The Influence of Social Media’s Marketing Activity on Local Brand Equity and Consumer Response: Using Mix Method Approach

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Abstract---Social media advertising currently has an impactful influence on the customer response toward a brand or a product. Marketing activities that occur on the brand’s social media sites are also the main reason for generating brand equity and influencing customer response. The followers that are included on the social media sites of the brand are the customers that follow the latest information about the brand’s product, price, and promotion. Consumers look for information about specific brands on these social media sites, especially Indonesian local brands. Furthermore, these websites have a great influence on consumers’ purchasing intentions. The purpose of this research is to analyze the impact of social media marketing campaigns (SMMA) on consumer response (CR) through brand equity (BE). and analyze what type of content is shared and preferred by social media users. This study uses a mixed-method approach by using Explanatory Design. This study showed there is a positive relationship between SMMA towards CR. BE has the influence of mediation for SMMA and CR. The study also showed that value proposition branding on a social media advertisement properly could improve the consumer response. The results of this research can be used as basic data for local branding marketing strategies, especially by investigating the relative importance of each component of social media advertising and considering the impact of customer response to purchase intentions.

Keywords---customer, local brand equity, social media marketing.
Introduction

In the last decade, there has been a huge transformation in social media marketing. Social media has developed into the modus operandi of the 21st century. Due to the technology change and built on the foundation of Web 2.0, social networking applications have facilitated a significant increase in human interaction, especially in modern times. Marketing strategy through social media canals is considered an inevitable necessity and changes in social media websites are evident in this digital age. For nearly two decades, to promote brands, social media platforms (e.g., Facebook, Twitter) have been progressively being used by the marketers in the industry to create a great influence on their consumers’ response to a brand or a product. Sehar et al. (2019), said brand marketing activities on social media are the main reason for creating brand equity and changing customer response. The followers of the brands on these social media sites are the customers that follow the latest information regarding the brand. In addition, social media is also a relatively inexpensive platform for companies to use and implement marketing activities (Bansal et al., 2014).

Improving visibility on the Internet and the ability to promote products and services is one of the uses of social media marketing on social media sites. When it comes to building social as well as business networks, platforms such as Instagram, Facebook, Twitter, etc are considered to be useful. Not only that social media marketing provides corporate a way to build a bridge between themselves and the customers, but it also gives them a way to exchange ideas, information, and knowledge (Hollebeek, 2011; Hollebeek & Macky, 2019). Speaking methods, there is no doubt that social media marketing and conventional marketing use a different approach. Attracting and engaging new customers toward a platform that allows a high level of realism is a way to shift from the conventional media to the new one. Through interactivity, the new media (e.g., social media) managed to utilize the level of realism. The key feature of all new media platforms is the level of interactivity that is exerted by social media. And not only that it changes the way messages are being delivered, but it also influences their opinions and attitude. Carrying interactivity features that determines the extent, social media uses and controls the form and content of the communication interface.. Furthermore, they also manage the information by filtering or creating original content (Hilary & Dumebi, 2021; Alsalami & Al-Zaman, 2021).

Social media marketing is a form of digital marketing through the internet that is implemented in various social networks to achieve the goal of marketing communication through social brands, which activities to share content, videos, and images for marketing purposes (Kaur, 2016). As a marketing tool, social media marketing is a form of online marketing that uses social media. According to Kim & Ko (2012), they showed that to develop demand and potential consumers to buy on the brand, social media marketing activity is the main source cause its setting creates Brand Equity in the consumer’s mind. Encouraging the purchase of a product on a particular brand will increase the effectiveness of the marketing activities. Furthermore, a positive consumer intention close to marketing tactics is what constitutes Consumer Response.
Previous research on Social Marketing, Customer Response, and Brand equity showed digitalization. The research of Sehar et al. (2019), entitled “The Influence of Social Media’s Marketing Efforts on Brand Equity and Consumer Response”, researches various local brand products and various social media. From there, it demonstrates that there is a significant positive correlation between SMEs, consumer behavior, and brand equity. In addition, it also shows that brands can improve their relationships with consumers by using social media platforms. As a general concept that encompasses five aspects (entertainment, interaction, fashion, personalization, and word of mouth), Godey’s research succeeded in demonstrating the link between social media marketing efforts and their consequences (brand preference, number one, price, quality, and loyalty) and the social media research measures brand marketing efforts. It also contributed to the fact that MSMEs have a significant positive impact on brand equity and the main dimensions of brand equity (including brand image and brand awareness) (Godey et al., 2016).

