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THE IMPACT OF DIGITAL MARKETING STRATEGIES ON CONSUMER PURCHASE INTENTIONS IN ETHIOPIA

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ARTICLE INFO	ABSTRACT
	This study explores the dynamic relationships between Social Media Marketing (SMM), Influencer Marketing (INM), Pricing Strategy (PRS), and Consumer Purchase Intention (CPI). It examines the direct impact of SMM, INM, and PRS on CPI, shedding light on their effectiveness in enhancing online business performance within the social media landscape. Using a stratified sampling method, data was collected from 420 online businesses in Ethiopia and analyzed through Partial Least Squares Structural Equation Modeling (PLS-SEM). The results confirm that SMM, INM, and PRS significantly influence CPI, highlighting their essential role in shaping consumer purchasing intention. These findings contribute to the broader discussion on CPI by emphasizing how businesses can leverage these strategies to drive and sustain consumer engagement. Additionally, the study offers practical recommendations, urging online businesses in Ethiopia to adopt a strategic framework that incorporates sustainability, innovation, and diversification. Implementing a cross-functional task force to oversee these strategies, monitor progress, and adapt to industry trends can enhance CPI. This structured approach will help businesses navigate market uncertainties, meet evolving regulatory standards, and maintain a competitive edge through sustainable and innovative online marketing practices.

INTRODUCTION

In the digital era, businesses increasingly rely on digital marketing strategies to influence consumer behavior and drive sales (Wiredu *et al*., 2023). Traditional marketing approaches are gradually being replaced or supplemented by digital strategies that leverage online platforms to reach and engage target audiences more effectively (Wiredu *et al*., 2020). The rapid advancement of digital technology, coupled with the widespread adoption of the internet and social media, has fundamentally transformed how businesses interact with consumers. Companies across various industries now use digital marketing tools to promote products, build brand awareness, and encourage customer loyalty (Wiredu, Bo, *et al*., 2021). Ethiopia, as one of Africa's fastest-growing economies, has witnessed a significant rise in internet penetration and social media usage, creating a dynamic landscape for digital marketing (Levrini *et al*., 2023). The expansion of mobile networks, increasing affordability of smartphones, and government initiatives to improve digital infrastructure have contributed to this digital transformation. With over 30 million internet users and a growing number of social media users, platforms such as Facebook, Instagram, TikTok, and YouTube have become vital channels for businesses to market their products and services (Kingsnorth, 2022). This shift presents both opportunities and challenges for businesses seeking to understand how digital marketing influences consumer behavior in Ethiopia's

unique socio-economic and cultural environment(Guimond, 2020). This research investigates the impact of digital marketing strategiesspecifically Social Media Marketing (SMM), Influencer Marketing (INM), and Pricing Strategy (PRS)on Consumer Purchase Intention (CPI) in Ethiopia. These indicators represent key aspects of digital marketing that significantly shape consumer decision-making. Social media marketing (SMM) has emerged as a powerful tool for businesses to engage with customers, provide personalized content, and foster brand loyalty (Yu & Hu, 2020). Social media platforms allow companies to interact directly with consumers, gather feedback, and implement targeted advertising campaigns. Understanding how SMM affects consumer purchase intention in Ethiopia is essential for businesses looking to maximize their online presence and conversion rates (Dwivedi *et al*., 2021). Similarly, influencer marketing (INM) has become an essential component of digital marketing. Influencers, who are perceived as credible and relatable, have a significant impact on consumer attitudes and purchasing decisions (Guan & Li, 2021). With the rise of Ethiopian influencers across various social media platforms, businesses are increasingly collaborating with these individuals to promote their products and services (Chen *et al*., 2021). However, the effectiveness of INM in the Ethiopian market remains underexplored, making it necessary to examine how consumers respond to influencer endorsements and whether this marketing approach significantly affects their purchase decisions. Moreso, pricing strategy (PRS) is another critical factor that influences consumer behavior, particularly in emerging markets such as Ethiopia, where price sensitivity plays a crucial role in purchasing

