How Social Media Marketing And Brand Image Influence Ecommerce Consumer Loyalty of Indonesian e-commerce?

Joko Rianto1, Rommy Pratama2, Faisal Tomi Saputra3, Taufik Hidayat4, Mohammad Ridwan5, Sukisno6, Asephardiyanto Nugroho7, Fitri8, Iqbal Khoirurijal9

1,2,3,4,5,6,7,8Universitas Islam Syekh Yusuf, Indonesia
9Universitas Esa Unggul, Indonesia
Corresponding email: jokorianto@unis.ac.id

Abstract

This study aims to analyze the relationship between social media marketing variables and brand image variables, e-commerce customer loyalty variables in the territory of Indonesia. The method used in this study uses quantitative methods through online surveys. This study used a sample of 310 respondents from e-commerce consumers who were selected by simple random sampling method. This study used an online questionnaire via Google forms. The questionnaire given contains structured questions related to research variables that affect e-commerce consumer loyalty. The distribution of the questionnaires was done by posting them online in social media groups. Analysis of the research data using the SEM model using the SmartPLS 3.0 software. Based on data analysis, it can be concluded that the Social media marketing variable has a positive and significant effect on brand image of e-commerce consumers, brand image has a positive and significant effect on consumer e-commerce loyalty and Social media marketing has not significant effect on consumer e-commerce loyalty.

Keywords: social media marketing, brand image, customer loyalty, Indonesian e-commerce

Introduction

In 2021 internet users in Indonesia will reach 202.6 million people. This number increased by 15.5 percent or 27 million people when compared to January 2020. The total population of Indonesia itself is currently 274.9 million people. This means that internet penetration in Indonesia in early 2021 will reach 73.3 percent. The most popular internet activity by Indonesian internet users is social media. Currently, there are 170 million Indonesians who are active users of social media. On average, they spend 3 hours 14 minutes on social networking platforms. Now, many companies are using social media as a means of marketing their products and also as customer
service for their customers. According Roy et al. (2021) The power of content and conversations that occur in social media can make several companies, especially in the culinary field, use it as a means of communication and product marketing. One of the social media that can be used to market products or services is Facebook. Facebook is one of the most widely used social networks in Indonesia. It is not surprising that Facebook media can be a business opportunity as well as a very potential product marketing tool. In this regard, social media marketing can influence consumer buying interest in the products or services offered by the company.

According Wijaya et al. (2021) In today's increasingly advanced communication era, all human needs are increasingly facilitated by the internet. By using a smart phone or Smartphone people can easily access the internet. The function of a cell phone that was previously only used for SMS or telephone has now grown so rapidly that it makes communication service providers compete to provide convenience and comfort for internet users, so that marketing competition is growing and getting tougher. According Sugianto et al. (2021); Seo et al. (2021); Wijaya et al. (2021) Many companies offer products and services that are the needs and desires of consumers. Many companies today are doing all kinds of ways in carrying out and implementing their marketing strategies, so that potential consumers use products with the brands they offer rather than other brands. One of the ways companies in attracting consumers' attention to make purchasing decisions is by branding products through promotions. Promotion can be done through any media. Ads that attract a lot of attention are usually advertisements through television media that use top top celebrities as their advertisement stars.

The presence of online buying and selling sites gives rise to various positive and negative impacts in people's lives, including changes in social behavior and consumptive patterns. Sugianto et al. (2021); Seo et al. (2021); Wijaya et al. (2021) One of the positive impacts of this online buying and selling site is that people can become entrepreneurs by participating in selling goods or services that can generate profits for them. Buying interest is a behavior where consumers have a desire to choose and buy products based on experience in choosing products and using these products. To achieve buying interest, consumers must first believe in the product or service offered by the marketer. According Shukla et al. (2021); Sugianto et al. (2021) Trust is the key to long-term relationships, because it can reduce consumer anxiety. Online sales are influenced by trust. Therefore, trust has an important role in consumer buying interest. With good reviews of a business on social media, consumer confidence will increase. Social media marketing is a marketing practice that uses digital distribution channels to reach consumers in relevant, personalized, and cost-effective ways. Social media marketing is a two-way communication that seeks empathy with users, and social media activities of a brand provide an opportunity to reduce misunderstandings and prejudices against brands, and to increase brand value by creating a platform to exchange ideas and information with the public. Social media marketing with five dimensions including: Entertainment (regarding interesting content and information on social media), Customization (regarding services that can be tailored to consumer needs), Trendiness (regarding the latest and latest content), Interaction (regarding information sharing services, communicate with each other and exchange opinions between social media users), and Word-of-
Mouth (regarding consumers sharing product-related information with their acquaintances and willing to re-upload content containing that information on their personal accounts.

