

THE INFLUENCE OF SOCIAL MEDIA MARKETING ACTIVITIES ON BRAND TRUST, BRAND EQUITY, AND BRAND LOYALTY (Case Study On Instagram Shopee Indonesia)

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ABSTRACT

In Indonesia, the e-commerce sector is expanding quickly. A number of Indonesian e-commerce businesses are rapidly utilizing social media as a marketing tool. Indonesia's Shopee is one of them. Shopee, one of Indonesia's biggest online marketplaces, has more users than all of its rivals combined. Instagram is one of the social media platforms that Shopee uses to communicate with its customers. Instagram might aid Shopee in enhancing its brand value, loyalty, and trust. This investigation examines whether Shopee's social media marketing initiatives on Instagram have a favorable impact on brand equity, brand loyalty, and brand trust. Quantitative approaches are used in this paper. 385 people made up the study's sample. The two types of analysis are descriptive analysis and structural equation modeling (SEM). The SmartPLS software was used for the tests in this study. It is possible to draw the conclusion that social media marketing activities have a favorable and considerable impact on brand trust, brand equity, and brand loyalty based on the findings of the data analysis that has been gathered. Additionally, brand equity and brand loyalty are positively and significantly impacted by brand trust. characteristics such as brand equity and also have a favorable and significant impact on brand loyalty.

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1. INTRODUCTION

Social media has altered how people engage with one another [1]. Online shopping through e-commerce applications is becoming increasingly popular among the public. According to [2], business trends have turned digital through the internet. This is different from the traditional way of business that involves direct meetings between buyers and sellers. Indonesia's e-commerce business is growing quite rapidly. E-commerce, often known as electronic commerce, is the process of selling, buying, delivering, exchanging goods or services, or information through computer networks and the internet [3].

There are several reasons why Indonesians use e-commerce, the main reason is the free shipping promo [4]. Then, there are several other reasons, namely: (1) cheaper prices; (2) there are many discounts; (3) easy payment process; (4) various ways to pay; (5) easy to use applications; (6) products sold are diverse; and (7) easy to find products. According to Similarweb data, Shopee is the top-ranked e-commerce site in Indonesia, with 190.7 million visitors. Tokopedia is second with 147.7 million visitors, Lazada is third with 64.1 million visitors, Blibli is fourth with 24.9 million visitors, and Bukalapak is fifth with 24.1 million visitors [5].

Marketing is defined as being able to manage good relations with consumers [6]. The most well-known online retailer in Indonesia is Shopee. Shopee provides the greatest platform for people to buy, explore, and sell things. It also supports integrated payments, which facilitates simpler, safer, and more dependable online transactions [7]. According to a Snapcart poll, 75% of participants now think of Shopee as their go-to online retailer [8].

In this era, businesspeople in Indonesia have started using social media for marketing. One of them is Shopee Indonesia. Shopee has several social media to stay connected with its consumers, some of which are Twitter, Facebook (fan page), Instagram, YouTube, WhatsApp, and TikTok. According to [9], Shopee has a larger number of followers on Instagram than its competitors. Shopee has a total of 8.8 million followers.

Shopee often utilizes Instagram social media to provide entertainment content to its followers, by posting entertaining photos and videos. Shopee also engages with Instagram users, evident from the fact

that Shopee Indonesia ranks third among brands in Southeast Asia and East Asia for the number of interactions on Instagram, with 22,675,001 interactions [10].

Shopee now occupies the first position in the top brand award with a percentage of 43.70%, according to statistics from the Top Brand Index. With this phenomenon, what Shopee must do to maintain its position is that Shopee needs to increase brand trust and equity to foster brand loyalty. Thus, Shopee can become the top e-commerce company in Indonesia.

In addition, in the fierce competition in the e-commerce industry, consumers have many other choices besides Shopee. If other e-commerce provides better service, more competitive prices, more attractive offers, or promotions, this can encourage consumers to switch to other e-commerce. Thus, it can reduce consumer brand loyalty to Shopee. This can possibly happen because the performance of Shopee's social media marketing activities on Instagram is not optimal, so that it can affect Shopee's brand equity, brand trust, and brand loyalty. Thus, to increase trust, equity, and brand loyalty for Shopee, it is very important to carry out social media marketing activities properly and efficiently.

