



# A Study on Factors Influencing Perceived Advertising Values among Customers of Automotive Companies in the Kathmandu Valley

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## Abstract

**Background:** This study examines the perceived advertising value of customers associated with social media advertisements disseminated by automotive companies in Kathmandu valley. In the context of the Nepalese automobile market, automotive companies engage and interact with their existing and potential customers on different social media platforms. However, there is a marketing research gap in understanding the advertising value customers associate with social media advertisements.

**Objective:** This research paper aims to examine factors that influence perceived advertising value for both existing and potential customers of automotive companies associated with and expect from social media advertisements disseminated by automotive companies.

**Methods:** The final sample of this study consists of 120 customers existing and potential (N=120) automotive companies for both new and reconditioned vehicles in Kathmandu Valley. Besides, in this study, cross-sectional quantitative research design and descriptive and inferential statistics have been used to report data analysis and findings.

**Results:** The findings of this study indicate that information, credibility, and entertainment, have a significant influence on advertising value customers associate with and expect in social media advertisements of automotive companies in Kathmandu valley

**Implication:** The study concludes that enhancement in information, credibility, and entertainment also enhances the perceived advertising value of automobile customers. Therefore, as marketing research, this study recommends automobile dealer agencies in Kathmandu valley integrate entertainment, credibility, and information elements when developing content for their social media advertisements. To fulfill customer expectations, social media advertising needs to include content that is rich in information, appears, and comes across as credible to customers with entertaining elements that positively engage the audience.

**Key Words:** Ducoffe Advertising Value Model, Automotive Companies, Social media advertisements

**Paper Type:** Research Paper

**JEL Classification:** M37, M38

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## Introduction

This study examines the perceived advertising value of customers associated with social media advertisements disseminated by automotive dealers in Kathmandu valley. In the Nepalese context, the automotive market is dominated by the dealership business model that operates with a comprehensive agreement between automobile manufacturers and dealer agencies. With the surge of social media platforms in recent times, as Nwokah and Aeenee (2017) indicate, Facebook, Twitter, and YouTube as advertising platforms significantly influence the sales growth, market share, and profitability of automotive companies and dealers. Similarly, in the Nepalese context, automotive companies of both new and reconditioned automobiles also engage and interact with their existing and potential customers on different social media platforms.

Moreover, with the rise of social media, the relationship between the customers and the market has also changed. These are when customers make purchasing decisions based on advertisement content they access and evaluate online rather than through personnel marketing encounters (Hennig-Thurau et al., 2010). However, consumer expectations from social media marketing can be significantly different from other advertising platforms; here, the audiences expect sales and marketing information and the authenticity of product information (Weinberg & Pehlivan, 2011). Therefore, examination and evaluation of what extent customers associate, expect and perceive advertisement value towards social media advertising strategies of automotive companies become imperative for making effective promotional decisions. Simply posting snapshots and running advertising campaigns are not enough, it is also necessary to understand whether advertising content utilized through social media platforms meets the perceived value and utility expectations of customers.

Besides, automotive companies in Kathmandu Valley use social media platforms for product promotion and communication to shape the customer's buying decision-making process (Tuten & Solomon, 2017). Therefore, this study examines factors associated with perceived advertising value that could predict the customer's value association and utility with social media advertising of automotive companies. For this purpose, based on Ducoffe (1995) model, perceived advertising values customers associated with the social media advertisements have been identified as entertainment, information, credibility and irritation (Jung, 2017; Shareef et al., 2019) Besides, for designing effective social media advertising content, it necessary to understand to what extent each of these factors, entertainment, information, irritation, and credibility influences costumers perceived value association and attitude towards the advertisement itself and understanding relationship between these variables has marketing implications for generating compelling marketing mix (Ducoffe, 1995).

However, considering social media advertising in the Nepalese context is still inits ever-evolving area (Zhang & Mao, 2016). There is still a marketing research gap regarding evaluating social media advertising from the perspective of the advertising value of customers in the Nepalese context, and there is no study as such that tests the hypothesis derived from the conceptual framework of the perceived advertising model. Hence, the main purpose of this article is to fill this research gap and provide an evidential reference for automobile companies to understand the advertising value of their existing and potential customers associated with their social media promotional advertisements. After all, understanding advertising value as a cognitive assessment of relative utility customers associate with advertisement content (Ducoffe, 1995) enables dealer agencies to understand and apply different advertising features, functions and content that enhance the value and utility of their social media advertisements.