Brand image is a perception or general picture of a product or company that is embedded in the minds of consumers and will always be remembered when hearing the brand. With the consumer brand, it will be easier to identify certain products. According Seo et al. (2021); Wijaya et al. (2021) explains that the image must continue to be built sustainably through all existing media by conveying through symbols, media, atmosphere, or events. Brand awareness is the ability of a brand to appear in the minds of consumers when they feel they are thinking about a particular product and how easily the name is raised. Brand awareness can be generated through the use of the brand name itself, logos, packaging and slogans used by a company in order to introduce or inform its products. According Roy et al. (2021); According Shukla et al. (2021) Brand awareness is the ability of a potential buyer to recognize and remember the brand as part of a product with the brand involved. One step to make consumers loyal is to build a positive brand image and also maintain personal branding and the product is very easily recognized by consumers with a satisfactory quality level, so consumers will not hesitate to buy a second time. Having consumer trust is a strong asset to keep the product in the market.

**Literature Review**

**Social Media Marketing**

Based on the opinion Roy et al. (2021); Seo et al. (2021) stated that social media marketing is a marketing activity that is applied in the social media environment. According Seo et al. (2021); Wijaya et al. (2021) states that social media marketing is a form of marketing that is carried out either directly or indirectly to form awareness and action on a product, brand, or service using devices from the internet. According Seo et al. (2021); Wijaya et al. (2021) states that social media marketing can be used to achieve several marketing objectives such as improving customer relationships, increasing channel relationships, building market share, building brand awareness, inducing product trials, increasing sales revenue from goods and services, increasing profits on investment. Building awareness and involvement in charities. Raise awareness of specific issues. Social media marketing is a process that encourages individuals to promote their websites, products or services through online social channels and to communicate by leveraging a much larger community who are more likely to do marketing than through traditional advertising channels. According Roy et al. (2021) social media marketing is a form of online advertising that uses the cultural context of social communities including social networks, virtual worlds, social news sites, and social opinion sharing sites to meet communication goals. In its context as a marketing strategy, social media marketing aims to build and maintain the involvement of followers and online community members who have the same interests and interests. more broadly before making a purchase decision. If applied properly, social media
marketing can increase awareness or products/services, increase the interest of the target market to make purchasing decisions, make consumption, as well as strengthen consumer loyalty. According Roy et al. (2021); Wijayaa et al. (2021) states that purchasing decisions are consumer decisions that include consumer decisions about what to buy, whether to make a purchase or not, when to buy, where to buy, and how to pay for it.

Brand Image
According Sugianto et al. (2021) states that brand image is formed in various ways, such as: direct marketing activities, online information, social media marketing or other sources, where conclusions are made by consumers themselves regarding the brand image created. According Wijayaa et al. (2021) states that brand image is an opinion or view of a brand that is reflected by consumers who come from their memories. According Roy et al. (2021) brand image or brand description is a description of consumer associations and beliefs about a particular brand. According to Sunyoto (2013) the image of a product received by consumers means that consumers agree with the existence of the product and then that agreement is realized by purchasing decisions. According Shukla et al. (2021) suggest that brand image is a set of associations that have their own uniqueness that a marketer wants to create and maintain. Based on a lot of experience or appearance Communicate it to form a brand image. A good brand image will encourage sales and increase company image. Brand image can be thought of as a kind of what consumers think when they remember a particular brand. Associations Can only appear in the form of thoughts or images Associated with a particular brand. Brand image is the perception and belief held by consumers, as reflected in the associations embedded in the customer's memory, which are always remembered for the first time when they hear the slogan and are embedded in the minds of consumers. According Wijayaa et al. (2021) brand image is built based on the impression, thought or experience experienced by a person towards a brand which in the end will form an attitude towards the brand in question. If the company has a strong and good brand image, it will have a positive impact. Brand image is a guide for consumers in making decisions. Brands can strengthen self-image and other people's perceptions of the user or owner. The importance of brand image is that a product has a value, which will be used as a perception by consumers. This is what makes the brand image must be maintained. Many efforts must be made by companies to maintain the brand image they have, such as excellence, quality, technology and innovation of the products they have that must not be inferior to competitors.

