The Influence of Social Media Marketing Activity and Social Media Influencers on Instagram on Purchase Intention at Fashion Brand X in Indonesia

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Abstract. With the rapid development of the digital world, social media has become one of the means to carry out marketing activities. Social Media Marketing Activity (SMMA) and social media influencer are expected to be able to influence consumer buying interest in brands. This study aims to examine the influence and the significance of SMMA and social media influencers on Instagram to the purchase intention of Brand X. This research used quantitative method and purposive sampling method was used to collect the data. The data was analyzed with SmartPLS to examine the relationship between variables. The results of the study indicate that SMMA has a significant effect on purchase intention both directly and indirectly, while social media influencers have a significant effect on purchase intention directly but do not indirectly. Results of this study are expected to help fashion brand X to prioritize their online marketing activities on Instagram.

Keywords: Social Media Marketing Activity, Social Media Influencer, Purchase Intention, Brand Equity, e-WOM

1 Introduction

The development of internet technology and online marketplaces in Indonesia have shift consumer behavior from only making offline purchases to online purchases. According to the survey that was conducted by Jakpat in 2019, 60.5% of respondents prefer to shop online rather than offline due to the speed and efficiency of the transactions, as well as its cheaper price compared to the offline store [1]. One of the business that needs to adapt is fashion brand X. Fashion brand X started as an offline store and focus on selling woman’s clothing, then in 2016 the brand started to sell their products in their website, Tokopedia and Shopee. According to a report from Hootsuite in 2020, fashion category has the most transactions in e-commerce in Indonesia that reached 4.79 billion dollars in 2019 [2]. Thus from this data, fashion brand X has adapt to the right platform to sell their products.

Because of the pandemic, brand X only can utilize their online store due to the government regulation to shut down their offline store. Because of that, brand X also need to changed the way they market and advertise their products, from only offline marketing activities to online marketing activities by using social media platform Instagram. According to the Data from Ministry of Tourism and Creative Economy of th Republic of Indonesia, social media is the main source of e-commerce beating television advertisement in 2019 [3]. Furthurmore report from Hootsuite also shows that in January 2020, Instagram was the 3rd mobile app with the most active users in Indonesia, and the users keep rising [2]. Thus brand X has chosen one of the optimal platform to market their products.

So far, brand X has utilized Instagram to market their products by creating content in Instagram feed, Instagram stories, as well as using influencers to endorse their products.
Although brand X has used online e-commerce and Instagram to market their products, their online sales were far less compared to their offline sales which was only 28 to 40 million rupiah or 7-10% of their total monthly sales of 400 million rupiah. Brand X also puzzled on which online marketing activities that they need to focus on that can drive their sales. The aims of this research are to study the influence and the significance of SMMA and social media influencers toward purchase intention both directly and indirectly with the double mediation of brand equity as well as Electronic Word of Mouth (E-WOM). This study is made to help brand X decide which online marketing approach work best to improve their customer’s purchase intention and sales in the online store. Thus brand X can adapt and thrive in the pandemic era which limit their offline store opening and help them to improve their online sales. The variable of social media influencers is used with the SMMA to further study the comparison of both approach towards purchase intention since in previous study, the significance of both variables were never compared. This paper is expected to be the guidelines for brand X to decide their future marketing campaign that can drive the most customer’s purchase intention.

2 Literature Review

2.1 Digital Marketing
Marketing can be defined as set of activities, institutions and processes to create, communicate, deliver as well as exchanging values between parties [4]. Marketing includes the activities of advertising, selling, and delivering products or services to consumers or other businesses [5]. Digital marketing can be defined as marketing activities of product or services by using digital media. Digital media that can be used are social media, website, email, etc [6].

2.2 Brand Equity
Brand equity can be defined as a set of assets (brand, name, and symbol) that can reduce or add value to products and services. Brand equity can be reflected in what consumers do, think, and feel, as well as the level of consumer pride in using a brand [5]. The dimension of brand loyalty is found in brand equity because consumer satisfaction has an effect on consumer loyalty to the brand. If the consumer is not satisfied, the consumer will look for another brand [3]. Brand loyalty can be defined as a combination of attitudes, emotions and consumer behavior to continue to buy a brand from previous experiences [7].