decisions(Bansal & Kumar, 2018). Consumers often evaluate a product's price relative to its perceived value before making a purchase. Businesses need to adopt pricing strategies that are competitive yet sustainable to attract and retain customers(Karimi & Liu, 2020). This study seeks to analyze how PRS, in combination with SMM and INM, influences consumer purchase intention, providing a comprehensive understanding of the effectiveness of digital marketing strategies in Ethiopia. Understanding these factors is crucial for businesses looking to optimize their marketing efforts and enhance customer engagement. By investigating the impact of SMM, INM, and PRS on CPI, this study aims to provide valuable insights for businesses, marketers, and policymakers. The findings will not only contribute to the growing body of literature on digital marketing in emerging economies but also offer practical recommendations for businesses seeking to navigate Ethiopia's evolving digital landscape effectively. Therefore, the present research seeks to answer the following study questions; (1) How does Social Media Marketing (SMM) influence Consumer Purchase Intention (CPI) in Ethiopia? (2) What is the effect of Influencer Marketing (INM) on Consumer Purchase Intention (CPI) in Ethiopia? And (3) How does Pricing Strategy (PRS) impact Consumer Purchase Intention (CPI) in Ethiopia?

Accordingly, the present investigation provides insightful contributions to extant literature in the following way; First, this study extends digital marketing research by examining SMM, INM, and PRS in the context of Ethiopia, a relatively underexplored market in Africa. Second, it provides empirical evidence on how digital marketing strategies influence consumer behavior in emerging economies, addressing gaps in the literature. Third, the study offers insights for businesses and marketers on optimizing their digital marketing strategies to enhance consumer engagement and sales. Finally, it contributes to policy discussions on digital marketing regulations and e-commerce growth in Ethiopia. Following the introduction, the paper is structured as follows: Chapter 2 reviews the relevant literature, Chapter 3 outlines the research methodology, Chapter 4 presents the findings and analysis, and Chapter 5 explores the study's implications and limitations.

LITERATURE REVIEW

Social Media Marketing and Consumer Purchase Intention Link: Social media platforms provide businesses with an unprecedented ability to reach a vast and diverse audience, overcoming geographical limitations. With billions of active users on platforms like Facebook, Instagram, Twitter, and TikTok, brands can establish a strong online presence and increase visibility among potential customers(Jie *et al*., 2022). Increased exposure fosters brand familiarity, which is a key driver of trust. As consumers become more familiar with a brand through consistent social media engagement, they develop a sense of reliability and connection, making them more likely to consider purchasing the brand's products or services. Engaging content, direct communication, and interactive campaigns (e.g., polls, Q&A, live videos) strengthen consumer relationships and influence purchasing decisions (Ramadan Ibrahim Al-Masri, 2020). Furthermore, social media platforms provide businesses with various interactive tools that allow them to directly engage with consumers, strengthening brand relationships and influencing purchasing decisions. Engaging content such as polls, Q&A sessions, live videos, and behind-the-scenes posts fosters real-time interaction, giving consumers a voice and a sense of involvement with the brand. This active engagement creates a personalized experience, making consumers feel valued and heard (Andersen, 2011). Additionally, social media campaigns with interactive elements encourage consumer participation, leading to greater brand recall and emotional connection.Advanced social media algorithms enable businesses to deliver personalized ads based on consumer interests, behaviors, and demographics, leading to higher purchase intent (Islam *et al*., 2018). Similarly, social media serves as a hub for peer recommendations, product reviews, and user-generated content, all of which significantly influence consumer purchase

decisions. Consumers tend to trust reviews and testimonials from real users more than traditional advertisements (Belanche *et al*., 2017). Platforms like Instagram, TikTok, and Facebook allow users to share personal experiences with brands through posts, stories, and video content, creating authentic endorsements. Positive word-of-mouth on social media enhances brand credibility and provides social proof, reducing skepticism and increasing purchase intent. Social commerce features (e.g., Facebook Marketplace, Instagram Shopping) allow consumers to explore, compare, and purchase products directly within social media platforms, reducing decision-making friction(Tafesse & Wien, 2018).

