

THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT

The Effect of Social Media Marketing towards Consumer Purchase Intention with Consumer Engagement as Mediating Variable: Study Case on the Papandayan Hotel Consumers

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Abstract:

Since the COVID-19 pandemic hit Indonesia, Bandung's tourism sector has experienced a significant decline. The tourism sector that experienced a decline included several spaces such as transportation, travel services, lodging, and recreation. The number of social media users continues to increase and grow. In April 2019, the number of social media users reached 3.5 billion in the world, including Instagram users, with a total of 802 million active users. Instagram users continue to increase every year, especially users aged 17 years and above. Social media, especially Instagram, is also used by business sectors, including the tourism sector. Many hotels are competing to attract consumers by creating interesting content on Instagram, including The Papandayan Hotel. The purpose of this study is to investigate the effect of social media marketing and consumer engagement on consumer purchase intentions at The Papandayan Hotel. The method used in this research is through the distribution of questionnaires using Google Forms to 400 Indonesian respondents who know and follow The Papandayan Hotel's Instagram account.

To test the research model, descriptive analysis is used in the study by describing the data that have been acquired without aiming to generalize or make inferences. Structural Equation Modeling (SEM) is a generational multivariate analysis technique that combines factor analysis and path analysis, allowing researchers to test and estimate the interconnection between multiple exogenous and endogenous variables with many indicators simultaneously using SmartPLS software. The sampling technique used is non-probability sampling with purposive sampling. Based on the results obtained in this study, the results of the descriptive analysis show that Social Media Marketing, Consumer Engagement, and Consumer Purchase Intentions are in a good category. The results of the hypothesis show that the Social Media Marketing variable has a significant effect on Consumer Engagement, then Consumer Engagement which has a significant effect on Consumer Purchase Intention. This research is expected to provide benefits and insights to other researchers and companies regarding the Effect of Social Media Marketing on Consumer Purchase Intentions through Consumer Engagement. The author suggests that The Papandayan Hotel can improve its social media marketing strategy by using interactive posts on its Instagram account. With it, consumers can be more interactive, increasing their purchase intention towards The Papandayan Hotel.

Keywords: Social media marketing, consumer engagement, consumer purchase intention, structural equation modeling, SmartPLS

1. Introduction

The COVID-19 pandemic has hit the tourism industry and the creative economy in Indonesia. Since the COVID-19 pandemic, the Bandung City Culture and Tourism Office (Disbudpar) has seen a decrease in the number of domestic or domestic tourists visiting the city of Bandung. It was recorded that in 2020 there was a decrease of 50 percent or around 3.2 million tourists. This figure is lower than the 7.4 million recorded in 2019. Meanwhile, the number of foreign tourists in 2019 was estimated to be around 350 thousand [4]. According to the 2019-2020 Indonesian Internet Service Providers Association (APJII) survey, the 15-19-year-old age group dominates internet user penetration in Indonesia (91 percent), followed by the 20-24-year-old age group (88.5 percent). The average internet user (51.5 percent) uses it to open social media and communicate (32.9 percent) [2].

The increased number of internet users, combined with the increased use of social media, provides an opportunity for the hospitality industry players to reach out to consumers. The rapid development of the internet as a means of communication will make it easier and more beneficial for businesses to distribute information to consumers as providers of goods and services. A study demonstrated that social media can be successfully used as a marketing tool to arouse consumer purchase intent [14]. Given the unique features of social media that allow viral effects, consumers may be given

more opportunities to share their personal experiences and other relevant information about brands, products, or services. Consumer satisfaction, loyalty, trust, and commitment can all be achieved by incorporating consumer engagement into every marketing effort. However, if the relationship is properly nurtured, all these aspects can flourish [14]. Consumer engagement is synonymous with consumer involvement. Involvement necessitates a consumption entity, an active relationship with the brand, and a sense of satisfaction with the experimental and instrumental values of products and services [9]. Consumer engagement can be defined as repeated interactions that strengthen the emotional, psychological, and physical investment a customer has in a brand [11]. Companies are increasingly valuing the ability of social media to shape consumer brand perception and influence purchase intention. A review of the existing literature on social media use and brand perception can aid in identifying new and successful strategies for improving consumer engagement through social media [12]. Entrepreneurs can predict consumer interests, political views, and specific activities such as food services and travel using social media platforms such as Instagram, Twitter, and Facebook [10].