2.3 Social Media Marketing Activity
Social media can be defined as an online platform that can facilitate collaboration, interaction and sharing of content [3]. Social Media Marketing Activity (SMMA) can be defined as an online marketing activity on social media that aims to increase brand exposure, expand consumer reach and create closeness between businesses and consumers [8]. SMMA can be classified to several characteristics which are entertainment, interaction, trendy, customization and word of mouth [3].

2.4 Electronic Word of Mouth (E-WOM)
Electronic Word of Mouth (E-WOM) can be defined as a positive or negative statement told by past, present, or future customers about a product or company, and can be viewed online [9]. E-WOM can be divided into 4 dimensions, which are Intensity, Positive Valance, Negative Valance and Content. Intensity is the number of opinions or opinions written by consumers on social media sites. Positive Valance and negative valence are part of the Valance of Opinion, this is a consumer's positive and negative opinion about a product or service. Positive Valence describes positive comments from consumers, while negative valence describes negative
comments from consumers. Negative comments usually arise because of dissatisfaction when using the services or products provided by the brand [10].

2.5 Purchase Intention

Intention can be defined as behavior that encourages people to do something [11]. While Purchase intention can be defined as the combination of consumer interest and the possibility of buying a product or service [3].

2.6 Influencer Marketing

Social media influencers can be defined as individuals who actively use social media accounts as well as creating content on certain topics [12]. Social media influencers usually use a product that fits their lifestyle, and provide product reviews on their social media accounts. An influencer can influence consumer attitudes and behavior to encourage them to buy the products they endorse [13]. Influencer marketing defined as marketing activities that focus on leveraging individuals who have influence over potential buyers and orienting marketing activities around these individuals to be able to spread the message of the brand to the target market. Thus in influencer marketing, marketing activities are not carried out directly to consumers, but through influencers (can be celebrities, content creators, etc.) to convey marketing messages [4].

2.7 Conceptual Framework and Research Hypothesis

With SMMA, consumer can actively participate and communicate with the brands in social media. With the active participation of consumers it greatly impact on the way consumers think and behave towards a brand compared to unidirectional communication [9]. Previous research that has been conducted showed that there was an positive and significant influence between SMMA towards brand equity in the ready-to-drink tea industry and luxury fashion brands [9]. Therefore the first hypothesis is:

H1: SMMA has a positive and significant effect towards brand equity.

Social media influencer marketing practices can result in a positive connection with brand image. Thus having a positive influence with the brand image can also impact on brand equity because brand image is an important aspect of brand equity [14]. Previous research conducted showed that there is a positive influence between Social Media Influencers and Brand Image [15]. Therefore the second hypothesis is:

H2: Social media influencer has a positive and significant effect towards brand equity.

By using social media, companies can easily and quickly interact with consumers. Because of this, consumer participation in social media can have a positive effect on the company [9]. Previous research conducted shows that brand equity increases e-WOM [3]. Therefore the third hypothesis is:

H3: Brand equity has a positive and significan effect towards e-WOM.

E-WOM is one of the reasons that affect consumers when making buying decisions. Previous Research conducted shows that e-WOM is a tool used by consumers to find information about the quality of products or services in a brand [16]. Another previous research conducted by shows that there is a positive influence between e-WOM on Purchase Intention [9]. Therefore the fourth hypothesis is:

H4: E-WOM has a positive and significant effect towards Purchase Intention
With the advancement of internet technology, brands are starting to use social media as a means of communication, sales and to establish relationships with customers. Social media from the consumer's perspective is also considered to be more honest because it communicates the brand as it is [9]. This interaction can have a positive effect on the brand and increase purchase intention in consumers [17]. According to previous research social media marketing activity has a positive effect on purchase intention [3]. Therefore the fifth hypothesis is:

**H5:** Social media marketing activity has a positive and significant effect towards Purchase Intention.

From previous research conducted there was no effect between social media influencers towards purchase intention [15]. However, social media influencers can influence consumer attitudes and behavior to encourage them to buy the products they endorse. This can happen since they have an influence over potential buyers and brand can orient their marketing activities in the individual [13]. Therefore the sixth hypothesis is:

**H6:** Social Media Influencers has a positive and significant effect towards Purchase Intention.

### 2.9 Research Model

This research model was adopted from two previous research model, that study the effect of SMMA towards purchase intention and the effect of social media influencer towards purchase intention [3] [15]. The two research models were then combined to make this research model, in order to examine the influence of social media marketing activity (SMMA) and social media influencers on purchase intention directly and indirectly with dual mediation of brand equity and e-WOM. The research model can be seen in Figure 1.