Customer loyalty
According Seo et al. (2021); Wijayaa et al. (2021) consumer loyalty is consumer loyalty to companies, brands and products. Shukla et al. (2021); Sugianto et al. (2021); Seo et al. (2021); Wijayaa et al. (2021) defines loyalty as a favorable attitude towards a brand that is presented in a consistent purchase of that brand over time. According Sugianto et al. (2021); Seo et al. (2021); Wijayaa et al. (2021) consumer loyalty is a customer's commitment to a brand, store or supplier based on a very positive nature in long-term purchases. From this understanding it can be interpreted that brand loyalty is obtained because of a combination of satisfaction and complaints. Meanwhile, customer satisfaction comes from how much the company's performance
is to create satisfaction by minimizing complaints so that long-term purchases are made by consumers. According Wijayaa et al. (2021) Loyal consumers will generally buy the brand even though they are faced with many alternative brands of competing products that offer superior product characteristics from various angles. Viewed from various angles attributes. If many consumers of a brand fall into this category, it means they have strong brand equity. Brand equity is a set of brand assets and liabilities associated with a brand, name, symbol, which can increase or decrease the value provided by a product or service both to the company and to customers. Customer loyalty or customer loyalty in enjoying the products and services used, loyal customers will be loyal to the brand, as well as the products and services used. Customer loyalty will have an impact on increasing company profits. In general, Customer Loyalty is a form of consumer loyalty to use a product or service continuously or continuously, because it has high satisfaction with the product or service used, will tend to arise a sense to recommend the product or service to others, so that they can feel the satisfaction like what is felt when using the product or service that is used. Loyal customers are people who make regular purchases, buy between the same product or service lines, refer others, and demonstrate immunity to the pull of competitors. So, Loyalty is not about the percentage of customers who previously bought, but about repeat purchases. Loyalty is about the percentage of people who have purchased in a certain time frame and made repeat purchases since their first purchase.

**Hypotheses Development**

Jamali et al. (2018); Nisar et al. (2016) stated that social media marketing has a positive and significant influence on brand image, the results According to Udson et al. (2012); Moses et al. (2016); Nisar et al. (2016) show that brand image is an important factor in a competitive market. With the increase in social media users, it will be able to be used for effective and productive marketing strategies. Another study by Musa et al. (2016); Nisar et al. (2016) who revealed that marketing activities through social media facilities can improve brand image. Social media marketing can enhance image and strengthen word of mouth communication. Based on the results of previous studies, the hypotheses to be tested are:

H1: Social media marketing (SMM) has a significant effect on the brand image

Nobar et al. (2020); Pham et al. (2015) and Purwanto et al. (2021) stated that the brand image variable can increase e-commerce consumer loyalty. An organization that has a good reputation will increase brand awareness and customer satisfaction and customer loyalty. According to Savitri et al. (2022); Seo et al. (2020) states that the influence of brand image on customer satisfaction has an impact on customer loyalty. The results of previous studies revealed that brand image has a positive and significant effect on satisfaction. Based on the results of previous studies, the hypotheses to be tested are:

H2: Social Media Marketing (SMM) has a significant effect on e-commerce consumer loyalty
Arghashi et al. (2021); Azizan et al. (2019) and Purwanto et al. (2020) produced research on the effect of brand image variables on customer loyalty through customer satisfaction and the results showed that brand image had a positive and significant effect on customer loyalty. The results of this study were supported by Barreda et al. (2020); Bilgin et al. (2018) which states that the better the organizational strategy in improving the brand image, the more customer loyalty it will be increased. Based on the results of previous studies, the hypotheses to be tested are:

