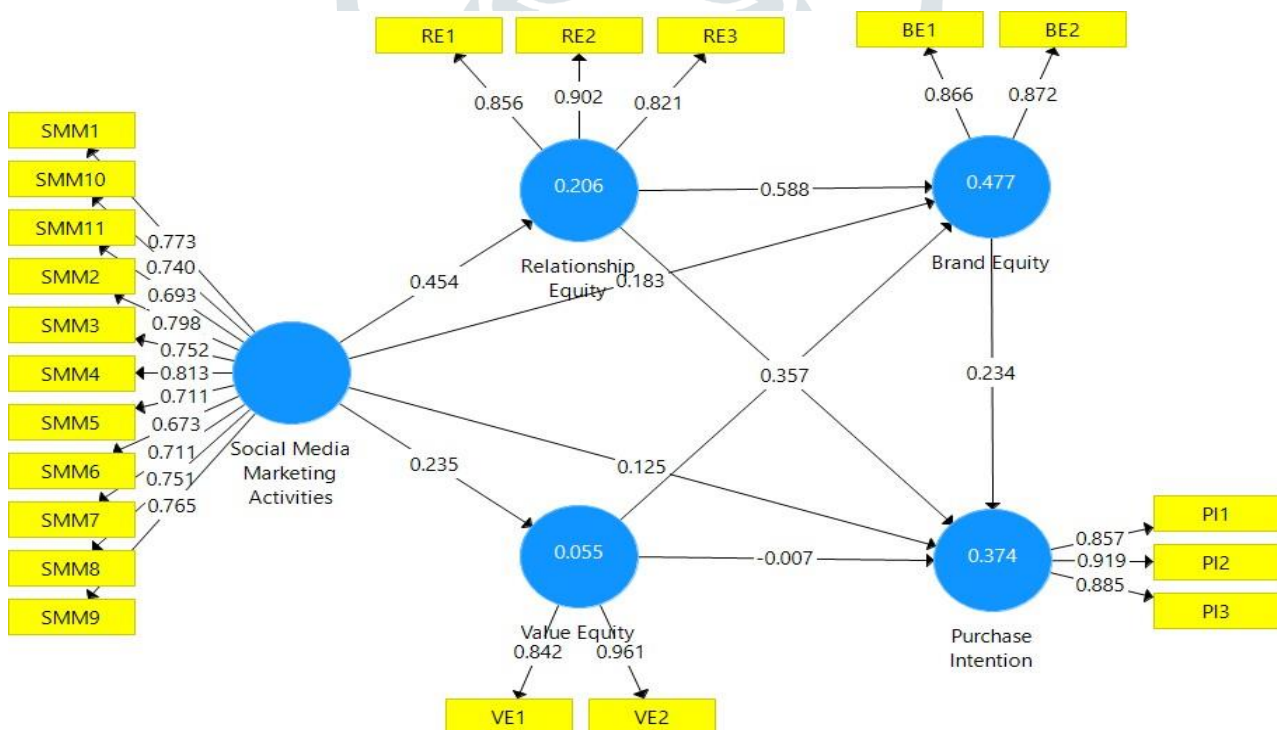
Constructs	Items	Loadings	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Social Media Marketing Activities	SMM1	0.773	0.919	0.932	0.555
	SMM2	0.798			
	SMM3	0.752			
	SMM4	0.813			
	SMM5	0.711			
	SMM6	0.673			
	SMM7	0.711			
	SMM8	0.751			
	SMM9	0.765			
	SMM10	0.740			
	SMM11	0.693			
Relationship Equity	RE1	0.856	0.824	0.895	0.740
	RE2	0.902			
	RE3	0.821			
Value Equity	VE1	0.842	0.796	0.899	0.817

	VE2	0.961			
Brand Equity	BE1	0.866	0.676	0.861	0.755
	BE2	0.872			
Purchase Intention	PI1	0.857	0.866	0.918	0.788
	PI2	0.919			
	PI3	0.885			

Table 2: Fornell-Larcker Criterion

	1	2	3	4	5
1. Brand Equity					
2. Purchase Intention	0.687				
3. Relationship Equity	0.895	0.666			
4. Social Media Marketing Activities	0.565	0.426	0.516		
5. Value Equity	0.255	0.198	0.359	0.264	

Table 4: HTMT Criterion



Discussion and managerial implications

This study was set out to examine the effects of social media and digital marketing activities in positively influencing the development of the three equity drivers that subsequently influence purchase intention among cosmetic customers. We adapted Kim and Ko (2012) model to address our research objectives and found that our results were consistent with those of the authors to a certain extent. Similar to Kim and Ko (2012), social media marketing (SMM) activities encourage relationship building, value equity and brand equity perception. However, it is important to note that SMM activities alone do not exert a significant influence on purchase intention.

Although we found that SMM activities among cosmetic brands are capable of influencing the three equity drivers, only two out of three equity drivers (relationship and brand equity) are subsequently influencing purchase intention. While Ko and Kim (2012) found that value equity and brand equity significantly influence purchase intention for luxury segment, our findings found that the effects of relationship building are more important in helping to build brand equity and subsequently increase purchase intention of Gen Z cosmetic brands. Value is the set expectation that consumers have on products and services. When exchange on social media takes place, firms are able to match up to consumers' expectations and thus create value equity (Lin et al., 2016). However, the insignificant findings implied that value for money is not the priority element for cosmetic customers, but relationship and brand perception are more important for future purchase consideration.

Therefore, while designing social media marketing activities, cosmetic firms must aim at increasing their relationship with clients to tie them to their brands that will keep them returning in the future to make purchases. Buyers will, in general, take part in various kinds of brand engagement activities. Some of these engagement activities add to the development of customer's relationship with the brand - for example, brand interaction such as liking or commenting on brands pages on social media sites (Solem & Pedersen, 2016). In order to create brand equity, it is important to also build a strong relationship between the brand and the consumer (Kuvykaite & Piligrimiene, 2014). With social media being the main driver of relationship building, it allows communities to be formed within the brand, thus creating the brand identity that adds value to the brand equity.

Suggestions

1. Be authentic and transparent in your interactions with Gen Z consumers.
2. Use influencers and user-generated content to create an authentic and relatable brand image.
3. Incorporate social media advertising into your marketing strategy to reach a wider audience.
4. Be mobile-first and use targeting options to ensure your ads reach the right audience.
5. Use social media analytics to track your performance and adjust your strategy as needed.

Conclusion

Today's digital age, social media is essential for brands to reach Gen Z consumers. From influencer marketing to user-generated content, social media offers a variety of opportunities for brands to engage with their target audience and drive sales. Gen Z consumers are digital natives who value authenticity, transparency, and realness in their interactions with brands. Social media platforms like Instagram, TikTok, Snapchat, and Twitter are the most popular among Gen Z consumers. Influencer marketing is a powerful tool for brands to leverage the influence of social media personalities and reach Gen Z consumers in an authentic and relatable way. User-generated content effectively builds trust, increases engagement, and builds brand loyalty among Gen Z

consumers. Social media advertising offers a variety of ad formats and targeting options that can be tailored to a brand's specific needs.

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