Influencer Marketingand Consumer Purchase Intention Link: Influencers are often seen as credible, relatable, and knowledgeable within their niches, allowing them to build strong relationships with their audience. Their recommendations feel more personal and authentic compared to traditional advertisements, as they engage with products in real-life scenarios. This perceived authenticity fosters trust, positively influencing consumer attitudes and increasing purchase intention(Matin *et al*., 2020). Similarly, influencers introduce brands to their followers in engaging ways, improving brand recognition and recall, which positively impacts consumer purchasing decisions(Wibowo *et al*., 2020). Moreover, consumers develop emotional connections with influencers they follow, viewing them as trusted figures rather than mere advertisers. This personal bond makes influencer endorsements feel more authentic, increasing their persuasive impact and driving higher purchase intent(de Oliveira Santini *et al*., 2020). Additionally, influencer recommendations function as electronic word-of-mouth (eWOM), shaping consumer perceptions and encouraging trial purchases through social proof and peer influence(Boateng *et al*., 2022). Influencers cater to specific demographics and interests, allowing brands to reach highly relevant audiences more effectively, increasing the likelihood of conversions(Guan & Li, 2021).Moreso, interactive content such as unboxings, reviews, and demonstrations provide consumers with detailed insights into products, reducing uncertainty and enhancing purchase confidence(Zhang & Shi, 2022).

Pricing Strategyand Consumer Purchase Intention Link: When consumers believe that a product provides high quality relative to its price, they perceive it as a good deal. This perception enhances their confidence in the product's value, reducing hesitation and increasing their willingness to purchase. A well-balanced price-to-quality ratio strengthens customer satisfaction, fostering repeat purchases and brand loyalty (Han, 2023). Special offers, discounts, and seasonal sales tap into consumers' desire for savings, making purchases feel like smart financial decisions. Limited-time promotions create a sense of urgency and scarcity, compelling consumers to act quickly. These pricing strategies attract price-sensitive buyers, increase sales volume, and enhance brand engagement, ultimately boosting purchase intention (HUANG *et al*., 2024). Likewise, Psychological pricing strategies, such as charm pricing ($9.99 instead of $10) and bundle pricing, create the perception of affordability and value. Charm pricing makes prices seem lower by emphasizing the leftmost digit, while bundle deals offer greater perceived savings. These tactics appeal to consumer psychology, increasing attractiveness and influencing purchase decisions (Liu *et al*., 2019). Accordingly, Supotthamjaree & Srinaruewan, (2021) suggest that competitive pricing helps businesses appeal to price-conscious consumers by offering similar or superior quality products at lower or matching prices. This strategy enhances perceived value, encourages brand switching, and strengthens customer loyalty. By strategically positioning prices, companies can capture a larger market share, drive sales growth, and maintain a competitive edge. In addition, flexible payment options like installment plans, subscription models, and "Buy Now, Pay Later" reduce financial strain by allowing consumers to spread costs over time. This accessibility increases affordability, encourages larger purchases, and appeals to budget-conscious buyers. By minimizing upfront costs, businesses enhance consumer confidence, leading to higher purchase intention and conversion rates (Prentice *et al*., 2019).
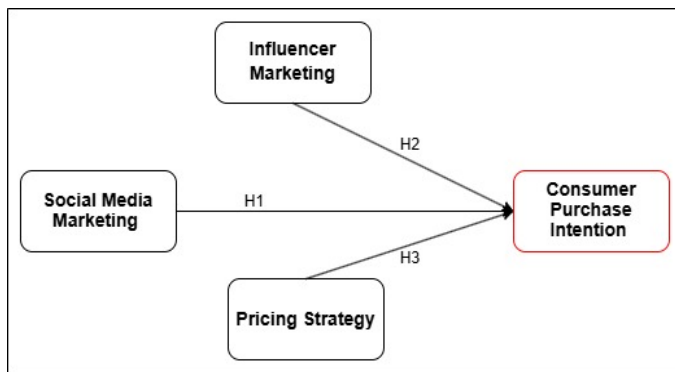
Figure 1. Conceptual framework