H3: Brand image has a significant effect on e-commerce consumer loyalty

Method

The method used in this study uses quantitative methods through online surveys. This study used a sample of 310 respondents from e-commerce consumers who were selected by simple random sampling method. This study used an online questionnaire via Google forms. The questionnaire given contains structured questions related to research variables that affect e-commerce consumer loyalty. The distribution of the questionnaires was done by posting them online in social media groups. The tool of analysis of the research data using the SEM model using the SmartPLS 3.0 software. The stages of analyzing the effect of social media marketing on e-commerce consumer loyalty through brand image and relationship marketing are measured using the SEM model. Hair et al. (2006) and Purwanto et al. (2019) state that the suitability evaluation was carried out through several stages, namely 1) the overall fit of the model; 2) the fit of the measurement model; 3) structural model fit.

The hypotheses in this study are
H1: Social media marketing (SMM) has a significant effect on the brand image
H2: Social Media marketing (SMM) has a significant effect on consumer loyalty
H3: Brand image has a significant effect on e-commerce consumer loyalty

![Figure 1. Research Model](http://www.webology.org)

Result and Discussion

This research has two stages of testing carried out in the analysis of variance based SEM which
has two stages, namely the outer model and the inner model test. The explanation of the test is as follows:

**Outdoor Model Test**

This test aims to determine whether indicators with latent variables are valid, with a validity value above 0.70 (Purwanto et al., 2021).

![Diagram showing the outer model test](image)

**Figure 2. Convergent Testing**

In the figure 2. shows that the validity value of all indicators is above 0.7, so all research indicators are declared valid. In the outer model test, in addition to the convergent validity test, there is also a reliability validity test that is said to be valid if it has an AVE value above 0.5 and the Cronbach Alpha value is above 0.7 (Purwanto et al., 2021), the following is the discriminant validity test in this study:

**Table 1. Average Variance Extracted (AVE)**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Cronbach's Alpha</th>
<th>Composite Reliability</th>
<th>(AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Media Marketing</td>
<td>0.843</td>
<td>0.854</td>
<td>0.781</td>
</tr>
<tr>
<td>Brand Image</td>
<td>0.831</td>
<td>0.812</td>
<td>0.781</td>
</tr>
<tr>
<td>Customer loyalty</td>
<td>0.821</td>
<td>0.813</td>
<td>0.714</td>
</tr>
</tbody>
</table>

All Cronbach alpha values in table 1 and the average variance extracted exceed the minimum limit so that all variables are declared valid. The model test in the inner model test contains an explanation of the R-Square, while the R-square value in this study is as follows:
Table 2. R Square

<table>
<thead>
<tr>
<th>Dependent variables</th>
<th>R Square</th>
<th>R Square Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Image</td>
<td>0.872</td>
<td>0.871</td>
</tr>
<tr>
<td>Customer Loyalty</td>
<td>0.931</td>
<td>0.930</td>
</tr>
</tbody>
</table>

Based on the table R square, it can be concluded that 87.1 % Brand Image is influenced by Social Media Marketing, while the remaining 12.3% is influenced by other variables outside the study. Customer Loyalty Variables affected by social media marketing and brand image are 93.1% while the remaining 6.9% is influenced by other factors outside the theme of this study. In addition to the reliability of the inner model test, hypothesis testing is also carried out, while the hypothesis testing in this study is as follows:

![Diagram](http://www.webology.org)

Figure 3. Hypotheses Testing

<table>
<thead>
<tr>
<th>Correlation</th>
<th>Original Sample (O)</th>
<th>T Statistics</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Media Marketing -&gt; Customer Loyalty</td>
<td>0.606</td>
<td>0.575</td>
<td>0.065</td>
</tr>
<tr>
<td>Social Media Marketing -&gt; Brand Image</td>
<td>0.934</td>
<td>37.701</td>
<td>0.000</td>
</tr>
<tr>
<td>Brand Image -&gt; Customer Loyalty</td>
<td>0.909</td>
<td>8.988</td>
<td>0.001</td>
</tr>
</tbody>
</table>

From the value of the hypothesis testing table, it is known that all hypotheses in the study are accepted because they have a p-value below 0.05
**H1: Social media marketing has a significant effect on the brand image**