![Research Model](image)

**Fig 1.** Research Model (Modified from [15] [3])

### 3 Methodology and Data Analysis

Quantitative method are used to examine the hypotheses in this research. This research uses questionnaire that is distributed online to collected the data. The minimum number of sample in this research is 120 respondents (24 indicators x 5) [18]. This study used purposive sampling to collect the data. The researcher managed to collect 128 respondents. The criterias for respondents who can fill out the questionnaire are the respondent who have been a follower of the Instagram fashion brand X, and had been a follower of the fashion brand X for more than 1 month. Likert scale is used to measure all of the variables ranging from 1 (strongly disagree), 2 (disagree), 3 (neutral), 4 (agree), and 5 (strongly agree). Analysis that will be used are inner model and outer model overall fit test that includes convergent validity, discriminant validity,
composite reliability, significance of weight, multicollinearity test, coefficient of determination, and hypothesis test by utilizing SmartPLS 3.0.

4 Research Result and Discussion
4.1 Outer Model Overall Fit Test

From the 128 respondents collected, 87% are male while 13% are female, the majority of respondents is in the age group of 25 - 34 years old, working in private sector as an employee, spend 30 minutes to 2 hours of using Instagram in a day, purchase *fashion product* once a month, and follow more than 3 fashion brand accounts in Instagram. The analysis of convergent validity, discriminant validity, square root of AVE and composite reliability can be seen from table 1, table 2, table 3, and table 4 below.

<table>
<thead>
<tr>
<th>Table 1. Convergent Validity Test Results</th>
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<tbody>
<tr>
<td>Variabel</td>
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<td>------------------------------------------</td>
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<td><strong>Social Media Marketing Activity</strong></td>
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<td><strong>Brand Equity</strong></td>
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<td><strong>Electronic Word of Mouth</strong></td>
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<tr>
<td><strong>Social Media Influencer</strong></td>
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<table>
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<tr>
<th>Table 2. Discriminant Validity Test Results</th>
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<td>BE1</td>
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<td>BE2</td>
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<td>BE4</td>
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<td>BE5</td>
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<td>BE6</td>
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<tr>
<td>PI1</td>
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<td>PI2</td>
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</table>
It can be seen from the tables above, the value of loading factor in convergent validity > 0.6, the cross loading factor value on the intended construct is greater than the other constructs, the square root of AVE for each variable is greater than the relationship with other variables, and the value of composite reliability > 0.7. Thus it can be stated that all of the indicators used for model are valid and reliable.

4.2 Inner Model Overall Fit Test

Analysis of R-square value and multicollinearity test were conducted and the results are presented in Table 5 and Table 6.
It can be concluded from Table 5 that the influence of social media marketing activity and social media influencers is moderate at 45.7%, the influence of brand equity on e-wom is moderate at 52.8%, and the influence of SMMA, social media influencers and e-wom is also moderate at 67%.

It can be seen from Table 6 that all the VIF value is lower than 5, thus multicollinearity does not happen in this research.

4.3 Hypothesis Test

Hypothesis testing is done by examining the results of the analysis of r-square, p-values and t-statistics inner model. The result of bootstrapping test can be seen in Figure 2, while the result of T-Statistic can be seen in Figure 3, and the direct path coefficient as well as indirect path coefficient result can be seen in Table 7 and Table 8.