Regarding the structure of this study, first, this paper gives the theoretical background of the perceived advertising model of Ducoffe (1995) and establishes a relationship between selected constructs with reference to previous studies. Next, this study proposes a conceptual framework and hypothesis for data collection and analysis. Then, in the next section, research design, participation, sampling

procedures and instrumentation protocols have been explained. Finally, this paper includes findings, comprehensive discussions on results and marketing implications.

## Review of Literature

Regarding the theoretical framework, this study has built its foundation on advertising value models to evaluate the effective influence of social media marketing on the customers of the automotive market. Advertising value is used to conceptualize the utility or worth of the advertisement as an index to evaluate consumer purchase intention associated with a product promoted through social media marketing (Ducoffe, 1995). The advertising value model includes a subjective evaluation of the relative worth or utility of advertising to consumers. Based on the advertising value model, the conceptual framework of this study includes information, credibility, entertainment and irritation as important predictors for social media marketing value. Ducoffe (1995), in his seminal work on how consumers assess the value of advertising formulates these four concepts, information, credibility, irritation, and entertainment to examine and evaluate how consumers review the value of advertisements they observe on different social media platforms.

In this study, the relationship between independent and dependent variables has been conceptualized based on previous studies and existing theoretical frameworks that have examined the relationship between variables (Ducoffe, 1995; Logan et al., 2012; Alalwan, 2018; Boateng & Okoe, 2015; Kim & Han, 2014; Xu et al., 2009). More importantly, in a study, Kim and Han (2014) indicate that Advertising value has a positive relationship with credibility, entertainment, and irritation negatively affects advertising value. Likewise, regarding the relationship between variables selected in this study, Jung (2017) has empirically argued that if customers perceive relevance and credibility associated with information disseminated in targeted advertisements, they are more likely to pay considerable interest to such advertisements and also formulate purchase intention towards the targeted product.

Similarly, in their study, Lee and Hong (2016) have highlighted the positive role of information in social media advertisements on customer intention to buy the products. Since credible shared information in an advertisement generates considerable interest in advertisements (Jung, 2017), social media advertisers and digital marketing experts must consider the credibility and information of advertisements in order to enhance the advertising value of their social media advertisements. Therefore, based on studies (Jung, 2017; Lee and Hong, 2016), credibility and information have been considered the key advertising value consumers search for in social media advertisements.

Moreover, Agarwal and Karahanna (2000) found that when social media users are deeply involved in the information disseminated through social media advertisements they experience a state of cognitive absorption. This intense engagement can be sustained through entertainment elements of advertisements. Hence, to achieve cognitive absorption, it is necessary to include elements of entertainment in social media advertisements. As Jashari and Rrustemi (2017) assert, each credible photo, video, comment, review, and other content posted on social media provides a stimulus for consumers to explore a need for purchasing a product. Here, it is important to acknowledge, as Taylor (2011) suggests, that consumers indeed benefit from increased information; and however, admissibility of information transmission depends upon consumers' interpretation of trust in these advertisements.

Furthermore, Logan et al. (2012) indicated that entertainment and information significantly impact on the value of social media advertisements, whereas irritation hurts advertising value. Hence, this study has included irritating consumer experience in social media advertisements due to information overload to evaluate the consumer nature of response to advertisements.

Likewise, Lee and Hong (2016) have validated information and advertising creativity especially associated with entertainment, as a strong predictor of intention to purchase a particular product. Similarly, Saxena and Khanna (2013) mention that entertainment and information enhance the value

of social media advertisements. As Ducoffee (1995) indicates, the entertainment aspect of social media advertisements allows consumers to experience and enjoy aesthetic or emotional pleasure. Hence, entertaining content also enhances the value of social media advertisements for consumers.

The credibility of advertisements is associated with the trustworthiness of the brand communicator, mediated by the content of the message (Huber et al., 2015). Similarly, in another article, Zha et al., (2015) indicate that customer attitude towards social media advertising is based on credibility associated with the content transfer and their study concludes that perceived information, perceived entertainment and credibility contribute to the formation of positive advertising value. Besides, as Lin and Bautista (2018) indicate, credibility refers to the truthfulness and believability customer associate with social media advertisements.

