

# INFLUENCE OF SOCIAL MEDIA MARKETING: CUSTOMER ENGAGEMENT, BRAND IMAGE AND PURCHASE INTENTION ON E-COMMERCE IN INDONESIA

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## Abstract

These days, companies can use social media in various ways, every business that uses social media to drive visitors to their websites and, ideally the sales. Along with, social media marketing, as one of the digital marketing that necessitates on developing and promoting content in social media, in sequence to deliver marketing and branding objectives. this paper is aim to analyze the influence of Social Media Marketing, consumer engagement brand image on purchase intention of Tokopedia user, the sample of this paper is from Tokopedia user with 47 respondent using The validity test uses the loading factor value, and the reliability test uses the value Cronbach alpha and composite reliability based PLS Application and gathers six hypotheses supported. The result is social media marketing has a positive effect on consumer engagement and brand image also brand image has a positive impact on consumer engagement.

**Key words:** social media marketing, consumer engagement, brand image, purchase intention, PLS - SEM

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## 1. INTRODUCTION

The internet is the backbone of our society. The number of internet users in Indonesia increased by 27 million (+16%) between 2020 and 2021. The number of social media users in Indonesia was equivalent to 61.8% of the total population in January 2021. (Kemp, S 2021). Indonesia is one of the largest digital economy players in the Southeast Asia region. In fact, the Ministry of Finance reported that the value of digital transactions in the country reached Rp 638 trillion in 2020. Bank Indonesia (BI) also recorded that digital economic and financial transactions in July 2021 consistently grew in line with the increasing trend of online shopping, expansion of digital payments, and acceleration of digital banking. (Surur, F 2021)

In consonance with recent information, social media has become an essential part of communication channels for consumers to demonstrate their assumptions, preferences, opinions, likes, and experiences. This large-scale contact area where consumers interact with each other and with other users provides ample opportunities for product and brand communication actions, such as cost, time, and

ease of reaching large numbers of consumers. In order to achieve success, many businesses create their own brand profiles on social media communication channels and develop activities that will engage consumers with content sharing such as online product information, discounts, advertisements, and promotions.

Social media are the online conversation, combination, and civilization in the middle of an interconnected network of individuals, society, and organizations build-up by technological potentiality and mobility (Tracy L. Tuten, 2021). More than three billion people use social media punctually, the users and engagement on major platforms just keep augmenting. Social media provides a gigantic potential for businesses because consumers regularly log on to social media daily and are exposed to companies. Social media marketing expedites the tools and tactics, that simplify the facilitate for apprentice users for business. Social media marketing is also one of the effective tools when it comes to promoting and improving the relationships between buyer and seller (Handerson, G, 2020).

Nowadays, numerous companies use all social media marketing platforms to advertise their product. One of them was Tokopedia. Tokopedia Indonesia's most popular marketplace. roughly 135 million visits each month in the first quarter of 2021. Despite having the biggest market traffic of any e-commerce, Tokopedia only has a GMV of US\$ 14 billion. Established in 2009, Tokopedia now become, top 5 most popular Marketplaces in indonesia providing proof of the promises delivered in its promotion: secure transactions, whatever exists, many sellers. Transparent, easy rationing. instant transactions with various payment channels including several trusted expedition networks make Tokopedia easy to get close to customers. Building closeness with customers like friends, Toppers are easy to give opinions, comment on everything related to their transactions, broadcast chat, store statistics, promotional feature, to finance, which is merchant can use this resource to support their business.

In these paper will explain about, the effect of social media marketing: consumer engagement, brand image, purchase intention of tokopedia user the following manner, in the section 1 with Introduction, Section 2 provides a concise overview of the current literature, followed by the outlines for approach this paper, next displays the results, and finally draws the conclusion and recommendation.

## **2. LITERATURE**

### ***2.1 social media marketing***

Marketing is the action of researching, creating, producing, advertising, and selling goods or services. Social media marketing also creates tailored content for every social media platform, to drive consumer engagement and promote your brand. Social media marketing connects companies directly with your audience or customers and helps them acknowledge the brand more enhanced. It is especially beneficial to your business improvement. This includes posting high-quality content to your social media platform, listening and connecting with your followers or prospective buyers, evaluating your results, and conducting social media marketing. Some of the most prominent social media marketing sites include Facebook, YouTube, Twitter, Instagram, LinkedIn, Pinterest, Tiktok, and Snapchat (Buffer, 2019).