Furthermore, consumers can use social networks to exchange information, leave feedback, and promote ideas and concepts to others, all of which are novel and added features that allow them to interact more with one another [10]. Constructive responses to specific products and brands will be the activities that create actively engaged consumers through Social Media Marketing. According to the explanation given, the use of social media has become a communication strategy that must be developed by companies in the Indonesian tourism industry, one of which is The Papandayan Hotel.

With the government's efforts to boost the tourism sector in various regions, the hotel industry in Indonesia is being more highlighted by the government to be given more support. It must also be able to differentiate itself through products and services that have elements of uniqueness and authenticity. Since new consumers are increasingly empowered by digital trends like now, there must be a correlation with the marketing side to realize this strategy. Turning a business challenge into a new business opportunity is easier if the hotel moves quickly. Players in the hotel industry must be able to adapt to new competitors who serve customers using technology [1]. The Papandayan Hotel is one of the largest five-star hotels in Bandung that utilizes social media marketing through consumer engagement as one of the company's marketing strategies. The goal of implementing consumer engagement, among other things, is to generate consumer satisfaction, loyalty, trust, and commitment, as well as to have an impact on consumers' long-term purchasing intention [14]. However, with the efforts of social media marketing carried out by The Papandayan Hotel not yet producing the expected feedback, they are still unable to increase their occupancy rate to match their occupancy rate from the pre-covid term. This is a question considering that The Papandayan Hotel's social media marketing is quite large, and why can't it attract even greater consumer purchase intention? Based on this question, the purpose of this study is to assess '*The Effect of Social Media Marketing towards Consumer Purchase Intention with Consumer Engagement as Mediating Variable (Study Case on the Papandayan Hotel Consumers).*'

2. Literature and Research Framework

2.1. Marketing

Marketing is a sociological process in which people and groups get what they want and need by developing, offering, and freely exchanging valuable items and services with others. The goal of marketing is to discover and address personal and social needs. Whether they are marketing goods, services, properties, people, places, events, information, ideas, or organizations, marketing is of interest to everyone [7].

2.2. Social Media Marketing

Social Media Marketing is monitoring and facilitating customer-to-customer connection and participation over the web to promote good brand engagement with a firm and its brands. Interactions can take place on the company's website, social media sites, and other third-party websites [3].

2.3. Consumer Behavior

Consumer behavior is the study of how individuals, groups, and organizations select, buy, use, and dispose of goods, services, ideas, or experiences to satisfy their needs and wants. It is influenced by three factors:

Cultural (culture, subculture, and social class),

Social (reference groups, family, and social roles and statuses), and Personal (age, stage in the life cycle, occupation, economic circumstances, lifestyle, personality, and self-concept) [7].

2.4. Consumer Purchase Intention

Purchase Intention is a desire that arises either from within us in the form of a video or from an originator in the purchasing decision, in which the person who first proposed the idea to others for embroidering a product or service. Consumer behavior is referred to as Purchase Intention when they are stimulated by external factors and participate in purchasing decisions based on their personal characteristics and decision-making processes [8].

2.5. Consumer Engagement

Consumer engagement is about the consumers' interactive experience with stakeholders in a focal, networked service relationship, such as module, brand, product, or organization [5].

2.6. Framework of Research

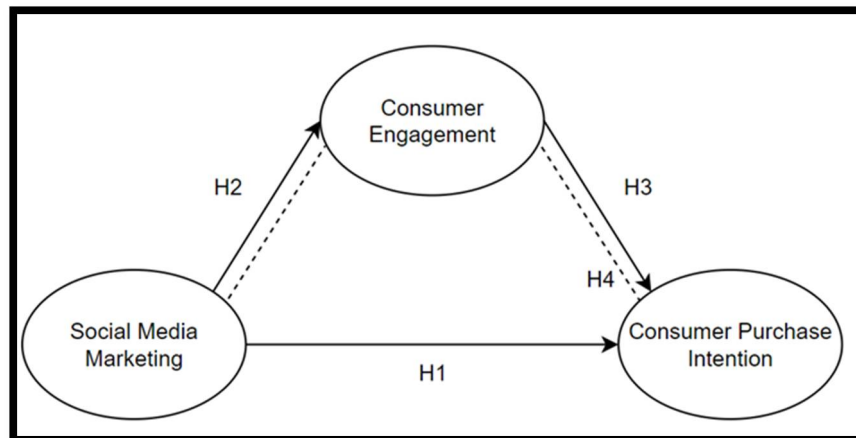


Figure 1: Framework of Research
Source: Rudyanto, 2018

2.7. Research Hypotheses

- H1: Social Media Marketing affects Consumer Purchase Intention
- H2: Social Media Marketing affects Consumer Engagement
- H3: Consumer Engagement affects Consumer Purchase Intention
- H4: Consumer Engagement mediates the relationship between Social Media Marketing and Consumer Purchase Intention.