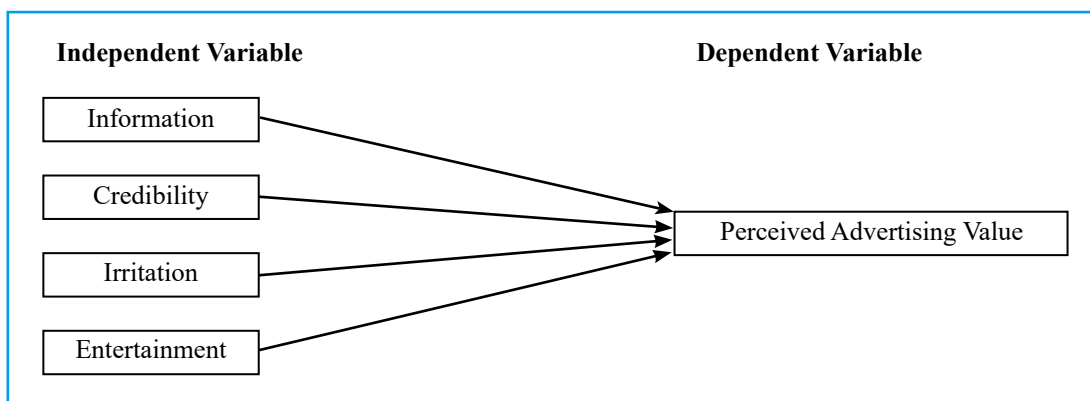
Moreover, social media advertisements enable automotive dealers to accomplish their marketing aims, by creating customer awareness and shaping their perceptions (Alalwan et al., 2017). Hence, it is necessary to study the advertising value associated with social media advertisements and focus more on discovering the main dimensions that could influence the customer’s positive reaction and perception toward social media advertisements (Oh et al., 2015).

Considering Nepalese literature on social media advertisements, Neupane (2020) mentions that Nepalese consumers are using different online services such as Facebook, YouTube, Instagram and Twitter for social connection, therefore online marketers need to apply social media platforms to promote their products for both keeping their present consumers as well as attracting more potential customers. Similarly, in another article Mishra (2020) highlights the importance of branding the Facebook page and maintaining an immediate connection with Facebook users to influence their purchase intention through social media platforms such as Facebook. However, in the Nepalese context, assessing the advertisement value consumers associated with social media advertisements remains a research gap.

Previous studies (Neupane, 2020; Mishra, 2020) have only highlighted and suggested the optimization of different social media platforms for marketing purposes, and no study in the Nepalese context has yet examined and evaluated consumer perspective, value and relevance toward social media advertisements utilized by Automobile dealer agencies in Kathmandu Valley. Moreover, as Alalwan (2018) indicated customers, who find social media advertising beneficial and more advantageous are more likely to be willing to purchase the targeted products of these advertisements, hence it is necessary to examine and evaluate the advertising value consumers associate and perceive in social media advertisements because it has impact on their purchase decision-making process.

### ***Conceptual Framework and Hypothesis***

**Figure 1: Relationship between information, credibility, entertainment, irritation and perceived advertising value associated with social media advertisements**



**Model Estimation:**

$$\text{PAV} = \text{IN} + \text{CR} + \text{EN} + \text{IR} + e$$

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

PAV = Perceived Advertising Value

$$\text{IN (Information)} = \beta_1 X_1$$

$$\text{CR (Credibility)} = \beta_2 X_2$$

$$\text{EN (Entertainment)} = \beta_3 X_3$$

$$\text{IR (Irritation)} = \beta_4 X_4$$

Based on the literature review (Kim & Han, 2014; Ducoffe, 1995), this study has hypothesized positive relations between credibility and entertainment and advertising value and negative effects of irritation. Similarly, based on the study of Xu et al., (2009), this study has examined and evaluated the impactful and significant influence of entertainment, information, and irritation on advertising value and consumer attitude towards advertising. Besides based on the study by Alalwan (2018), the following hypothesis has been developed for this study:

**Hypothesis (H1):** *Information on social media advertisement content positively influences the perceived value advertising*