Widespread access to connected devices such as PCs, digital video and audio recorders, webcams, smartphones, and wearables such as smartwatches ensure that consumers living on virtually any part of the Internet in the world can create and share content. Because content is a more essential component of the social media marketing process, it differs fundamentally from traditional marketing. The Content has the ability to increase brand recognition, create whole communities around a company, and ultimately generate incremental sales. However, as you may have guessed, the competition for social media users' attention is severe. The fierce competition has compelled marketers to create new material and methods for utilizing it in order to capture the attention of social media users (Media Godot, 2020). According to researchers, social media marketing is complicated, indescribable, and lacks a comprehensive structure. (Felix, R et al., 2016) . Aggressively cultivating customers on Facebook, Twitter, Instagram and other social media platforms is a critical way to create loyal customers. Meyer, E (2017). The goals of social media marketing include raising sales, expanding brand recognition, improving brand image, generating traffic, generalized research, and customer relationship management, as well as servicing and developing user involvement.

Yadam, M & Rahman, Z (2017). Social Media Marketing Dimensions in Ecommerce are Interactivity, Informativeness, Personalization, Trendiness, and Word of mouth.

1. Interactivity to measure which social media in e-commerce allows customers to exchange material and opinions with the firm and other customers.
2. Informativeness to an extent which e-commerce social media provides accurate, helpful, and all-encompassing information
3. Personalization to the extent to which e-commerce social media offer customized services to meet a customer's preferences.
4. Trendiness depth toward which e-commerce social media provides current data.
5. Word-of-Mouth the extent to which e-commerce consumers promote and share their e-commerce experiences on social media

## **2.2 consumer engagement**

Customer engagement is the development of a connection that extends beyond the purchase. It is a deliberate, consistent approach used by a corporation to create value at every client encounter. Customer experience is the perception that customers build about your organization based on what they see, hear, or learn about it (Murray, C 2021). Customer engagement entails more than simply conversing with your customers. When communicating to your consumer or prospective buyer, keep four underlying characteristics in mind: active, emotional, rational, and ethical participation.

There are 4 type of Consumer Engagement according O'Dell, A. (2015) :

1. Contextual Engagement is achievable because to technology that enables marketers to comprehend what an individual consumer's past and real-time activities indicate about them.
2. Engagement of Convenience is engagement helps the brand's or retailer's systems to obtain a deeper knowledge of each consumer's particular demands, purchasing cycles, triggers, and price points, which can then be utilized to optimize the value of that transaction in order to reinforce the urge to buy.

3. Emotional engagement is Providing customers with Contextual relevance and usefulness go a long way in increasing the emotional value you unconsciously attach to your brand.

4. Social Engagement is engagement that take process using influencer marketer, they usually share their experience about the product in online community.

According to Beule, S (2013) Successful engagement, typically leads customers to one of these four actions: *acknowledge a campaign, acquire a product, endure a customer, suggest the brand.*

In addition, developing a push notification strategy is critical since 42 percent of consumers prefer to have push notifications enabled on their devices. Developing a strategy that uses push notifications that are useful and beneficial to these users will increase engagement by more than 80% (Lean Plum, 2018). the quality of product efficiency delivery of product will also improved consumer engagement. Acquiring new customers is more expensive than keeping an existing customer to stay with you. Retaining your customers is a sign of great engagement, satisfaction and them finding value in what you offer. (Mathew Maniyamkott, 2021)

The efficiency of social media is demonstrated by the Customer Engagement it delivers to firms and their various social site pages, as one of the primary reasons for businesses being on social sites is to reach consumers with their brand.(Barger et al., 2016). Customer engagement has a huge impact on brand loyalty, and the presence of customer interaction in the organization may help to develop brand loyalty. Furthermore, the findings of the study demonstrated that social media marketing have a major impact on brand loyalty through consumer involvement (Utami, G & Saputri, M 2020) .

### **2.3 Brand Image**

Brand image is The general impression created in the minds of customers by all sources, the result of approach and observation by persons outside of the organization or community. The first principal parts of brand image include a unique logo, that considers the image of the business, a slogan, and a brand identifier that supports the key principles. The idea behind brand image is that the consumer is purchasing not just the product or service but also the image associated with it. The brand image includes products' appeal, ease of use, functionality, fame, and overall value. A positive brand image enhances the goodwill and brand value of an organization (Juneja, P 2015).

