

The Influence of Social Media Marketing (Instagram, Whatsapp and Facebook) On Purchase Intention and the Impact to Brand Loyalty at Sinarmas Gold Store

Salsabila Zharfaniezha Faza Hanwari¹, Maya Ariyanti², Eva Nurhazizah³

¹(International ICT Business, Telkom University, Indonesia)

²(Economics and Business Faculty, Telkom University, Indonesia)

³(Economics and Business Faculty, Telkom University, Indonesia)

Abstract: Digitalization can create an effectiveness and efficiency in running a company's business processes. One of the efforts to digitalize the company is by marketing digital or what is called digital marketing in order to improve company performance. The marketing process within the company can be carried out by direct marketing using social media as a tool to market products. Social media is one of the direct marketing methods needed to increase product promotions in increasing purchase and brand loyalty. And also social media platforms can make it easier for customers to share content to all networks. Therefore, this research is important to be investigated further to find out purchase intention and brand loyalty to customers. The purpose of this study is to analyze the influence Social Media Marketing on Purchase intention and also the impact on Brand Loyalty at Sinar Mas gold store.

Background: There is a phenomenon where there is an increase in gold sales by 20-30 percent during the PPKM Indonesia in 2021. Sinar Mas gold shop has a challenge in the form of declining sales of gold jewelry products in June-September 2021, making it a race to increase promotion through social media marketing. Social media marketing changes need to be made in order to increase customer purchase interest and brand loyalty in coming to Sinar Mas stores. The development of marketing digitalization can already be applied to carry out marketing business processes through social media platforms at Sinar Mas gold shops in order to increase buying interest in Sinar Mas gold shop customers.

Materials and Methods: This research use questionnaire will be filled out by each individual that collected by 400 respondent using Google form. The implementation time of this research is Cross Sectional. This research uses the method of the Partial Least Square (PLS) using SMART PLS 3.0 tools.

Results: The t-statistic value > 1.96 means that is accepted and H_0 is rejected. The influence of social media marketing on purchase intention t value $19.208 > t$ table (1.96) means that the hypothesis is accepted, so there is an influence between social media marketing on purchase intention. The effect of social media marketing on brand loyalty t value $2.426 > t$ table (1.96) meaning that the hypothesis is accepted so there is an influence between social media marketing on brand loyalty. The effect of purchase intention on brand loyalty t value $13.862 > t$ table (1.96) meaning that the hypothesis is accepted so there is an influence between purchase intention on brand loyalty.

Conclusion: The conclusion this research are there is a positive influence of social media marketing on purchase intention and brand loyalty also there is a positive influence between purchase intention and brand loyalty.

Key Word: Digitalization, Digital marketing, Social Media Marketing, Purchase Intention, Brand Loyalty.

Date of Submission: 08-07-2022

Date of Acceptance: 22-07-2022

I. Introduction

There are many gold shops jewelry in Indonesia. In Indonesia, gold shops are spread over various areas of big cities and small cities. The gold shop serves to buy and sell transactions and pawn gold. Buyers can buy gold as a long-term investment tool or it can also be used as jewelry accessories. The purchase intention of gold buyers from 2020 to 2021 tends to rise that because revenue jewelry in 2021 has increased by 1,823 in million USD. Also According to the owner of the gold shop, the purchase of gold jewelry from residents increased by 20-30 percent during the PPKM period. Residents admitted, selling the gold jewelry to meet economic needs in the midst of the Covid-19 pandemic [1]. According data from Statista[2], Indonesia is in sixth place social media penetration in Southeast Asia as of January 2021 with 61.8%. According data from We are social and hootsuite [3] the most prominent social media platform in 2021 were Facebook (2,895), Youtube (2,291), WhatsApp (2,000), Instagram (1,393), and FB Messenger (1,300) ranks at the top of the use of social media platforms.

Many customers at Sinar Mas gold shop use Facebook, Instagram and WhatsApp. Because the reason of that, it can be investigate while the phenomenon is in other gold shops there is increase in gold sales. To be able to increase purchase intention, Sinar Mas gold shops need to promote through social media through Instagram, WhatsApp and Facebook platforms to increase buying interest at Sinar Mas gold shops.

II. Material And Methods

The variables used in this study are Social media marketing, Purchase Intention and Brand Loyalty.

Study Design: observational study.

Study Location: Located in Indonesia.

Study Duration: October 2021 July 2022.