RESEARCH METHODOLOGY

Research method and sampling: The study employed a questionnaire-based approach to collect data from respondents by directly distributing structured forms. This method allowed the researcher to gather insights on key variables relevant to the study. The questionnaire included both closed and open-ended questions, facilitating efficient data coding and analysis. This approach was chosen for its ability to reach a large number of participants within a short timeframe, ensuring the collection of comprehensive and relevant data (Wiredu, Otoo, *et al*., 2021).The questionnaire was structured into three sections. The first section gathered demographic information through a face sheet to profile respondents. The second section focused on social media marketing, while the third explored consumer purchase intention. A five-point Likert scale was utilized (1 = Strongly Agree, 2 = Agree, 3 = Neutral, 4 = Disagree, 5 = Strongly Disagree) due to its reliability in capturing respondent attitudes. This approach enabled participants to express their opinions effectively while ensuring cost-effective data collection in a limited time frame.To enhance measurement reliability, the questionnaire items were adapted from previous research with slight modifications to align with the study's context (Ojo *et al*., 2022). Participants were selected based on their involvement in social media marketing, including CEOs, General Managers, and Employees, each with a minimum of five years of experience in the Ethiopian digital marketing landscape.

As part of the survey distribution process, participants were provided with a consent form and given a clear explanation of the study's objectives. They were assured that their responses would remain strictly confidential and used solely for research purposes. To ensure a representative sample of social media marketing businesses, the study employed a stratified random sampling technique. This method involves dividing the population into distinct sub-groups (strata) and selecting a proportionate random sample from each, ensuring key variables are adequately represented (Wiredu *et al*., 2024).Given the diverse composition of social media marketing enterprises in this study, stratified random sampling with proportional allocation was applied. This approach ensured that all relevant sub-sectors were fairly represented based on predefined inclusion criteria. During the initial phase of data collection, researchers reached out to 500 respondents through direct outreach and digital platforms such as WhatsApp, Instagram, and Facebook. By the end of the data collection period, a strong engagement rate resulted in an 84% response rate (N = 420), reflecting substantial participation.Since the study did not involve clinical or animal experiments, ethical approval was not required. Data collection was conducted with full confidentiality, and participation remained entirely voluntary, ensuring that respondents felt comfortable providing honest and unbiased insights.

Demographic Profile of Respondents: Respondents were asked to provide details on their gender, firm's age, educational background, job position, and company size. Their responses were analyzed using frequency and percentage distributions, as summarized in Table 1.

The demographic analysis revealed that 270 respondents (64%) were male, while 150 respondents (36%) were female, reflecting the gender composition of the sample.Regarding firm age, the results indicated that 31% of social media marketing businesses had been operating for 1–9 years, while 48% had a business history of 10–20 years. The remaining 21% represented firms with over 21 years of industry experience. These findings suggest that the majority of social media marketing companies (48%) have accumulated 10–20 years of experience, signifying a relatively well-established presence in the sector.This distribution underscores a significant number of firms with substantial industry experience, equipping them with the expertise to navigate challenges and capitalize on opportunities in Ethiopia's evolving social media marketing landscape. The analysis of respondents' educational backgrounds revealed that 50% of social media marketing company owners held a bachelor's degree, making it the most common qualification among participants. This was followed by 29% who possessed a master's degree, while a smaller segment, 21%, had obtained a PhD. These findings indicate that over three-quarters of professionals in the industry have at least an undergraduate-level education, reflecting a strong emphasis on technical and vocational skills relevant to the sector. This level of qualification likely aligns with the practical expertise required for operational roles in digital marketing businesses.In terms of job roles, the study found that 19% (80) of respondents were Chief Executive Officers (CEOs), 32% (135) held General Manager positions, and 49% (205) were employees. This distribution suggests a balanced representation of leadership and workforce perspectives within the surveyed companies.Regarding firm size, Table 1 illustrates that the majority of social media marketing firms in Ethiopia employed between 10–50 employees (50%), while 29% had 51–100 employees, and 21% had workforces exceeding 100 employees. These results suggest that most social media marketing businesses operate with lean teams, likely due to the extensive use of digital tools and automation, which reduce the need for large personnel numbers. This trend reflects the industry's reliance on technology to optimize efficiency and streamline operations.