The results of the SEM analysis obtained a p value of 0.000 < 0.050 so it was concluded that social media marketing had a positive and significant effect on the brand image of e-commerce consumers. Social media marketing has a significant effect on brand image. This is in accordance with previous research conducted by According to Barreda et al. (2020); Bilgin et al. (2018) about the online shopping industry. Social media marketing has an influence in improving the brand image of the e-commerce industry. Based on the results of the SEM, respondents felt that the use of one of the social media marketing features, namely being able to discuss opinions from Instagram users about the quality of services from e-commerce is the most taken into account in social media marketing. According to Chen et al. (2011); Cheung et al. (2019) says that discussions reduce product uncertainty so that consumers have more confidence in a product. According to Delima et al. (2019); Gokerik et al. (2018) revealed that consumers feel that discussions of opinion conducted by Instagram users can be used as a comparison against product advertisements offered by the company. Arghashi et al. (2021); Azizan et al. (2019); defines the trust held by customers in their interactions with the brand, based on the perception that the brand can be trusted and is responsible for attracting and satisfying customers. It is proven that the interaction indicator and other indicators in social media marketing do affect brand trust. This is also in line with previous research conducted by Azizan et al. (2019) that social media marketing has an influence on brand image.

**H2: Social Media Marketing has a significant effect on e-commerce consumer loyalty**

The results of the SEM analysis obtained a p value of 0.065 > 0.050 so it was concluded that social media marketing had not significant effect on e-commerce consumer loyalty. Social media marketing has not a significant effect on brand image. This is not accordance with previous research conducted by According to Bilgin et al. (2018) about the online shopping industry. Social media marketing has an influence in improving the brand image of the e-commerce industry. According to Delima et al. (2019); Gokerik et al. (2018) revealed that consumers feel that discussions of opinion conducted by Instagram users can be used as a comparison against product advertisements offered by the company. These results are the same as those of Arghashi et al. (2021); Azizan et al. (2019); Barreda et al. (2020) Marketing through social media can now be used to influence consumers to choose, use brands and share with other consumers about brands. So that social networking can influence consumers to trust and be loyal to the brand. Therefore, the word of mouth indicator on the Social Media Marketing variable does influence a person to be loyal, while it cannot be separated from other indicators. This is in line with research conducted by Arghashi et al. (2021); Azizan et al. (2019) which resulted in the linkage and relationship between profitable campaign variables, relevant content, popular content, and the frequency of updating content on consumer loyalty to online shops.

**H3: Brand image has a significant effect on e-commerce consumer loyalty**

The results of the SEM analysis obtained a p value of 0.001 < 0.050, it was concluded that brand image has a significant effect on e-commerce consumer loyalty. Brand image has a
significant effect on satisfaction. These results are in line with previous research conducted by Jamali et al. (2018); Judson et al. (2012); Moses et al. (2016); Nisar et al. (2016) which states that brand image can increase consumer satisfaction. Brand success can generate consumer awareness and satisfaction. In this case the brand image can be influenced by many factors such as advertising intensity, positive impression, and suitability of the service with the promised advertisement. Brand image has a significant effect on loyalty. These results are in line with previous research conducted by According to Savitri et al. (2022); Seo et al. (2020) which revealed simultaneously brand image can affect consumer loyalty. This shows when an e-commerce company has a good brand image, this may not necessarily increase customer loyalty significantly. The above results are supported by previous research conducted by Iobar et al. (2020); Pham et al. (2015); that there is partial mediation in the two studies. Brand communities social networking media sites can increase brand loyalty through increased brand trust. This is because, if consumers actively participate in social networks, consumers will get to know the brand more, which will then increase consumer confidence, and consumer trust will increase consumer loyalty.

**Discussion**

Social media marketing is used to build brand equity by a company. With a positive image or image makes good impact on society there by increasing brand equity. In a social media setting, marketing activities increase consumer brand equity. Marketing through social media is part of the promotional mix in brand communication. Social media communication has a significant impact on brand equity. Marketing through social media can now be used to influence consumers to choose, use brands and share with other consumers about brands. So that social networking can influence consumers to trust and be loyal to the brand. Brand communities on social networking media sites can increase brand loyalty by being mediated by brand trust. This is because, if consumers actively participate in social networks, consumers will get to know the brand more, which will then increase consumer confidence, and consumer trust will increase consumer loyalty.