Sample size: 400 respondent

Sample size calculation: Because the number of populations in this study is not clearly known, the sampling technique used is the Bernoulli method, where the formula uses the proportions of the population. the number of samples taken using a 95% confidence level, it can be obtained a Z value of 1.96. With an error rate of 5% and the probability of each is 0.5. The result of calculating the minimum sample using Bernoulli formula is 384,16 and can be rounded up to 400, meaning that the sample in this study is 400 respondents.

Subjects & selection method: The population in this study are the people who know Sinar Mas Gold shop in social media Instagram, WhatsApp and Facebook.

Inclusion criteria:

1. Internet active user
2. Social media users
3. Follow one of the Sinar Mas gold shop social media accounts
4. Have bought gold jewelry at least once

Procedure methodology

This Research using questionnaire method retrieval of respondent data using Google form. In the questionnaire there are screening question data, the demographics of each respondent, and questions from the three variables to be tested. Variable social media marketing has five subvariables according to the entertainment, interaction, trendliness, customization, electronic word of mouth [4]. The purchase intention variable according to Priansa [5] is divided into four subvariables, namely transactional, referential, preferential and explorative. While the brand loyalty variable is divided according to Aaker [6] divided into five subvariables, namely satisfaction, habitual behavior, commitment, liking the brand and switching costs. After that the data will be processed with descriptive analysis and partial least square using Smart PLS 3.0.

Statistical analysis

Data was analyzed using Smart PLS 3.0. The level $P < 0.05$ was considered as the cutoff value or significance. In this case, the value of t-statistics (t_o) is compared with the value of t-table (t_α) which has the following values:

- a. If the value $t_o > t_\alpha$, then H_0 is rejected and H_1 is accepted.
- b. If the value $t_o < t_\alpha$, then H_0 is accepted and H_1 is rejected.

Calculating the t-table (t_α) the provisions are the alpha value (α) of 0.05 and the degree of freedom (DF) of the amount of data, $(n) - 2$. Then the t_o obtained in this study is:

$$\begin{aligned} Df &= n-2 \\ &= 400-2 \\ &= 398 \end{aligned}$$

After determining the value of alpha and degree of freedom, we get a t-table of 1.96.

Below are the provisions for the acceptance of the hypothesis in this study:

H1: Social media marketing has a positive effect on purchase intention.

H0: Social media marketing has no positive effect on purchase intention

H2 : Social media marketing has a positive effect on brand loyalty.

H0 : Social media marketing has no positive effect on brand loyalty.

H3: Purchase intention has a positive effect on brand loyalty

H0 : Purchase intention has no positive effect on brand loyalty.

III. Result

Descriptive Analysis

Descriptive analysis in this study was used to determine the description of 400 respondents of Sinarmas gold shop on social media marketing variables on purchase intention and brand loyalty. Below this are the results of the descriptive analysis recapitulation:

Table no 1: National Descriptive Analysis Result

No	Variable	Total Score
1.	SMM	81.7%
2.	PI	88.5%
3.	BL	87.8%

Inner Model Measurement

a. Convergent Validity

Table no2: Convergent Validity

Variable	Indicator	Loading Factor	Description
Social Media Marketing	SMM1	0.797	VALID
	SMM2	0.792	VALID
	SMM3	0.815	VALID
	SMM4	0.785	VALID
	SMM5	0.842	VALID
	SMM6	0.832	VALID
	SMM7	0.784	VALID
	SMM8	0.819	VALID
	SMM9	0.821	VALID
	SMM10	0.776	VALID
	SMM11	0.700	VALID
Purchase Intention	PI1	0.884	VALID
	PI2	0.874	VALID
	PI3	0.878	VALID
	PI4	0.876	VALID
Brand Loyalty	BL1	0.879	VALID
	BL 2	0.892	VALID
	BL 3	0.877	VALID
	BL 4	0.882	VALID
	BL 5	0.826	VALID

Table no 3: AVE Value

No	Variable	Average Variance Extracted (AVE)
1.	Social Media Marketing	0.760
2.	Purchase Intention	0.771
3.	Brand Loyalty	0.636

Based on the table the AVE value of three variables, namely social media marketing, purchase intention and brand loyalty >0.5. It can be said that the results of these values can meet the criteria for convergent validity values.

b. Discriminant Validity

Table no 4: Cross Loading

Cross Loading	Brand Loyalty	Purchase Intention	Social Media Marketing
BL1	0.879	0.767	0.650
BL2	0.892	0.728	0.628
BL3	0.877	0.698	0.572
BL4	0.882	0.747	0.586
BL5	0.826	0.651	0.560
PI1	0.714	0.884	0.709
PI2	0.677	0.876	0.629