3. Research Methodology

The researcher uses the quantitative method and uses causal research as the purpose. The population in this study is consumers of The Papandayan Hotel who own an Instagram account and follows The Papandayan Hotel Instagram account. The software used to measure the pilot test is SPSS, which uses data from 30 collected respondents. Analysis of the data used in this study is SEM-PLS using the SmartPLS software to determine the overall results of the research statement, with the number of respondents for this study amounting to 400 respondents. The SEM-PLS analysis consists of two sub-models: the measurement model (Outer Model) and the structural model (Inner Model) and Hypothesis Testing. In the Outer Model, the tests carried out consist of Convergent Validity, Discriminant Validity, and Internal Consistency Reliability.

Moreover, for the Inner Model, the tests consist of Bootstrapping, Path Coefficient, R², and Q². For this research, an online questionnaire was distributed via Google forms. The questionnaire is considered valid if statements on the questionnaire were answered entirely and there is only one answer to each question. This questionnaire was distributed through social media sites such as Instagram and WhatsApp.

4. Result & Discussion

4.1. Respondent Characteristics

The research was conducted by distributing questionnaires to 400 respondents to The Papandayan Hotel's Instagram account followers. Of them, 237 respondents, representing 59.3%, were males, and 163 respondents, equivalent to 40.8%, were females. The most extensive age range is filled by an estimated age of 23-28 years, which is equivalent to 25%.

4.2. Measurement Model Test Result (Outer Model)

In the assessment of this measurement model, it is important to measure how far the item or indicator can explain the latent variable [6]. Outer model testing or assessment of the measurement model required results from the validity and reliability of the research questionnaires that have been carried out.

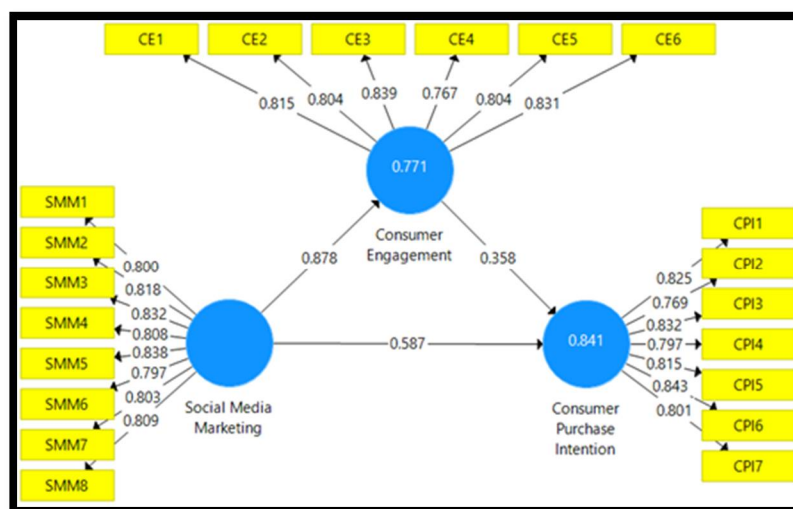


Figure 2: Measurement Model Path Diagram
Source: Data Processed by Author, 2022

4.4. Convergent Validity (Validity Testing)

The following are the results of testing the validity of each variable using the SmartPLS application, which can be seen in the table below:

Variable	Indicator	Factor Loading	Conclusion
Social Media Marketing (SMM)	SMM1	0.800	Valid
	SMM2	0.818	Valid
	SMM3	0.832	Valid
	SMM4	0.808	Valid
	SMM5	0.838	Valid
	SMM6	0.797	Valid
	SMM7	0.803	Valid
	SMM8	0.809	Valid
Consumer Engagement (CE)	CE1	0.815	Valid
	CE2	0.804	Valid
	CE3	0.839	Valid
	CE4	0.767	Valid
	CE5	0.804	Valid
	CE6	0.831	Valid
Consumer Purchase Intention (PI)	CPI1	0.825	Valid
	CPI2	0.769	Valid
	CPI3	0.832	Valid
	CPI4	0.797	Valid
	CPI5	0.815	Valid
	CPI6	0.843	Valid
	CPI7	0.801	Valid

Table 1: Factor Loading
Source: Data processed by Author, 2022

This validity indicator is determined by the factor loading value. If the factor loading value is greater than 0.7, the measured item is considered valid [6].