2. METHOD

This study uses quantitative methodology. with the research strategy used is a cross-sectional survey. The Likert scale is used for measuring the variables of this study. The sample to be used in this study was 385 respondents with research questionnaires distributed online via Instagram, Line, Telegram and Whatsapp and addressed to respondents who met the research criteria, namely, Instagram users who have seen Shopee Instagram content, Shopee Instagram followers, and have made purchases through Shopee. Using nonprobability sampling, specifically purposive sampling, which is a nonprobability sampling technique. This study employed a quantitative approach, and the data analysis included descriptive analysis, a structural equation model (SEM) utilizing the SmartPLS software, and hypothesis testing (bootstrapping).

3. RESULT AND DISCUSSION

Descriptive Analysis

Descriptive analysis in this study, obtained the results where the respondent's assessment was greatest in the brand trust variable compared to other variables. Where brand trust has a result of 86.10% which is included in the Very Good category. So, respondents have consumer confidence and trust in the services and services provided by the Shopee company. Meanwhile, the lowest rating is on the brand loyalty variable by obtaining a result of 83.46%. Despite obtaining the lowest score, the respondent's assessment of the brand loyalty variable is still included in the good category. So, the respondents in this study were less loyal or less interested in the services provided by e-commerce Shopee.

Test result:

Measurement Model (Outer Model)

Following are the results of the outer model of this study:

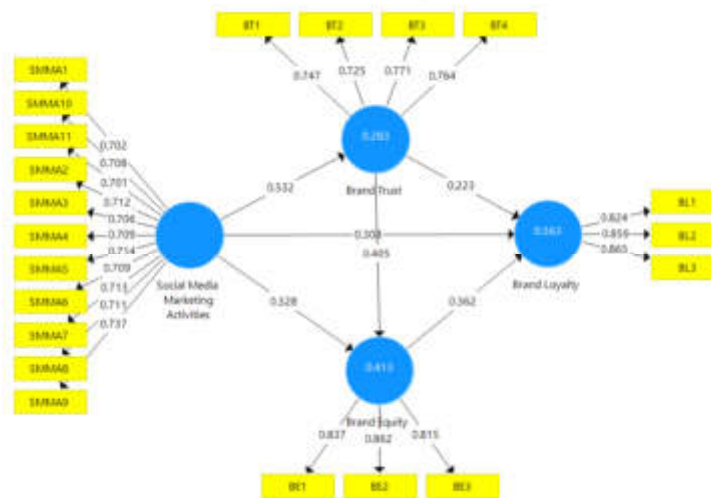


Figure 1. Outer Model (Measurement Model)

In PLS-SEM, there are two models to be tested. First, the validity and reliability are tested using the measurement model. Convergent validity is used at this step along with Average Variance Extracted (AVE). In addition to reliability testing using Cronbach's alpha and composite reliability, discriminating validity is assessed using Fornell-Larcker criteria. Based on the AVE findings, all variables pass the convergent validity test since the AVE value is 0.50, and the Fornell-Larcker Citation results are reliable because they adhere to the discriminant validity test's general rule of thumb.

The value of each variable in this study is more than 0.7 and 0.6. This satisfies Cronbach's Alpha and Composite Reliability criteria, in which the rule of thumb is greater than 0.7 and 0.6, respectively. Therefore, it can be claimed that all research variables have good reliability or can be maintained.

Structural Model (Inner Model)

The inner model [11] uses R-square, Q-square, and hypothesis testing (path coefficient) to describe the structural model's requirements. According to [11] the R-Square has three values: strong (worth 0.75), moderate (worth 0.5), and weak (worth 0.25). The model is predictively significant when the Q-Square value exceeds 0.

T-Statistics (Bootstrapping)

Table 1. Hypothesis Test Results *Path Coefficient*

Hypothesis	Path Coefficient	T-Statistics	P-Values	Information
H1: SMMA – BT	0.532	11,579	0.000	Accepted
H2: SMMA – BE	0.328	6.106	0.000	Accepted
H3: SMMA – BL	0.308	6,337	0.000	Accepted
H4: BT – BE	0.405	7,538	0.000	Accepted
H5: BT – BL	0.223	4,733	0.000	Accepted
H6: BE – BL	0.362	6,754	0.000	Accepted

Discussion

The Effect of Social Media Marketing Activities on Brand Trust

With the values obtained, the path coefficients of 0.532 and the p-value 0.000, which indicates that the hypothesis is accepted, the Social Media Marketing Activities (SMMA) variable has a positive effect on Brand Trust (BT). These findings demonstrate that social media marketing initiatives have a favorable and significant impact on consumer perceptions of a company.