**Hypothesis (H2):** *Entertainment content of social media advertisement positively influences the perceived value advertising*

**Hypothesis (H3):** *Credibility costumers associate with social media advertisement significantly influences customer perceived value advertising*

**Hypothesis (H4):** *Irritation customers experience in social media advertisement negatively influences the perceived value advertising*

**Research Methods*****Participants and Procedures***

In this study, cross-sectional quantitative research design has been used to describe, verify, and evaluate certain issues or a concern that exist within the phenomenon (Leedy & Ormrod, 2015). Here, the research phenomenon is associated with automobile dealer agencies, their social media advertising campaigns and their consumers (existing/potential). As a component of the cross-sectional research design, data were collected within a short range of time, the frame of two weeks.

Regarding the data analysis part, multi regression analysis was performed with SPSS 21.0 for testing the hypothesis and nature of the relationship between variables. Descriptive analysis in this study summarizes the present demographic profile of respondents and describes their preferences and perceptions. Likewise, in this study, multi-regression analysis has been applied to examine the causal relationship between independent variables and a dependent variable.

The final sample of this study consists of 120 customers existing and potential (N=120) automotive companies for both new and reconditioned vehicles in Kathmandu Valley. The participants' population was selected based on their active social media engagement. For example, participants with regular comments, shares or reactions on social media advertisements of automotive companies and dealers in Kathmandu valley were sampled for this study. Besides, special priority was given to consumers with recent purchases of automobiles based on their photo upload and identity shared on the social media advertising platforms. During the online survey, a questionnaire was sent to more than 450 followers and subscribers of social media platforms. In this study, types of automobiles have been limited to Four-wheelers (Car, Jeeps and Vans), including electronic four-wheelers

The survey questionnaire took approximately five to seven minutes to complete. However, only 120 respondents from 450 potential respondents replied to the online survey. In this study, 10 automotive dealer companies and their automotive products were selected for the study; among ten companies (seven new automobile dealer agencies and three companies providing recondition vehicle services) and the existing and potential customers of automotive vehicles participated in this research with utmost consent and research integrity. Since, the automobile market is highly competitive, in this research, only vehicle types have been applied for this research and the dealership identity has remained anonymous.

### ***Survey Instruments and Measures***

In this study, a survey instrument has been designed based on the preview of existing literature (Logan et al., 2012; Duffett, 2015; Alalwan, 2018; Ducoffe, 1995; Kim, & Han, 2014; Xu et al., 2009). The author developed the questionnaire items after a series of discussions with marketing experts in the automobile sector and academicians. A pilot test was also conducted among MBA students of the researcher with a sample of (n=10) and these students are owners of private four-wheeler vehicles. After the pilot study, questionnaire items were rechecked and refined. The reliability and validity test were performed in SPSS 21.0 and as an outcome, Cronbach's Alpha for all the items ranged from= .78 to .95, within acceptable parameters.

In this study, the essential components of the survey instrument included 15 items – entertainment (3 items), credibility (3 items), information (3 items), and irritation (3 items), and the dependent variable- the perceived advertising value (3 items). Besides, we include items related to demographic variables such as age, education, monthly income, and spending habits. Similarly, six questions were included in the survey instrument, as Dichotomous (Yes/No, Agree/Disagree, Satisfied/Not Satisfied, Influenced/Not influenced) and rating scale questions for behavioral and psychographic segmentation items. Behavioral items include acquisition, user's status, brand loyalty status and customer satisfaction, and the items of psychographic segments had social status, personality and lifestyle. In addition, four dichotomous and rating scale questions were included to analyze the perceptions of automobile dealer agencies regarding their social media advertising activities. Similarly, four dichotomous questions (Agree/Disagree) examined the perceived advertising value between TV and social media advertisements.

## **Data Analysis and Results**

This study section includes the demographic profile of automobile customers, their perceptions and preferences, evaluative responses of marketing executives of automotive companies associate with the marketing department, and descriptive and inferential data analysis.