Table 1. Demographic Profile of Respondent's (N=420)

Characteristics	Category	Frequency	%
Gender	Male	270	64%
	Female	150	36%
Firm Age	1-9	130	31%
	10–20	200	48%
	21 and above	90	21%
Educational Background	Undergraduate	210	50%
	Master degree	120	29%
	Ph.D. degree	90	21%
Job Position	Chief Executive Officer	80	19%
	General Manager	135	32%
	Employee	205	49%
Firm Size	10-50	210	50%
	51-100	120	29%
	100 and above	90	21%

Measurements: The study's online survey was conducted in two phases to ensure comprehensive data collection. Phase 1 gathered demographic details from respondents, including gender, firm age, educational background, job position, and firm size, as summarized in Table 1. Phase 2 focused on measuring key variables using validated scales from previous studies, as outlined in Table 2.The questionnaire incorporated two higher-order constructs encompassing Social Media Marketing (SMM), Influencer Marketing (INM), Pricing Strategy (PRS), and Consumer Purchase Intention (CPI). To enhance the accuracy and reliability of the survey, feedback from social media marketing professionals and industry experts was obtained before the final distribution.All constructs were assessed using a 5-point Likert scale, with response options ranging from 1 (Strongly Disagree) to 5 (Strongly Agree), ensuring consistency in capturing respondents' perceptions and attitudes toward the studied factors.

Method of Data Analysis: The study employed Partial Least Squares Structural Equation Modeling (PLS-SEM) to assess the theoretical framework due to its several advantages. Firstly, PLS-SEM enables precise estimation of relationships between variables by simultaneously analyzing both structural and measurement models, providing a more comprehensive understanding of the data (Boateng *et al.*, 2022).This method is particularly beneficial for exploratory research, as it efficiently handles complex relationships, including mediation and moderation effects, even when working with relatively small sample sizes (Hair *et al.*, 2021). Furthermore, PLS-SEM has gained widespread recognition across various disciplines, especially in social media marketing research, demonstrating its robustness and reliability in similar contexts (Manley *et al.*, 2021;Han, 2023).The combination of analytical precision, flexibility, and established credibility makes PLS-SEM the most suitable approach for this study, ensuring accurate and meaningful insights into the relationships between SMM, INM, PRS, and CPI.

RESULTS AND DISCUSSION

Measurement reliability and validity: To assess the internal reliability of the constructs, the study utilized multiple reliability tests, including composite reliability, Cronbach's alpha, factor loadings, and average variance extracted (AVE). Hair *et al.*, (2021) recommend a threshold of 0.70 or higher for composite reliability, Cronbach's alpha, and factor loadings to ensure consistency and reliability.

As shown in Table 3, all constructs met or exceeded these recommended thresholds, confirming the strong internal reliability of the measurement scales used in the study. These results validate the robustness of the constructs, ensuring that the study's findings are based on reliable and well-structured data.

Common method bias (CMB): The common method bias (CMB) can distort regression estimates by inflating standard errors, making it difficult to isolate the distinct impact of each predictor on the dependent variable. To enhance the clarity and accuracy of variable relationships, the study carefully addressed multicollinearity concerns. Variance Inflation Factor (VIF) analysis was conducted to assess collinearity among predictors. As shown in Table 3, all VIF values remain below the recommended threshold of 5.00, as proposed by Harman (1976). These results confirm that collinearity and common method bias are not significant concerns, ensuring the validity and reliability of the study's findings.

Measuring reflective measurement model

Discriminate validity (Fornell-Larcker Criterial): The discriminant validity is essential in assessing construct validity, ensuring that a measurement accurately represents its intended theoretical concept. Henseler *et al.*, (2016)suggest that a model maintains validity when structural constructs exhibit values below the 0.90 threshold.