Seo & Park (2018), investigated the impact of Social Media Marketing Campaigns (SMMA) on Aviation Industry Brand Equity and Customer Response. The results showed that the airline’s SMMA has a significant impact on brand awareness and brand image, stating that fashion is the most important. Important elements of social media marketing activities the airline’s SMMA has a significant impact on brand awareness and brand image and stated that fashion is the most important thing. In addition, the results also show that brand image significantly affects word of mouth, engagement, and brand awareness online (Seo & Park, 2018). Study Khan et al. (2019), on Pakistan clothing brands, showed that various aspects of brand equity variables (ie brand awareness, brand image) significantly regulate the relationship between basic social media marketing activities (FSMMA) and customer response (higher price willingness, customer loyalty). Fundamental Social Media Marketing Activities (FSMMAs) and customer response (price premium willingness, customer loyalty). Moreover, SSMMA is determined to adjust the indirect relationship between FSMMA and customer response through brand equity r (Khan et al., 2019).

As an overall concept including five aspects (entertainment, interaction, trend, personalization, and word of mouth), Godey’s research manages to demonstrate the link between social media marketing efforts and their consequences (brand preference, price premium, and loyalty) and research to measure brands’ social media marketing efforts. It also contributed to the fact that SMEs have a significant positive impact on brand equity and the main dimensions of brand equity (including brand awareness and brand image) (Godey et al., 2016). After investigating the impact of social media marketing (SMMA) activities on the aviation industry’s brand equity and customer response, Seo & Park (2018), showed that airline SMMA has a significant impact on brand awareness and image, stating that trends are the most important element of social media marketing activities. In addition, the results also show that brand image significantly affects online word-of-mouth, engagement, and brand awareness affect engagement (Seo & Park, 2018).

However, the question would appear from the research above, particularly with the fact that it seems that there is no agreement based on empirical studies. How
is the hub between these variables for a local brand product? Local product brands are becoming more mature, the market scope is gradually expanding, and the number of customers is growing rapidly. In the past, local product fashion brands could only rely on weak brand equity, and only the middle- and low-class target markets had demanded (Trinh & Dawes, 2020; Vespestad & Clancy, 2020; Wajid et al., 2021). Today, many local fashion brands have recently entered new markets and competition is fierce, indicating that the market will undergo unforeseen changes. They can no longer rely only on local brand symbols but must focus on positioning brand equity through social media advertising to elicit customer purchase intentions. A recent study by the Indonesia Ministry of Small and Medium Enterprises shows that almost 98% of MSMEs. Now consumers have visited social media sites to get information about products and brands, especially the young generation. If the company does not use social media as part of its online marketing strategy, it will lose the opportunity to reach consumers. Therefore, companies and brands must now consider the value of their customers and the impact of social media on them (Schiffman & Lazar, 2010; Seo & Park, 2018; Trampe et al., 2014).

Intense competition in local products and brands makes marketers have to implement a branding strategy by creating a brand image through value adv appeal, the product is associated with global products from certain well-known countries. The context of the research is chosen as the Indonesian Local Brand since small and medium enterprises are the backbone of the economy. Previous research on social media adv shows and some promotions have succeeded in attracting consumers to buy and some have not succeeded in attracting consumer responses, let alone buying products to broadcast product promotions to other friends, there is still no need to ask questions (E- WOM) so things This also needs to be studied in research on local product brands in Indonesia where local SME products are the backbone of Indonesia’s current economy (Ortiz & Bluyssen, 2019; Ramabu, 2020; Raza et al., 2018).

For example, brand X, which uses foreign language labels to create a brand image associated with one of the world’s fashion cities, Paris (France). By using the label or name brand, it is hoped that it will attract buying interest from certain circles who like to personalize themselves with the brand. Local price but can cooperate or partner with foreign brands. Marketers are increasingly using social media platforms as promotional channels. In doing so, prefer highly interactive social media to get E- WOM and purchase intention. Sreejesh et al. (2020), analysis of the influence of media interactivity in advertising on social networks on consumer attention and advertising memory. Examine the conditions under which the adverse effects of interactivity can be managed. Previous research (Wajid et al., 2021), indicated that marketers use and measure the attractiveness of information in social media ads to influence consumer responses.