Digital advertising has a big impact on brand image. This demonstrates that the internet adverts created by Tokopedia are fascinating. The more appealing tokopedia.com's internet advertising, the better the brand image. Service quality has a good and substantial association with brand image. This demonstrates that the quality of service provided by tokopedia.com has an impact on the brand's image among Padang residents. The higher the quality of service provided by a corporation, the better its brand image (Rizbi, D, 2019). has a positive image as a high-quality product, implying that perceived quality has a major impact on purchase intention also the value of a product (Li, Cheng 2017)

Ta Lin & Shii (2018) after purchasing attitude demonstrated favorable and significant on intention, brand image significantly affected customers purchasing attitude. The way companies

improving their brand images, it will also drive their sales, by using the impact social media influencer to purchase a product, brand image gives a positive and significant impact to purchase intention (Nurhandayani et al., 2019)

#### **2.4 Purchase intention**

Purchase intentions are a measure of the respondent's attitude towards purchasing a product or availing of a service. Purchase intentions are powerful in composing marketing activities and promotions. The insistence of a customer or prospective buyer can make it effortless to exactly emphasize the genre of the content that should be displayed in an advertisement. Psychological, social, cultural, personal, and economic factors are the 5 aspects that influence purchase intention.

Social media utilization increases customer happiness during the phases of information search and alternative evaluation, with satisfaction increasing as the consumer progresses through the process to the final buy decision and post-purchase review (Gupta, S & Chopra, G. 2020). High trust in a website site will have a big effect on online shopping attitude, when the attitude towards online shopping is positive then the creation of Online Purchase Intention. (Puspita et al., 2018).

According to Nolcheska (2017), consumer on social media has a significant impact on purchasing decisions, emergence with problem identification, discerning for appropriate information, appraise alternatives, culminating buy decisions, and purchase satisfaction. Social commerce components have a considerable beneficial impact on respondents' purchase intentions. (Kariim, A 2017).

### **3. METHODOLOGY**

The research we use in this paper used online surveys, conducted from November to December, by distributing questionnaires in Google Forms to be filled out by 47 respondents. Respondents who filled out the questionnaire were people who used and had used Tokopedia as an E-commerce platform. First of all put the data on SmartPLS, After input the data to SmartPLS, draw some path model (Figure 1), next test the validity in this study, namely by looking at the value of the loading factor on each indicator variable, namely  $\geq 0.5$ , then in reliability testing, namely by looking at the value of Cronbach alpha and composite reliability (figure 2), which was carried out using PLS application.

The statistical test to test the hypothesis in this study is using Structural Equation Modeling based on the PLS3 application. We adopted a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree) and examined frequent users of Tokopedia. To discover the result to explore the impact of social media marketing, consumer engagement, purchase intention, brand image towards Tokopedia users.

#### **Research hypotheses**

According to the results drawn from literature review, the following hypotheses are proposed:

1. Brand Image has significant effect on Purchase intention



2. Brand Image has significant effect on consumer engagement
3. consumer engagement has significant effect on Purchase intention
4. Social media marketing has significant effect on consumer engagement
5. Social media marketing has significant effect on brand image
6. Social media marketing has significant effect on consumer

#### 4. RESULT

Table 1. Demographics of research sample (N:47)

Criterion	Description
gender	1. Female – 72% 2. Male - 28%
Age	1. 18 - 25 : 18% 2. 26 - 35 – 54% 3. 36 - 45 – 22% 4. 46 - 55 – 6%
Education	1. Average – 24% 2. Higher (Bachelor level) – 16% 3. Master Degree – 60%
Work	1. Less than 1 year – 11% 2. 1 - 2 years – 25% 3. 3 - 5 years – 33% 4. 6 - 7 years – 12% 5. More than 7 years – 19%
Industry	1. Creative Industry - 4.5% 2. Health care – 4.5% 3. Education – 13.6% 4. Mining – 22.7% 5. Retail – 18.2% 6. Technology – 13.6% 7. Civil servant – 9.1% 8. Construction – 13.6%

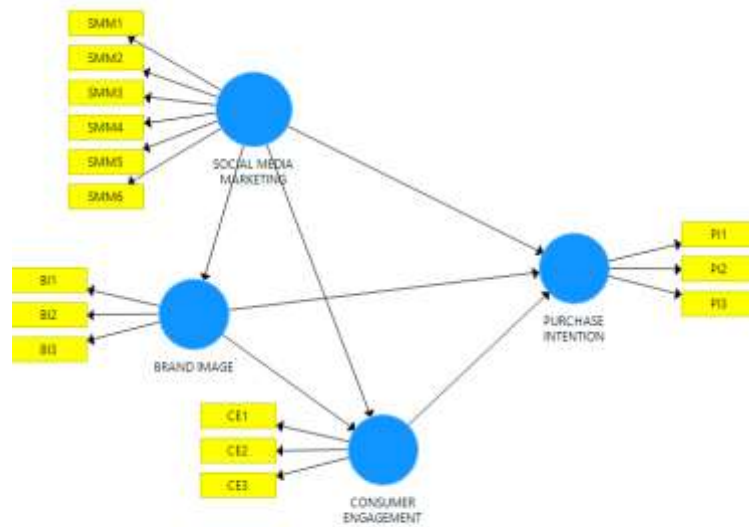


Figure 1. Path Model

	Cronbach's Al...	rho_A	Composite Rel...	Average Varian...
BRAND IMAGE	0.380	0.513	0.690	0.460
CONSUMER E...	0.662	0.702	0.821	0.613
PURCHASE INT...	0.930	0.974	0.955	0.876
SOCIAL MEDIA...	0.878	0.905	0.906	0.619