Fig 2. Value of Path Coefficient Bootstrapping Result
Table 7. Direct Path Coefficient Result

<table>
<thead>
<tr>
<th>No</th>
<th>Hipotesis</th>
<th>T-Value (&gt;1.96)</th>
<th>P-Value (&lt;0.05)</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>SMMA → BE</td>
<td>6.997</td>
<td>0.000</td>
<td>Positive and significant</td>
</tr>
<tr>
<td>2</td>
<td>SI → BE</td>
<td>0.504</td>
<td>0.614</td>
<td>Not significant</td>
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<tr>
<td>3</td>
<td>BE → WOM</td>
<td>16.119</td>
<td>0.000</td>
<td>Positive and significant</td>
</tr>
<tr>
<td>4</td>
<td>WOM → PI</td>
<td>4.228</td>
<td>0.000</td>
<td>Positive and significant</td>
</tr>
<tr>
<td>5</td>
<td>SMM → PI</td>
<td>2.528</td>
<td>0.012</td>
<td>Positive and significant</td>
</tr>
<tr>
<td>6</td>
<td>SI → PI</td>
<td>4.258</td>
<td>0.000</td>
<td>Positive and significant</td>
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</tbody>
</table>

Table 8. Indirect Path Coefficient Result

<table>
<thead>
<tr>
<th>No</th>
<th>Indirect Effect</th>
<th>T-Value (&gt;1.96)</th>
<th>P-Value (&lt;0.05)</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>SMM → BE → WOM → PI</td>
<td>6.166</td>
<td>0.000</td>
<td>Positive and significant</td>
</tr>
<tr>
<td>2</td>
<td>SI → BE → WOM → PI</td>
<td>0.458</td>
<td>0.647</td>
<td>Not significant</td>
</tr>
<tr>
<td>3</td>
<td>BE → WOM → PI</td>
<td>3.780</td>
<td>0.000</td>
<td>Positive and significant</td>
</tr>
</tbody>
</table>

4.4 Discussion

4.4.1 The Effect Social Media Marketing Activity Towards Brand Equity

The result of T-Value of this relationship is 6.997 with a P-value of 0.000. Thus from this study, the first hypothesis which states "social media marketing activity has a positive and significant effect on brand equity" is accepted. These results are in accordance with previous research which showed that there was an influence between social media marketing activity on brand equity in the ready-to-drink tea industry [9]. In the study, it was explained that with a
social media approach, consumers can know more about the brand interactively, so that this can increase the brand equity of the brand. From these findings, it can be concluded that the social media marketing activity carried out on Instagram is an important factor in building the brand equity of the fashion brand X. Thus Instagram followers of brand X feel that the existence of social media marketing activities are interesting, informative, and trendy, making them more aware of the brand, knowing its characteristics and helping to create a positive perception of the brand.

4.4.2 The Effect of Social Media Influencer Towards Brand Equity
The result of T-Value of this relationship is 0.504 with a P-value of 0.614. Thus from this study, the second hypothesis states "Social media influencers have a positive and significant influence on brand equity." is rejected. The results of this study are not in accordance with the results of previous studies where there is a positive influence between Social Media Influencers and Brand Image [15]. From these findings, it can be interpreted that for brand X Instagram followers, social media influencer is not an important factor to build brand equity in brand X. Thus Instagram followers of brand X does not depend on the presence or absence of social media influencers to assess the brand equity of a brand.

4.4.3 The Effect of Brand Equity Towards e-WOM
The result of T-Value of this relationship is 16.119 with a P-value of 0.000. Thus from this study, the third hypothesis which states "Brand equity has a positive and significant influence on e-WOM" is accepted. The results of this study are in accordance with previous research where there is a positive influence between brand equity and e-WOM [9]. From these findings, it can be interpreted that for brand X Instagram followers, brand equity is an important factor in encouraging online conversations about fashion brand X. Thus Instagram followers of brand X feel that positive brand equity can encourage them to talk more about fashion brand X, feel proud when using products from that brand, and often discuss positive things from this brand with others.