This research aims to focus on how consumer purchasing intentions are affected by the marketing efforts of these social media sites. Previous research focused on luxury brands, that is, how social media marketing campaigns influence consumer responses by creating brand value, while this research examines Pakistani domestic brands and how efforts Marketing of these brands affect consumers response. The purpose of this study is to examine the impact of social
media marketing activities on consumer buying behaviour and brand equity (Hyun et al., 2021; Jin, 2012; Jo et al., 2011). Previous research only studied two dimensions of brand equity (brand awareness and brand image), but current research regards brand quality as the third dimension of brand equity. However, there are still not many studies that use the mixed method and previous research shows that there is still a gap based on the results of the study, namely the dimensions of the variables, which are not always positively related. Check the research results above, however, a comprehensive framework explaining how these adv social media create value for both consumers and firms has yet to emerge in practical marketing (Nagaraj & Singh, 2018; Nöjd et al., 2020; Olson & Chae, 2012).

This study uses a mixed-method with a research design so that a comprehensive result is obtained which is the novelty of this research. The revise in this research is the use of E WOM (Kim & Ko, 2012), research only uses WOM. This research aims to focus on how consumers’ reactions are influenced by these Instagram marketing activities on social media through brand equity, while this research studies local Indonesian brands. The purpose of this research is also to study how advertisements and copywriting are fed. Customers can respond to purchase intentions on social media. This research guides global brands to help them consider using social media marketing activities to promote their products and brands. To achieve greater depth and breadth of data, we adopt a hybrid method design. Hybrid methods are used to capture and understand the phenomenon investigated by customer reactions to ads on social media (Liu et al., 2020; Matute et al., 2019; Mody et al., 2019).

**Method**

**Study design**

This study uses a hybrid approach. As a method, it focuses on collecting, analyzing, and combining quantitative and qualitative data in a single study or series of studies. Mixed method research is a research design with philosophical assumptions that guide research directions and methods. Mixed method research is a research design with a philosophical hypothesis that guides the direction and research methods. As a methodology, it involves philosophical assumptions, which develop in the direction of collection and analysis at many stages of the research process, as well as the fusion of qualitative and quantitative methods. Its central premise is that the combination of quantitative and qualitative methods can better understand the research problem than using either method separately. (Creswell & Clark, 2017). The research design used is Explanatory Design. The study design has two parts. Part One shows that in the first part of the study is a survey, a specialized questionnaire was administered to a sample of respondents who have purchased X brand products and following brand X’s Instagram. Quantitative data is used to answer research questions, the relationship between research variables. The second part was a study in which qualitative data was collected with content analysis technique. Qualitative data were used to explore customer response online advertising on Instagram brand X.
The method focuses on a fashion item, Indonesia brand local X by using a French language. Brand X is a multifaceted menswear brand that is fond of the Parisian lifestyle and effortless styling in daily usage. Visual feed and description posting Instagram Brand X non-Indonesian Language.

- Questionnaire (Quantitative Data)
- Content Analysis (Qualitative Data)

The content analysis approach of this study uses Conventional Content Analysis by determining the category of direct coding based on text data (Kolbe & Burnett, 1991). Analysis Unit is divided into two categories, namely visual feedadv category and description (copywriting) on Instagram social media Brand X. Researchers observed 89 Visual feeds over 31 days (December 2020) by totaling icon likes the amount of 135,313.

**Result and Discussion**

**Quantitative result**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Variables1. The finding of this study clarify show that</th>
<th>Frequency Absolute (%)</th>
<th>Absolute (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender (n =190)</td>
<td>Highest formal educational level (n =150)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>22,4%</td>
<td>No University Degree (High school or below)</td>
<td>41.1%</td>
</tr>
<tr>
<td>Male</td>
<td>77,6%</td>
<td>University Degree : Bachelor : 51,9% Master Degree : 6,40% Doctoral Degree : 0,6%</td>
<td></td>
</tr>
<tr>
<td>Age (n =150)</td>
<td>Average monthly expenses for clothing product items (n =150)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 18</td>
<td>10,9%</td>
<td>Less than Rp 4.000.000 : 9,7%</td>
<td></td>
</tr>
<tr>
<td>18-20</td>
<td>1.5%</td>
<td>Rp 4.001.000 -8.000.00 : 22, 40%</td>
<td></td>
</tr>
<tr>
<td>21-23</td>
<td>44,2%</td>
<td>Rp 8.0001-12.000.000 : 53,80%</td>
<td></td>
</tr>
<tr>
<td>24-26</td>
<td>20,5%</td>
<td>More than 12.001.000 :14.10%</td>
<td></td>
</tr>
<tr>
<td>27-29</td>
<td>1,9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30-32</td>
<td>4,5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>More than 33</td>
<td>7,7%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 1 showed that the majority of male respondents, aged 21-26 years of age with bachelor’s degree above and the majority of respondents spent Rp 8,000,000 to Rp 12,000,000 per month for the purchase of fashion items. The profile of the respondent is by the target market of brand X, namely young age 21 –26 years (64.7%), has a significant level of education, namely bachelor degree and above and comes from the upper-middle-class economy (Jung et al., 2020; Khan et al., 2020; Kim et al., 2020).