Table 2. Measurement Details

Construct	No of Items	Source
Social Media Marketing	5	(Ramadan Ibrahim Al-Masri, 2020)
Influencer Marketing	5	(Boateng *et al.*, 2022)
Pricing Strategy	5	(Han, 2023)
Consumer Purchase Intention	5	(Dwivedi *et al.*, 2021)

Table 3. Synopsis of validity outcomes

Indicators	Items	Factor Loadings	Cronbach's alpha (α>0.7)	Composite reliability (rho_c)	AVE (>0.5)	VIF
	CPI1	0.814	0.755	0.785	0.534	1.637
CPI	CPI2	0.773				1.195
	CPI3	0.827				1.693
	CPI4	0.793				1.128
	CPI5	0.724				1.142
	INM1	0.711	0.817	0.867	0.568	1.612
INM	INM2	0.749				1.583
	INM3	0.743				1.980
	INM4	0.824				2.375
	INM5	0.822				2.456
	PRS1	0.768	0.765	0.822	0.550	1.073
PRS	PRS2	0.798				1.781
	PRS3	0.869				3.152
	PRS4	0.799				1.712
	PRS5	0.830				4.248
	SMM1	0.810	0.785	0.708	0.543	1.637
SMM	SMM2	0.773				1.195
	SMM3	0.827				1.693
	SMM4	0.793				1.128
	SMM5	0.724				1.142

Table 4. Outcomes of Discriminant Validity

Fornell & Larcker, (1981) Criteria					
	CPI	INM	PRS	SMM	
CPI	0.659				
INM	0.398	0.754			
PRS	0.327	0.522	0.742		
SMM	0.206	0.398	0.327	0.659	
HTMT Criteria					
	CPI	INM	PRS	SMM	
CPI					
INM	0.547				
PRS	0.491	0.662			
SMM	0.527	0.547	0.591		

This study applied both the Heterotrait-Monotrait (HTMT) ratio and the Fornell & Larcker, (1981)criteria to evaluate discriminant validity. As presented in Table 4, the findings confirm that the proposed model meets the required standards, demonstrating strong psychometric properties. These results affirm that the constructs are well-defined and distinct, reinforcing the reliability and validity of the study's measurement model.

Combined loadings and Cross loadings: Table 5 below presents the findings for both cross-loadings and combined loadings of the constructs. The results indicate that each variable exhibits a stronger loading on its corresponding items than on other variables, confirming that the constructs achieve valid convergent validity. This demonstrates that the measurement items effectively capture their intended theoretical concepts, reinforcing the reliability and accuracy of the study's instrument. Furthermore, the findings suggest that the model is free from measurement bias, aligning with previous research (Chhetri & Baniya, 2022;Otoo *et al.*, 2024). The absence of measurement bias enhances the trustworthiness and robustness of the model, ensuring that the study's conclusions are based on valid and reliable data. These results further strengthen the quality of the instrument used in the research.

Table 5. Item cross-loading matrix of the variables

Constructs	CPI	INM	PRS	SMM
CPI1	0.821	0.371	0.445	0.630
CPI2	0.773	0.344	0.025	0.573
CPI3	0.897	0.228	0.189	0.827
CPI4	0.793	0.257	0.295	0.493
CPI5	0.824	0.105	0.073	0.524
INM1	0.194	0.711	0.478	0.194
INM2	0.358	0.749	0.339	0.358
INM3	0.091	0.743	0.356	0.091
INM4	0.363	0.824	0.410	0.363
INM5	0.308	0.822	0.423	0.308
PRS1	0.319	0.063	0.768	0.419
PRS2	0.498	0.319	0.698	0.598
PRS3	0.263	0.541	0.869	0.263
PRS4	0.301	0.454	0.799	0.301
PRS5	0.288	0.423	0.930	0.288
SMM1	0.607	0.371	0.445	0.842
SMM2	0.573	0.344	0.025	0.773
SMM3	0.627	0.228	0.189	0.867
SMM4	0.493	0.257	0.295	0.796
SMM5	0.524	0.105	0.073	0.781

Model Performance and Goodness of Fit: Assessing effect size is a crucial complement to evaluating the statistical significance (p-value) of relationships between variables, as it highlights the practical relevance of observed effects within the study model. In this research, F^2 and R^2 tests were used to measure effect size, determining the strength and explanatory power of each predictor. As presented in Table 6, the results indicate that F^2 and R^2 values range from small to large, offering a comprehensive understanding of variable influence. Additionally, the model's goodness of fit was assessed using root mean square error (RMSE), RMS_theta, and normed fit index (NFI), confirming its robustness and reliability. These findings enhance the validity of the study, providing policymakers with credible intuitions to support informed decision-making grounded on the research conclusions.