PI3	0.769	0.878	0.680
PI4	0.735	0.876	0.667
SMM1	0.545	0.612	0.797
SMM2	0.579	0.637	0.792
SMM3	0.605	0.666	0.815
SMM4	0.550	0.596	0.785
SMM5	0.571	0.646	0.842
SMM6	0.570	0.632	0.832
SMM7	0.529	0.594	0.784
SMM8	0.542	0.599	0.819
SMM9	0.558	0.639	0.821
SMM10	0.480	0.557	0.776
SMM11	0.500	0.522	0.700

Table no 5:Discriminant Validity

Variable	Brand Loyalty	Purchase Intention	Social Media Marketing
Brand Loyalty	0.872		
Purchase Intention	0.826	0.878	
Social Media Marketing	0.689	0.766	0.798

Based on table 5 it can be said that the Brand Loyalty variable has an AVE root value which is greater than the root correlation value with a value of 0.872 as well as the Purchase Intention variable with a value of 0.878 and the Social Media Marketing variable with a value of 0.798. According to Indrawati (2015) to meet the discriminant validity test is if the variables are not predicted to be constructively highly correlated. The way to test discriminant validity is that the root of the AVE value must be greater than the root of the correlation value. This is done by comparing the root of the AVE value of the two constructs with the correlation value between the two constructs.

c. Composite Reability

Table no 6:Composite Reability

Variable	Cronbach's Alpha	Composite Reliability
Social Media Marketing	0.943	0.940
Purchase Intention	0.901	0.931
Brand Loyalty	0.921	0.950

Based on table 4.8 it can be concluded that each variable has a Composite Reliability value and Chronbach's Alpha > 0.7. So, it can be said that the questionnaire distributed in this research meet the reliability criteria.

Inner Model Measurement

a. R Square Score

Table no 7:R Square

	R Square
Brand Loyalty	0.690
Purchase Intention	0.586

Table 7 the value of r square brand loyalty is explained by buying interest and social media marketing of 0.690 or 69% and this value is included in the strong category. The value of r square owned by buying interest is explained along with social media marketing of 0.586 or 58.6% and r square of buying interest is included in the moderate category. The value of r square is closer to 1, the better. After looking at the percentage of constructs in the variables simultaneously, path coefficients can assess the structural model relationships, which represent hypotheses between constructs. The commonly used value for the t-statistic test is 1.65 for a significance level of 5%.

b. Path Coefficient

Table no 8:Path Coefficient

	Original Sample	Mean	Standard Deviation	T Statistic	P Value
SMM -> PI	0.766	0.768	0.040	19.208	0.000
SMM -> BL	0.137	0.138	0.056	2.426	0.016
PI-> BL	0.721	0.721	0.052	13.862	0.000

It can be said that the t-statistic value > 1.96 then the t-statistic value has a positive effect on the variable. So the discussion is as follows:

- Original value of SMM sample to PI is 0.766 and t statistic is 19.208 > t table (1.96) with P value 0.000 < 0.05 so the hypothesis is accepted. This means that there is an influence between Social Media Marketing on Purchase Intention.
- Original value of SMM sample to BL is 0.137 and t statistic is 2.426 > t table (1.96) with P value 0.016 < 0.05 so the hypothesis is accepted. This means that there is an influence between Social Media Marketing on Brand Loyalty.
- Original sample value of PI to BL is 0.721 and t statistic is 12.862 > t table (1.96) with P value 0.000 < 0.05 so the hypothesis is accepted. This means that there is an influence between Purchase Intention to Brand Loyalty.

c. Q Square

Table no 8: Q Square

	Q ²
Brand Loyalty	0.519
Purchase Intention	0.447

It can be seen that the Q² value for the Brand loyalty variable is 0.519 or 51.9%, and with the purchase intention Q² variable obtained at 0.447 or 44.7% it can be said that the social media marketing and brand loyalty variables have a fit model, meaning the model has predictive relevance.

Hypothesis Test

Table no 9:Hypothesis Test

	Path Coefficient	T Statistic	P Value
SMM -> PI	0.766	19.208	0.000
SMM -> BL	0.137	2.426	0.016
PI-> BL	0.721	13.862	0.000

The influence of social media marketing on purchase intention t value 19.208 > t table (1.96) means that the hypothesis is accepted, so there is an influence between social media marketing on purchase intention. The effect of social media marketing on brand loyalty t value 2.426 > t table (1.96) meaning that the hypothesis is accepted so there is an influence between social media marketing on brand loyalty. The effect of purchase intention on brand loyalty t value 13.862 > t table (1.96) meaning that the hypothesis is accepted so there is an influence between purchase intention on brand loyalty.