Hypothesis test 1

Social media marketing activities have a positive impact on brand equity. The first hypothesis test aims to understand the relationship between social media marketing activities and brand equity. The following is the ANOVA table obtained by simple linear regression analysis.

Table 2
“Simple linear regression ANOVA Test”
Social media marketing (SMMA) activities towards brand equity (BE)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>749,385</td>
<td>1</td>
<td>749,385</td>
<td>70,562</td>
<td>0,000</td>
</tr>
<tr>
<td>Residual</td>
<td>1635,513</td>
<td>154</td>
<td>10,620</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2384,897</td>
<td>155</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

It can be seen in the table that the significance value obtained is 0.000, so it can be said that the regression model can be used because its significance value is less than 0.05. At the same time, the calculated F value is 70.562. Compared with table F of this study (with 156 respondents and a significance level of 0.05), its value is 3.05, which means that the calculated F is greater than the table F, so the hypothesis is accepted. This is consistent with the study of Godey et al. (2016), which pointed out that SMMA has a positive and significant impact on BE. Sehar et al. (2019), also proved that SMMA is significantly positively correlated with consumer-based brand equity (CBBE). His research showed also in line with the research of Kim & Ko (2012), which proved a positive and significant relationship between SMMA and BE. The positive relationship between SMMA and BE proves that SMMA brand X on its Instagram account can strengthen BE brand X. Therefore, it can be said that the SMMA of Instagram brand X has achieved a good performance in the five dimensions of entertainment, interaction, fashion, personalization and electronic word of mouth, thus strengthening the BE of X brand.

Hypothesis test 2

Social media marketing campaigns (SMAA) have a positive impact on consumer response (CR). The second hypothesis test is to look at the relationship between SMAA and CR. The following is an ANOVA table obtained from simple linear regression analysis.
Table 3
ANOVA of SMAA hypothesis testing on CR

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>3380.137</td>
<td>1</td>
<td>3380.137</td>
<td>80.693</td>
<td>.000</td>
</tr>
<tr>
<td>1 Residual</td>
<td>6450.856</td>
<td>154</td>
<td>41.889</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>9830.994</td>
<td>155</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

According to the table, it can be seen that the obtained significance value is 0.000, so it can be said that the regression model can be used because its significance value is less than 0.05. At the same time, the calculated F value is 80.693. Compared with table F in this study, table F has 150 respondents, the significance level is 0.05, and its value is 3.05, which means that the calculated F is greater than that of table F, so the hypothesis is accepted. The relationship between these two variables is consistent with the study by Godey et al. (2016), which shows that SMMA has a positive and significant impact on brand loyalty, brand preference, and price premium, which are the dimensions of the CR variable. In addition, the study by Sehar et al. (2019), also showed that SMMA and CR have a positive and direct impact. Therefore, this relationship is also in line with the study of Kim & Ko (2012), that is, there is a significant positive correlation between SMMA and CR variables. Therefore, it can be concluded that the SMMA x brand on your Instagram account can create the CR X brand, whether in terms of brand preference, price premium, or brand loyalty.

**Hypothesis test 3**

Brand equity (BE) acts as an intermediary between social media marketing activities (SMMA) and consumer response (CR). The latest hypothesis test aims to analyze the mediating role of brand equity in social media marketing activities and consumer responses. Below is the analysis of the variance table obtained by multiple regression analysis.