Figure 2. Reliability Validity Test

	Original Sampl...	Sample Mean (...)	Standard Devia...	T Statistics ( O/...	P Values
BRAND IMAGE -> CONSUMER ENGAGEMENT	0.625	0.607	0.111	5.611	0.000
BRAND IMAGE -> PURCHASE INTENTION	0.053	0.049	0.183	0.289	0.773
CONSUMER ENGAGEMENT -> PURCHASE INTE...	0.366	0.352	0.262	1.397	0.163
SOCIAL MEDIA MARKETING -> BRAND IMAGE	0.513	0.527	0.109	4.697	0.000
SOCIAL MEDIA MARKETING -> CONSUMER ENG...	0.258	0.287	0.120	2.159	0.031
SOCIAL MEDIA MARKETING -> PURCHASE INTE...	0.329	0.353	0.171	1.926	0.055

Figure 3. Bootstrapping result.

There are several implications based on this research result (Figure 3), first brand image has positive effect on consumer engagement with p-values  $0.00 < 0.05$  also T-statistics  $5.611 > 1.98$  with value sig. 0.05. according to Hidayanti, N (2020) The positive and significant effect of the brand image "Tokopedia" on the interest in ecommerce application access in the Army Amino Bandung Community. Positive value indicates that the tokopedia brand has a relationship with access interests, as well as the advantages, uniqueness, and strength that tokopedia possesses in order to create a good brand image. This might be regarded as people being influenced by a good brand of a product to access Tokopedia e-commerce applications.

Second, social media marketing has positive effect on brand image with p-values also  $0.000 < 0.05$  and T-statistics  $4.697 > 1.98$ . according to previous research, Social media marketing activities have a considerable impact on customers' brand awareness, brand image, and brand loyalty, according to the findings. It has been advocated that social media marketing activities be seen as actions that promote brand value, and that enterprises planning to begin social media marketing activities include social media marketing activities into traditional brand communication research.s (Bilgin, Y,2018). so the more attractive the social media marketing the better the brand image on product.

Finally, Social media marketing has positive effect on consumer engagement with p-values also  $0.031 < 0.05$  and T-statistics  $2.159 > 1.98$  and T-statistics. Murchardie et al (2016) said frm the previous research that Social Media Marketing also has a quite strong relationship with Customer Engagement. This means more effective and efficient Social Media Marketing imposed the level of Customer Engagement on will also be higher.

Nevertheless, in this result, Brand Image, Costumer engagement, social Media Marketing shows that doesn't have significant effect on purchase Intention. This is because high competitiveness with the other e-commerce platform, availability of good including Brand and Price. Business outcomes do not necessarily have to be real purchases, but they might include raising awareness, trust, and authority. In truth, social media isn't always the best channel for driving direct sales. Social media is increasingly commonly used to find through word of mouth, as a source of conversation for study, and to connect – through people – to a firm. It differs from other marketing channels in that it is bidirectional (Karr, D, 2021).

## 5. DISCUSSION AND CONCLUSION

From the outcome, it can be concluded that Social media marketing goals include raising sales, expanding brand recognition, improving brand image, social media traffic, discover research, and customer relationship management, as well as servicing and developing user involvement. social media has a significant impact on their brand. As a result, social media marketing has become an important component of any marketing plan. The benefits of social media marketing are so significant that if using it properly. Social Media does not have an immediate influence on your business. In reality, establishing a presence and determining ROI will most certainly take years. However, if you utilize social media effectively, it may help you develop long-term relationships that will outlast any advertisements you may run (Mahoney, M, 2021).

In this paper social media has positive impact on consumer engagement and brand image, also brand image has positive impact on purchase intention. It means that social media marketing dimension such as entertainment, interaction, trendiness, customized and electronic word of mouth from tokopedia were have been used as best as possible towards consumer engagement and brand image.

However in this paper brand image, consumer engagement not significant on purchase intention. Due to, the rise of other e-commerce applications in Indonesia such as; Shopee, Lazada, JD.ID, Gojek, Grab etc. in addition since the respondents in this study were limited to only 47 respondents, For further research, it is recommend to gather more respondent at least 3 month before



already share the questionnaire and to test another social media marketing variable related to customer services, brand loyalty, brand awareness, website traffic and competition.

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