### ***Demographic Profile***

In this study, 120 respondents (N=120) completed the online survey, although the online survey was distributed to about 200 customers. Among 120 respondents, there were more male n=80 (approximately 67 %) than female n=40 (approximately, 33%). Based on this demographic information, this study suggests that male customers are more involved than female customers buying automobiles in terms of gender roles and the consumer decision-making process. Similarly, the study also finds that approximately 20% of respondents (n=24) are aged between 18–25 years, 30% between 25–35 years (n=36), 33% belong to 35-45 (n=40) and approximately 17% of them are 45 and above (n=20). Since most of the customers are under the age category of 18-25 and 25-35, this finding is comparable with McCrohan (2015) that family income and lifecycle are effective segmentation variables for the automobile market.

More importantly, as this study indicates, most customers (n=18) aged 18-25 are either unemployed or engaged in part-time work. This finding highlights the importance of family income when purchasing

a private vehicle. Among the age group, 18-25 are most active on social media, using it for more than 5 hours a day; however, this group also has the least number of automobile customers.

Regarding monthly income or personal earnings, most of the customers (n=70) fall under 50,000-150,000. And among respondents, the average worth of automobiles (n=80) was from 20, 00000 to 40, 00000 lakh. This evidence exemplifies that vehicles with price tags falling within this range are also among the top-selling cars in the Nepalese automobile market (Thakuri, 2021). Likewise, the majority of the customers (n=90) have purchased their vehicles either on a down payment plus monthly installments from the dealer agency or the commercial banks.

**Table 1: Demographic Information**

<b>Respondents character</b>	<b>No. of responses</b>	<b>Percentage (Approximately)</b>
<b>Customers of Automotive Companies</b>	<b>N=120</b>	
<b>Gender</b>		
Male	60	67%
Female	80	33%
Total	N=120	100%
<b>Education Level</b>		
Post -Graduation	72	60%
Graduation	30	25%
High School	18	15%
Total	N=120	100%
<b>Age of Respondents</b>		
18-25	24	10%
25-35	36	25%
35-45	40	33%
45 and Above	20	17%
Total	N=120	100%
<b>Professional Engagement</b>		
Unemployment	15	12.5%
Part-time Professional Engagement	20	17%
Freelancing	15	12.5%
Professionals in Financial Sector	24	20%
Educators, education entrepreneurs' administrators	16	13%
Private Business Activities	30	25%
Total	N=120	100%
<b>Monthly Income Level/Personal Earnings</b>		
Rs. 20,000-50,000	15	12.5%
50,000-100,000	40	33%
100,000-150,000	30	25%
Rs. 150,0000+	20	17%
Without a Monthly source of income	15	12.5
Total	N=120	100%

Respondents character	No. of responses	Percentage (Approximately)
Customers of Automotive Companies	N=120	
<b>Down payment &amp; Monthly Installment</b>		
Yes	108	90%
No (Full Payment)	12	10%
Total	N=120	100%
<b>Automobile Type</b>		
Car	72	60%
Jeep	36	30%
Van	12	10%
Total	120	100%

### ***Consumer Perceptions and Preferences***

This study finds that 80% (n=96) of customers associate automobile ownership with their status when it comes to behavioral and psychographic aspects of consumer buying behavior. Similarly, 60% (n=72) of customers agree that they are conscious of their personality and lifestyle when selecting a vehicle with a particular brand, design or model. It is important to note that 50% (n=60) of customers agree that they would like to own a vehicle better in terms of brand, mileage, price or design in comparison with the vehicle they currently have with them. Likewise, this study finds that approximately, only 65% (n=78) of customers are loyal to their brand, and would prefer to upgrade their vehicle from the particular brand itself. Hence, even a customer with a vehicle is a potential customer for a specific automotive brand. However, when it comes to after-sales services 70% (n=84) of customers are not satisfied with the services provided by automotive companies. As Bloch (1981) suggests these views and behavior indicated in this study have marketing implications after all purchase decisions associated with automobiles are emotive in nature, some to a greater or lesser extent depending on how involved they are with their cars, hence social media advertisements contents also need to acknowledge a psychographic and behavioral aspect of their both potential and existing customers.

This study highlights that approximately 67% (n=80) of customers find advertisements circulated on social media platforms of a particular automotive brand dealer relevant and reliable source for product information. Most of the respondents, approximately 58% (n=69) in this study, prefer Facebook as compared to other social media advertising platforms. More importantly, approximately 58% (n=71) of them agree that social media advertisements have influenced their purchase decision towards a particular brand of vehicle.