Brand image is a sense of trust held by customers in their interactions with the brand, based on the perception that the brand can be trusted and is responsible for attracting and satisfying customers. Furthermore, Brand image is one of the main factors that affect brand loyalty. Brand trust fluctuates with time and the accumulation of customer experience in the process of brand loyalty formation. In this regard, the consumer's process of trusting the brand, which then uses the product will build stronger brand loyalty. Social media marketing has succeeded in creating a Brand Image and mindset, lifestyle, perception of a product being sold so that it raises the desires and desires of consumers to be willing to buy brand X products without considering the price aspect. Through social media marketing, the company can provide information related to brands, products sold with various qualities and benefits offered. This promotion process is related to the mention of the brand or the branding process so that it can be easily remembered by consumers. Consumers tend
to show loyalty to the brand by buying brand products intensely by showing satisfaction with the benefits of using the brand's products and even recommending the brand to family, closest friends and family. coworkers as the first choice so they can easily make purchases with a willingness to pay a high price to get the product brand.

**Practical Implications**

The practical implication of this research is that social media marketing has a significant effect on the brand image of e-commerce consumers, to improve the brand image of e-commerce, online shops must use social media marketing to support sales. Brand image has a significant effect on consumer loyalty e-commerce, so to increase consumer loyalty onlineshop e-commerce, online shop must create a brand image to support customer loyalty. Social media marketing has a significant effect on consumer loyalty e-commerce, to increase consumer loyalty e-commerce companies, online shop must use social media marketing to support sales. The use of social media adds to the attractiveness of a brand and increases the level of consumer intimacy with the brand. Therefore, many companies implement strategies to influence the level of brand communication engagement between consumers. Thus, they create value, attractiveness and consumer desire to buy the product. The use of social media also allows companies to collect consumer thoughts on the products or services they offer, ranging from consumer preferences, product advantages, to product weakness.

**Theoretical implications**

The theoretical implication of this research is to generate a theory that Social media marketing has a positive and significant influence on the brand image of e-commerce consumers and the results of this study support the results of previous research by Alamsyah et al. (2021); Bilgin (2018). The results of this study are that brand image has a significant effect on e-commerce consumer loyalty and the results support or strengthen the results of previous research by S Tammubua et al. (2021); Merisavo et al. (2006); Haudi et al. (2021); Wijaya et al. (2021); Suharto et al. (2022) The results of this study are that social media marketing has a significant influence on e-commerce consumer loyalty and the results support or strengthen the results of previous research by Da Silva et al. (2008); Rahi et al. (2017); Rudzewicz et al. (2021). This is in line with previous research by Sasmita et al. (2015) found that Social Media Marketing had a significant effect on buying interest. Purwanto et al (2022) investigated the influence of a company's social media marketing activities on brand equity, E-WOM, and buying interest.

**Conclusion**

Based on the research conducted, it can be concluded that social media marketing has a positive and significant influence on brand image. Increasing social media marketing will be able to improve brand image. Social media marketing has not significant impact on customer loyalty. Increasing social media marketing will not increase customer loyalty. Brand image has a positive and significant influence on customer loyalty. Increased brand image will be able to
increase customer loyalty. Loyal consumers will provide benefits for e-commerce industry players in maintaining the continuity of the online shopping market. This is because the biggest contribution in forming loyalty is that consumers will make repeat purchases on e-commerce sites and will choose e-commerce sites when shopping online. It is hoped that future research can examine different path diagrams and explain more detailed relationships about social media, marketing, brand awareness, brand image and consumer satisfaction, given the importance of social media marketing for companies to acquire and retain consumers. This study has limitations because it is only applied to one brand, further research is expected to obtain wider information with research on several brands and to be able to reduce bias in research. For further researchers, to be able to use in order to use other online business objects. In addition, the variables used can also use other variables such as brand loyalty, performance or consumer satisfaction.

**References**


Corporate Governance: The International Journal of Business in Society


Aarushi, Naveen Nandal, Parul Agrawal. AN EXPLORATORY RESEARCH IN PRODUCT INNOVATION IN AUTOMOBILE SECTOR. JCR. 2020; 7(2): 522-529. doi:10.31838/jcr.07.02.98