**Table 6: Structural Model Fit Summary**

Variables	R^2	F^2
CPI		
INM	0.326	0.542
PRS	0.463	0.157
SMM	0.175	0.241
Model Fitness Indicators	Saturated Model	Estimated Model
RMSE	0.257	0.285
NFI	0.325	0.368
(RMS_theta)	0.025	0.037

Hypotheses testing

Direct Path Analysis: The current study identified three direct relationships within the research model. The empirical results indicated that social media marketing (SMM) has a strong and significant direct effect on consumer purchase intention (CPI), as supported by H1 (β = 0.731, t = 6.824, p = 0.000). Furthermore, influencer marketing (INM) significantly influences CPI, as demonstrated by H2 (β = 0.526, t = 10.537, p = 0.000). Finally, the analysis confirmed that pricing strategy (PRS) positively affects CPI, as shown by H3 (β = 0.648, t = 13.364, p = 0.000). These findings highlight the substantial impact of each factor on consumer purchase intentions. Also, the outcomes of the direct relationships are summarized in Table 7, which illustrates the significance and direction of each hypothesized link. Additionally, Figure 2 offers a visual representation of the structural model, showing the final model with estimated parameters. This clear visual guide enhances comprehension of the study's framework and the connections between key constructs, providing a more accessible view of the relationships analyzed.

Table 7: Outcomes of Hypothesis Analysis

Hypothesis	Relationship	β	T-stats	P-value	Hypothesis Supported
Direct Relationship					
H1	SMM ->CPI	0.731***	6.824	0.000	Supported
H2	INM ->CPI	0.526***	10.537	0.000	Supported
H3	PRS ->CPI	0.648***	13.364	0.000	Supported
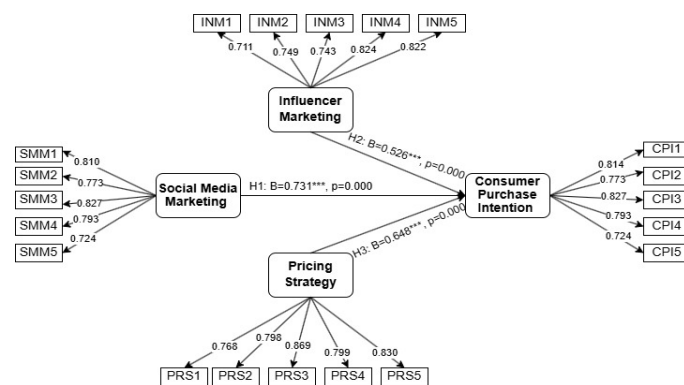
Figure 2: Final Model with Estimated Parameters

DISCUSSION

Social media marketing has garnered significant attention from researchers studying consumer purchase intentions in the social media space. However, limited studies have explored how SMM, influencer marketing, and pricing strategy specifically impact consumer purchase intention, particularly in developing regions like Ethiopia. This study fills that gap by examining the direct relationships between these factors. The results confirm that SMM, INM, and PRS have a positive and significant effect on CPI for businesses in Ethiopia, supporting the hypotheses H1 through H3 proposed in this research.

The outcomerevealed that SMM has anencouraging and significantinfluence on CPI. A possibleexplanation to this result could be that social media marketing allows businesses to reach a wide and diverse audience, increasing brand visibility and fostering direct engagement with consumers. By creating compelling content, running targeted ads, and interacting with followers, companies can build stronger relationships with potential buyers, enhancing their trust and likelihood of making a purchase(Tafesse & Wien, 2018). Also, SMM platforms often feature customer reviews, ratings, and user-generated content, which act as social proof for other consumers. When potential buyers see positive interactions and feedback from others, it boosts their confidence in the brand's products or services. This trust-building aspect can significantly influence purchase intentions, as consumers are more likely to buy from brands they perceive as credible and well-regarded within their social networks(Jie *et al.*,