4.4.4 The Effect of Online Convenience on Online Customer Satisfaction
The result of T-Value of this relationship is 4.228 with a P-value of 0.000. Thus from this study, the fourth hypothesis which states "e-WOM has a positive and significant influence on purchase intention" is accepted. The results of this study are in line with previous research conducted which showed that e-WOM is a tool used by consumers to find information about the quality of products or services on a brand before buying [19], as well as other previous research that showed there is a positive influence between e-WOM on Purchase Intention [9]. From these findings, it can be interpreted that for brand X Instagram followers, e-WOM is an important factor in growing product purchase intentions from fashion brand X. Thus Instagram followers of brand X feel with positive e-WOM, they will be more motivated to buy their products. This can happen because e-WOM is one of the sources of information used by potential consumers to decide whether they will buy the product or not.

4.4.5 The Effect of Social Media Marketing Activity Towards Purchase Intention
The result of T-Value in this relationship is 2.528 with a P-value of 0.012 for direct path, while for the indirect path the T-Value is 6.166 with a P-value of 0. Thus from this study, the fourth hypothesis which states "Social media marketing activity has a positive and significant influence on purchase intention" is accepted. These results are in line with previous research conducted where social media marketing activity has a positive effect on purchase intention
Thus it can be concluded that social media marketing activity can effect purchase intention from consumers directly or indirectly. This can happen because social media platforms are considered more honest to communicate the brand as it is [9]. Furthermore with social media marketing activity, interaction between brands and consumers can occur more easily so that it has a positive effect on the brand and increases purchase intention of consumers [21].

4.3.6 The Effect of Social Media Influencer Towards Purchase Intention

The result of T-Value in this relationship is 4.258 with a P-value of 0.000 for direct path, while for the indirect path the T-Value is 0.458 with a P-value of 0.647. Thus from this study, the fourth hypothesis which states “Social media influencers have a positive and significant influence on purchase intention” is accepted. The results of this study are not in accordance with previous research conducted where there is no influence between social media influencers on purchase intention [15]. However, this result is in line with the literacy where social media influencers can encourage consumers to buy the products they endorse [13]. From these findings, it can be interpreted that for brand X Instagram followers, social media influencers are an important factor in growing their purchase intention. Thus Instagram followers of brand X feel that social media influencers are a source of information for potential consumers to buy X fashion brand products. This can happen since social media influencer can influence consumer attitudes and behavior to encourage them to buy the products they endorse or review [13].

5 Conclusion, Implication, and Suggestion for Future Research

From the findings above, it can be concluded that (1) SMMA has a positive and significant effect towards brand equity. (2) Social media influencer does not have a significant effect towards brand equity (3) Brand equity has a positive and significant effect towards e-WOM. (4) e-WOM has a positive and significant effect towards purchase intention. (5) SMMA has a positive and significant effect towards purchase intention both directly and indirectly. (6) Social Media Influencer has a positive and significant effect on purchase intention directly but not indirectly.

There are several managerial implications that can be utilized by Fashion brand X. First, to increase Brand Equity by Social Media Marketing activity, brand X can increase the intensity of Instagram Feed and Instagram Story content posting activities that encourage people to interact with the content. Some of the features that can be used to create interactive Instagram stories are poll, quiz, and “Ask me a question” feature. By increasing the intensity of interactive post content activities on Instagram feeds and stories, followers of fashion brand X will interact more often and be exposed to updates, products and information about fashion brand X. By increasing the intensity of interaction and exposure to brand X content on Instagram, people will remember the characteristics of the brand more so that it will increase the brand equity of brand X. Second, to increase purchase intention through influencers, brand X can collaborate with influencers who have audience that are similar with brand X target audience. With this collaboration, influencers can endorse brand X products to their followers by creating Instagram contents. The content that can be created are about fashion trends and product review. With this collaboration, brand X can carry out soft selling of its products, and it can influence their buying decision. Third, to increase purchase intention through SMMA, brand X can use the Instagram shopping feature to market its products on Instagram. By using the Instagram shopping feature, the brand X can create a storefront on Instagram so that consumers can directly shop on Instagram when viewing the brand X Instagram feed.

This research has its own limitations such as the number of respondents as well as it is limited to fashion brand X. Thus, further research can expand the number of respondents can be
carried out with different industries so that it can be applicable across other industries. Since this research was conducted specifically for fashion brand X, further research can be carried out to represent fashion industry in certain categories, such as shoes, jewelry, etc.

6 Reference