IV. Discussion

Based on the results obtained from the previous descriptive analysis of three variables, namely Social Media Marketing, Purchase Intention and Brand Loyalty, it can be seen that these variables are in the good and very good categories. These results are the average of the question items using a questionnaire distributed to respondents.

Variable social media has an average value of 81.7% which can be categorized as "good". The highest score is on the question item SMM7, namely "Jewelry products displayed on the Sinar Mas social media brand page are the ones that are always updated" at 90.7%, this means that displays containing Sinarmas gold shop jewelry product content are content that follows the times or always update. However, there is a low question item with a score of 86.2% on the SMM7 item, namely "I want to upload content from Sinar Mas social media on my social media" which means that people are less interested in re-uploading content from Sinarmas social media on social media. Social respondents or potential buyers. For this reason, the SinarMas gold shop should carry out an evaluation in order to provide even more interesting content.

The Purchase Intention variable has an average value of 88.5% which can be said to be in the "very good" category with the highest item PI1 with a score of 89% "I will buy jewelry products from the Sinar Mas gold shop" it can be said that respondents are interested in buying jewelry products at Sinarmas gold shop. In

PI3 with a score of 87.7%, namely "I am interested in using jewelry products from Sinarmas gold shops as the main preference" it can be interpreted that respondents are less interested in making Sinarmas gold shop jewelry products the first choice. In this case, the preferential dimension is corrected so that respondents or potential buyers want to make products from the Sinarmas gold shop the main preference in buying interest.

Variable brand loyalty has an average value of 87.8% which is categorized as very good. With the highest score on item BL4 with a score of 89.5% "I like the Sinar Mas gold shop brand" it can be interpreted that the respondent likes the Sinarmas gold shop brand. The lowest value was found in item BL5 with a value of 86.4% "For my next purchase, I am willing to buy gold jewelry products by paying more at the Sinar Mas gold shop than other stores" which means that the sub variable switching cost has a low value because respondents are less interested to pay more for the purchase of jewelry products at the Sinarmas gold shop. Therefore it is necessary to improve closer relationships by providing membership and giving gifts to customers who have purchased.

Discussion of Social Media Marketing on Purchase Intention

Based on the results of the previous data processing, it can be seen that social media marketing has a positive effect on Purchase Intention, this is because H0 is rejected while H1 is accepted. This opinion is in line with previous research (Laksamana, 2018)[4] that social media has an effect on Purchase Intention. Thus it can be said that if Social Media Marketing is increased at the Sinarmas gold shop, it will increase buying interest by 0.766 or 76.6% and also in table 4.9 the results of R square are 58.6 which can be said that Purchase Intention is explained by Social Media Marketing. The results of this discussion are also supported by previous research (Almohaimmed, 2019)[7] that social media marketing has a significant effect on purchase intention.

Discussion of Social Media Marketing on Brand Loyalty

Based on the results of the previous data processing, it can be seen that Social Media Marketing has a positive effect on Brand Loyalty, this is because H0 is rejected while H1 is accepted. This opinion is in line with previous research (Laksamana, 2018)[4] social media marketing has an effect on brand loyalty. Thus it can be said that if social media marketing is increased at the Sinarmas gold shop, it will increase brand loyalty by 0.137 or 13.7% and also in table 4.9 the results of R square are 0.690 which can be said that brand loyalty is explained by social media marketing. The results of this research are also supported by previous research (BİLGİN, 2018)[8] that social media marketing has a significant effect on brand loyalty.

Discussion of Purchase Intention on Brand Loyalty

Based on the results of the previous data processing, it can be seen that Purchase Intention has a positive effect on Brand Loyalty, this is because H0 is rejected while H1 is accepted. This opinion is in line with previous research (Laksamana, 2018)[4] and (Laksamana, 2020)[9] purchase intention has an effect on brand loyalty. Thus it can be said that if purchase intention is increased at the Sinarmas gold shop, it will increase brand loyalty by 0.721 or 72.1%.

V. Conclusion

The results of hypothesis testing can be concluded that Social Media has a positive effect on the Purchase Intention variable with a t statistic of 19.208 which is greater than the t-table of 1.96. Social Media has a positive effect on the Brand Loyalty variable with the t statistic value of 2.426 which is greater than the t-table of 1.96. Purchase has a positive effect on the Brand Loyalty variable with the t statistic value of 13.862 which is greater than the t-table of 1.96.

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