**Table 2: Statistics of Construct Items**

Constructs	Weighted MEAN (X)	Standard Deviation ( $\sigma$ )
Information	3.68	0.98
Credibility	2.67	0.45
Irritation	4.23	0.15
Entertainment	4.55	0.35

Moreover, statistics of construct items indicate that those respondents in this study agree with and acknowledge item concepts used for evaluating advertising value in this study. In this study, items related to information include (up to date, relevant and immediately accessible information), irritation includes deceptive or phony content, wastefulness and annoyance, entertainment includes items rated enjoyable, exciting and entertaining and credibility items include trustworthy, believable and credible.



Here it is important to note that the weighted mean value of credibility is less than entertainment and information. This evidence highlights the need for improving credibility concerns associated with advertisement campaigns on social media platforms. Besides, overall findings of descriptive analysis is comparable with the findings of Aktan et al. (2016) that communicating credible and informative messages that are also non-irritating optimizes the advertising value of social media advertisements.

### **Multiple Regression Analysis**

Table 3 Regression Analysis for predicting Perceived Advertising Value from information, credibility, entertainment and irritation associated with social media advertisements (Note: Respondents' Perceptions on variables associated with advertising value (itemized Scale 1 = Strongly disagree to 5 = strongly agree)

**Table 3: Result of Multiple Regression Analysis**

Model	Unstandardized Coefficients		Standardized Coefficients	t	p
	B	Std. Error	Beta		
1 (Constant)	3.89	0.236		5.25	0.010*
Entertainment	0.460	0.049	0.429	9.73	0.012*
Irritation	-0.144	0.023	-0.110	1.33	0.775
information	0.443	0.067	0.498	7.45	0.014*
Credibility	0.173	0.059	0.151	3.53	0.021*

Note: F = 4.032, \*Significant at p value <0.05 level, R-Square=0.632

Based on the standardized coefficients (Beta), Table-3 indicates that shows information and entertainment provided by social media advertising has a significant association with perceived advertising value. At the same time, the credibility provided by social media advertisements of automotive dealers have a lesser impact on advertising value as the table indicates, irritation (-0.110) has a negative impact on the advertising value. Since standardized  $\beta$ s are positive for information, credibility, entertainment, based on regression analysis this study indicates that enhancement in information, credibility and entertainment also enhances the perceived advertising value of automobile customers. Hence the findings of the multi-regression analysis are consistent with the advertising value model of Ducoffe (1995) that variables of entertainment and information are positive predictors of perceived advertising value in social media advertisements.

Here, R-Square ( $r^2$ ) is 0.632 indicating that 63.2% of the variances in perceived advertising and its impact on informational responses can be explained by credibility, information, entertainment and irritation. Here, it is important to note that when multi-regression is run without the inclusion of items related to irritation in the data set R-Square increases to 75.34%. Regarding irritation, items in the questionnaire covered experiences such as phony content, wastefulness, and annoyance (Levitt, 1984). Since these factors cover genuine experiences of social media users, irritation has been included in the multi-regression equation. Besides, the overall results of regression analysis remain consistent with the study by Van-Tien Dao et al. (2014) that in Southeast Asian transitional economies, the three social media advertising information, entertainment and credibility – have positive effects on consumers' perceived value of social media advertising, which in turn positively influences their online purchase intention.

## **Discussions**

The present study aimed to examine the determinants of advertising value on social media existing and potential customers' association with automobile advertisements disseminated through different social

media platforms. This study has conceptualized a research model that has examined the relationship between information, credibility, entertainment and irritation and perceived advertising value. After hypothesis testing procedures, this study finds that three variables positively affect the advertising value associated with social media advertisements associated with the automobile market in Kathmandu valley. Hence, the research findings of this study confirm the theoretical framework developed from Ducoffe's (1995) advertising value model.

More importantly, this study reinforces the applicability of the Ducoffe model even in the context of the Automobile market in Kathmandu valley. Furthermore, this study also confirms a study by Arora and Agarwal (2019) that has used the Advertising Value Model proposed by Ducoffe (1995) as a specific conceptual model to identify the Indian consumers' perceived social media advertising value. Similarly, this study has also identified the perceived advertising value Nepalese customer associate with and seek in social media advertisements. Hence, the findings of this marketing research have applied dimensions for automobile dealer agencies when developing content for their social media advertisements.