2022). Correspondingly, the outcomes of this studyapproveH2 that INM has a substantialeffect on CPI. The outcomeimplies thatinfluencers often create content that feels authentic and relatable to their followers, which enhances the perceived credibility of the brand they endorse. When an influencer promotes a product or service, their endorsement feels more personal and trustworthy compared to traditional advertising, making consumers more likely to trust the brand and follow through with a purchase(Boateng *et al.*, 2022).Furthermore, another explanation to this interesting result could be that influencers typically have a loyal and well-defined audience who trusts their opinions and recommendations. By collaborating with influencers whose followers align with the target market, businesses can effectively reach consumers who are more likely to be interested in their products or services, resulting in a higher likelihood of converting engagement into actual purchases(Zhang & Shi, 2022). Lastly, the H3 of this study confirmed that PRS positively influencesCPI.Aprobableelucidation to this exhilaratingoutcome may be thata well-structured pricing strategy can enhance consumers' perception of value, making products or services seem more affordable and accessible. When prices align with consumer expectations or offer perceived savings compared to competitors, it can increase the likelihood of a purchase. Consumers are more inclined to act on purchase intentions when they believe they are getting good value for their money(Han, 2023). Moreso, in competitive markets, a strategic pricing approach can distinguish a brand from its competitors. By offering discounts, bundles, or promotional pricing, companies can trigger urgency or perceived exclusivity, encouraging consumers to make quicker purchasing decisions. This can particularly influence price-sensitive buyers who may prioritize cost when deciding to purchase (Supotthamjaree & Srinaruewan, 2021).

CONCLUSION

This study offers valuable insights into the relationship between social media marketing, influencer marketing, pricing strategy, and consumer purchase intention. Using the SEM-PLS method, the hypothesis was tested, and the findings revealed that SMM, INM, and PRS positively impact CPI. These results enhance the understanding of consumer behavior in resource-rich developing economies, with specific relevance for Ethiopia's social media marketing sector. The study's outcomes provide important implications for policy development and strategic decision-making in the industry.

Practical Implications: The study provides several practical contributions. Given the findings that social media marketing (SMM), influencer marketing (INM), and product review signals (PRS) play a crucial role in boosting consumer purchase intention (CPI), the research recommends that: First, businesses and marketers focus on these factors. By leveraging SMM, collaborating with influencers, and highlighting product reviews, companies can effectively increase consumer engagement and drive purchasing decisions. These insights can help optimize marketing strategies and improve overall business performance, particularly in the context of resource-rich developing economies like Ethiopia.

Second, businesses should prioritize integrating social media marketing, influencer marketing, and product review signals into their marketing strategies, as these elements significantly influence consumer purchase intention. This approach can help brands increase consumer engagement and loyalty.

Third, marketers should design tailored social media campaigns that leverage influencers and positive product reviews to build trust and credibility. By focusing on these factors, companies can effectively reach and persuade their target audience, especially in resource-rich developing economies.

Lastly, policymakers and industry leaders in Ethiopia can use these findings to shape marketing regulations and encourage the development of robust social media marketing practices. This can drive economic growth by fostering a competitive and innovative marketing landscape in the country.

Limitations and Future Research: Though the study offers valuable insights, some limitations ought to be acknowledged. First,the study primarily focuses on Ethiopia, which may limit the generalizability of the findings to other resource-rich developing economies. Consumer behaviors and market dynamics could differ significantly in other regions. Hence, future research could compare the impact of SMM, INM, and PRS on CPI across different developing economies, offering a broader perspective on consumer behavior in similar markets. Also, the research uses cross-sectional data, which only provides a snapshot of consumer behavior at one point in time. Longitudinal studies could provide a deeper understanding of how the relationships between SMM, INM, PRS, and CPI evolve overtime. Therefore, future research should use a longitudinal study could explore how the influence of social media marketing, influencer marketing, and product reviews evolves over time and with changing market conditions. Finally, the study does not account for potential external factors, such as economic fluctuations or political changes, which might impact consumer behavior and marketing effectiveness in the studied context. Thus, future research could investigate additional factors such as cultural influences or brand trust, to understand how they interact with SMM, INM, and PRS in shaping consumer purchase intentions.

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