Table 4
Multiple regression test ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>3961.351</td>
<td>2</td>
<td>1980.676</td>
<td>51.629</td>
<td>.000</td>
</tr>
<tr>
<td>1 Residual</td>
<td>5869.642</td>
<td>153</td>
<td>38.364</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>9830.994</td>
<td>155</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

It can be seen in the table that the significance value obtained is 0.000, so it can be said that the regression model can be used because its significance value is less than 0.05. At the same time, the calculated F value is 51629. Compared with table F in this study, table F has 156 respondents, the significance level is 0.05, and its value is 3.05, which means that the calculated F is greater than that of table F, so the hypothesis is accepted. The results of the Hypothesis 3 test are consistent with the study of Sehar et al. (2019), which determined that brand equity (BE) actively and significantly mediates the relationship between social
media marketing activities (SMMA) and responsive consumers (CR). So, according to Godey et al. (2016), BE was also used as an intermediary between SMMA and CR, and the results showed that BE significantly adjusted the relationship between independent and dependent variables. Furthermore, studies by Aaker (1991); Hoeffler & Keller (2003), and Keller & Lehmann (2006), show that a stronger BE will go a long way toward increasing brand preference, willingness to pay premiums, and customer loyalty. Therefore, it can be said that the BE of Brand X encouraged the SMMA on Instagram Brand X to create a positive CR.

So, according to Godey et al. (2016), BE was also used as an intermediary between SMMA and CR, and the results showed that BE significantly adjusted the relationship between independent and dependent variables. Furthermore, studies by Aaker (1991); Hoeffler & Keller (2003), and Keller & Lehmann (2006), show that a stronger BE will greatly help increase brand preference, willingness to pay premiums, and customer loyalty. Therefore, it can be said that Brand X's BE encouraged the SMMA on Instagram Brand X to create positive CR.

**Qualitative result**

The visual feed totaled 89 posts for 31 days (December 2020) (mean 2.87 posts per day). This shows that the branding value proposition is very clear by using soft selling promotion, in contrast to IG's description post (copywriting) which is more hard selling with messages. The visual feed advertisement presentation shows the daily life of today's urbanites, namely hanging out at cafes, riding by motorcycle (Clark et al., 2020; Erdem et al., 2016; Liu et al., 2019). Key Opinion Leaders (KOL) are represented by young people aged 20 to 30 years, urbanites, upper-middle-class by the target market brand X. Copywriting (Message) using English. Overall, these studies show that 1) Most visual feeds and post descriptions to IG Brand X contain promotional ads: twin dates (12:12), flash sales, promotions (buy one get one free) and IG Brand X never shows 75% Attributes of discounted products. 2) Brand X's brand value proposition is presented very clearly in brand X's visual synopsis and descriptive wording.

In general, this qualitative study shows that when brands (1) provide beneficial activities, (2) provide relevant content, (3) provide popular content, (4) appear on various platforms and offers, customers' brand loyalty, the degree will be positively affected. Applications on social networks; (Abbes et al., 2020). EWOM, online communities, and online advertising can effectively enhance brand loyalty and product purchase intentions through company websites and social media platforms. In general, we collected social media advertising items for the local brand X. The results of this qualitative study show that profitable social media activities are the most important driver of customer response, followed by their relevant target market. Companies that want to place effective advertisements on social media need to consider the brand value proposition they provide to consumers in the visual information flow, to make consumers more loyal to their brand. Customers prefer video content in social media advertising. In this study, companies may work on creating content and more understanding what and how their target market activities (Bartikowski et al., 2019; Chandelier et al., 2018; Chung & Kim, 2020).
Managerial implications

The results of this research provide important information for local retailers and product managers working in the fashion industry. These findings indicate to marketing managers that social media marketing media has become an important marketing tool to reach the younger generation of emerging consumers. It is very important to focus on the customer experience right now. Regarding the virtual space (Li et al., 2020; Lin & Chang, 2020; Liu et al., 2020). To use social media marketing as a means of attracting customers to visual advertising, where purchase intent can be generated, companies must base their value proposition on the ads they present.

Limitation and future research

Although the hybrid approach has produced a relatively extensive knowledge base of customer responses and the role of social media marketing in the interaction between different consumers, future studies can use other methods to conduct more in-depth investigations of these phenomena (Ansari et al., 2019; Arora et al., 2019; Belboula & Ackermann, 2019). For example, the next research can track consumer use of products/brands over a longer period and focus on the dimensions of Hoefsede's cultural behaviour (the proportion of male and female consumers responding). Although this research provides significant results and significance, it is not without limitations. Results are limited to the use of a convenience sample comprised of the customer's local brand X. Although this young sample is supposed to be suitable for studying local brands, young samples are often attracted to local products without attractive brands, limiting the generality of the research results. Although homogeneous samples increase the internal validity difference with other age groups, it can cause external validity problems. Therefore, future research should investigate differences related to age and culture (Kowalczyk et al., 2021; Lee & Hong, 2016; Lei & Chu, 2015).

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References