Next, similar to the findings of Logan et al. (2012), this study also finds that consumer experience of irritation negatively impacts advertising value. Therefore, it is necessary for auto dealers to become aware and conscious of the irritation consumers experience and to minimize this negative experience automobile dealers need to craft and circulate their messages with different options and diverse content for their existing and potential customers (Arora & Agarwal, 2019).

Moreover, as Ducoffe (1995) specifies, advertising value is a market-oriented index that provides an insight into the customer expectations about the advertising and eventually about the products. This study, based on the research outcomes, implies that in order to fulfill customer expectation, social media advertising needs to include content that is rich in information, appears and comes across as credible to customers with entertaining elements that positively engages the audience. Besides, the overall finding of this study is comparable with study with the research undertaken in Gaber et al. (2019) that consumer perception of content usefulness, information, entertainment, credibility and lack of irritation results into the association of value with social media advertisements.

As Boateng and Oko (2015) mention, social media advertisement could help firms to accomplish many marketing aims, such as creating customers' awareness, building customers' knowledge, shaping customers' perceptions, and motivating customers actually to purchase products, as the findings of this study also indicate, it is highly imperative necessary for any organization involved in marketing activities to consider perceived advertising value consumers associated with social media advertisements and develop their content accordingly. For social media advertisements to influence customers, they need to come across as reliable, relevant and valuable to the consumers.

Furthermore, as mentioned in the descriptive analysis of this study, approximately 30% of the survey respondents among the age group of 18-25 and 25-30 specify that social media advertisements affect their buying decisions. This result indicates that the younger generation in the Kathmandu valley might be the main users of the social media sites, but they are not necessarily the main target consumers (Pradiptarini, 2011). Hence, based on this finding, this study suggests to the content creators of social media advertisements to include and exemplify those promotional dimensions that also focus on the needs and wants of the older customer group because they are more financially stable and are also capable of making their own financial decisions compared to the younger generation.

## **Conclusion & Implications**

Since social media advertising campaigns are an integral part of promotional activities concerning automobile companies and dealers, this study concludes that automobile dealer agencies in Kathmandu valley need to integrate elements of entertainment, credibility and information when developing

content for effective social media advertisements. Importantly, this study recommends that automobile companies consider factors associated with advertising value before uploading advertising content on social media platforms.

Furthermore, the findings of the paper provide several scopes for marketing implications and further research. As indicated by Yang and Che (2020) the customers with strong social media ties with sellers reveal higher purchase frequencies than those with weaker social media ties. Therefore, this study concludes that these dealer agencies must use social media platforms effectively to increase and enhancing social ties with their existing and potential customers to increase the sales of their automobiles. Here, this study also generates scope for further study for exploring contextual variables as a part of explorative research for investigating localized understanding of advertising value.

Similarly, this study also generates further scope for understanding perceived advertising value from the social media activities of automobile dealers in Kathmandu Valley and their pattern of involvement. For example, perceived advertising value can also be explored with variables such as the number of followers, average patterns of liking, sharing and subscribing to social networking sites, and preferred social networking sites for advertising targeted products of automotive companies.

More importantly, in the post-Covid-19 world, customers still fear having physical contact with retail sales representatives; hence this phenomenon has also increased their reliance on social media platforms to seek out product needs and information (Knowles et al., 2020). Moreover, according to the data of the Trade and Export Promotion Center Nepal, cars, jeeps and vans imports have declined sharply from 26.56 percent compared to the fiscal year 2018-19 (Lama, 2020). Therefore, for regenerating and reviving automobile sales in the Post-Covid context, it is necessary for dealer agencies to utilize their social media advertising campaigns effectively. After all, the digital engagement of customers in Kathmandu Valley has increased during this pandemic and series of lockdowns and travel restrictions. As this study finds that customers seek value and utility in advertisements. Therefore, promotional content of social media advertising needs to come across as valuable to the audience with lesser irritation. Apart from understanding value associations, there is scope for further study to examine to the extent these associative values result in consumer purchase intention towards automobiles.

## Conflict of Interest

Author declare no conflict of interest.

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