According to the findings of the studies [12] social media marketing activities have a favorable affect or impact on brand trust.

The Effect of Social Media Marketing Activities on Brand Equity

With values obtained such as the path coefficients of 0.328 and the p-value 0.000, which indicates that the hypothesis is accepted, the Social Media Marketing Activities (SMMA) variable has a positive effect on Brand Equity (BE). These findings demonstrate that social media marketing initiatives have a favorable and considerable impact on brand equity.

In keeping with the findings of the studies [13] and [14] that show social media marketing activities have a favorable affect or impact on brand equity.

The Effect of Social Media Marketing Activities on Brand Loyalty

With a value of 0.308 for the path coefficients and a p-value of 0.000, the Social Media Marketing Activities (SMMA) variable has a positive impact on Brand Loyalty (BL), supporting the validity of the hypothesis. These findings demonstrate that brand loyalty is positively and significantly impacted by social media marketing activity.

According to research [13], social media marketing initiatives have a favorable affect or impact on brand loyalty.

The Effect of Brand Trust on Brand Equity

According to the results, which show path coefficients of 0.405 and a p-value of 0.000, the hypothesis is accepted, and Brand Equity (BE) is positively impacted by the Brand Trust (BT) variable. These findings imply that brand trust has a favorable and considerable impact on brand equity.

According to study by [15] and [14] brand trust has a favorable influence or impact on brand equity.

The Influence Of Social Media Marketing Activities On Brand Trust, Brand Equity, And Brand Loyalty (Case Study On Instagram Shopee Indonesia). Mentari Cahya Lestari, et.al

The Effect of Brand Trust on Brand Loyalty

The Brand Trust (BT) variable has a positive influence on Brand Loyalty (BL), with the value obtained namely the path coefficients 0.223 and the p-value 0.000 which means the hypothesis is accepted. Based on these results indicate that brand trust has a positive and significant influence or impact on brand loyalty.

In line with the results of the study [15] which states that brand trust has a positive influence or impact on brand loyalty.

The Effect of Brand Equity on Brand Loyalty

With a value of 0.362 for the path coefficients and a p-value of 0.000, the hypothesis that the brand equity (BE) variable has a positive impact on brand loyalty (BL) is accepted.

These findings suggest that brand equity has a favorable and considerable impact on brand loyalty. According to research findings [13], brand equity has a favorable influence or impact on brand loyalty.

4. CONCLUSION

According to the study's findings, social media marketing initiatives significantly increase brand trust at Shopee Indonesia, as shown by the t-statistics value of 11,579 and the path coefficient of 0.532. This demonstrates that Shopee Indonesia's social media marketing efforts on the Instagram platform are successful, which influences consumer trust in the Shopee brand. According to the study's findings, social media marketing initiatives significantly increase Shopee Indonesia's brand equity, as shown by the t-statistics value of 6.106 and the path coefficient of 0.328. It has been demonstrated that Shopee's social media marketing initiatives on the Instagram platform may provide a favorable impression and a nice image, which can help build Shopee Indonesia's brand equity. According to the study's findings, social media marketing activities at Shopee Indonesia significantly increase brand loyalty, as shown by the t-statistics value of 6,337 and the path coefficients of 0.308. This demonstrates that Shopee Indonesia's social media marketing efforts on the Instagram platform, such as engaging users and projecting a positive attitude, are successful. Customers want to return to Shopee Indonesia's Instagram platform as a result. Customers may become more devoted to the Shopee brand as a result. According to the study's findings, Brand Trust at Shopee Indonesia significantly increases Brand Equity, as shown by the t-statistics value of 7,538 and the path coefficients of 0.405. This demonstrates how Shopee builds brand trust with its customers and may thereby improve brand equity. According to the study's findings, Brand Trust at Shopee Indonesia significantly increases Brand Loyalty, as shown by the t-statistics value of 4,733 and the path coefficients of 0.223. This demonstrates how Shopee brand trust may create and preserve lasting bonds, hence boosting Shopee Indonesia's brand loyalty. According to the study's findings, Brand Equity at Shopee Indonesia significantly increases Brand Loyalty, as shown by the t-statistics value of 6,754 and the path coefficients of 0.362. It has been demonstrated that Shopee fosters favorable brand awareness and perceptions among consumers, which discreetly boosts customer loyalty to the business and boosts Shopee Indonesia's brand loyalty.

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