Variable	Average Variance Extracted (AVE)
Social Media Marketing	0.662
Consumer Engagement	0.657
Consumer Purchase Intention	0.659

Table 2: AVE Table
Source: Data processed by Author, 2022

For the items in a variable to have sufficient convergent validity, the average variance extracted (AVE) value must be greater than 0.5 [6]. In this study, all constructs had an AVE value of more than 0.5.

4.3.1. Internal Consistency Reliability

The following are the results of the measurement of this reliability consisting of Cronbach's Alpha, where the item is considered valid if it gets a result > 0.7 , and Composite Reliability is considered valid if the result is > 0.7

Variable	Cronbach Alpha	Composite Reliability
Social Media Marketing	0.927	0.940
Consumer Engagement	0.895	0.920
Consumer Purchase Intention	0.914	0.931

Table 3: Cronbach Alpha and Composite Reliability

Source: Data processed by Author, 2022

The reliability test determines how likely it is that calculating using the same object will produce the same results [13]. The criterion commonly used to measure reliability is Cronbach's Alpha (CA), or another alternative that can be used is Composite Reliability (CR). The CA and CR values that are declared reliable are at least 0.7 or more [6]. Based on table 3 above, the Cronbach Alpha and Composite Reliability values on each variable are more than 0.7 and 0.5, respectively, which means that this research questionnaire meets the reliability criteria.

4.4. Discriminant Validity

Suppose the variables that are constructively predicted are not highly correlated. In that case, the measurement results must show that these variables are not highly correlated, and the measuring instrument is said to meet the criteria of discriminant validity [6].

	Social Media Marketing	Consumer Engagement	Consumer Purchase Intention
Social Media Marketing	0.813		
Consumer Engagement	0.878	0.810	
Consumer Purchase Intention	0.901	0.873	0.812

Table 4: Fornell-Larcker

Source: Data processed by Author, 2022

Table 4 shows that there are problems in the relationship between Social Media Marketing and Consumer Engagement, between Social Media Marketing and Consumer Purchase Intention, and between Consumer Engagement and Consumer Purchase Intention. Therefore, cross-loading is needed to check where the problem lies. Below is the cross-loading table.

Indicator	Social Media Marketing (X)	Consumer Engagement (Y)	Consumer Purchase Intention (Z)
SMM1	0.800	0.717	0.755
SMM2	0.818	0.700	0.727
SMM3	0.832	0.726	0.733
SMM4	0.808	0.735	0.718
SMM5	0.838	0.686	0.737
SMM6	0.797	0.695	0.729
SMM7	0.803	0.745	0.719
SMM8	0.809	0.707	0.744
CE1	0.716	0.815	0.726
CE2	0.683	0.804	0.681
CE3	0.730	0.839	0.708
CE4	0.624	0.767	0.626
CE5	0.746	0.804	0.734
CE6	0.757	0.831	0.760
CPI1	0.750	0.709	0.825
CPI2	0.711	0.679	0.769
CPI3	0.740	0.704	0.832
CPI4	0.727	0.713	0.797
CPI5	0.733	0.712	0.815
CPI6	0.742	0.751	0.0843
CPI7	0.716	0.691	0.801

Table 5: Cross-Loading Factor

Source: Data processed by Author, 2022

The cross-loading value in this study shows how much the correlation value between each variable and the items is smaller than the correlation value with other constructs. This shows that this research questionnaire meets the criteria of discriminant validity. The cross-loading value also states that there is no evidence of any problem in the relationship between Social Media Marketing and Consumer Engagement, Social Media Marketing and Consumer Purchase Intention, and between Consumer Engagement and Consumer Purchase Intention.

4.5. Structural Model Test Results (Inner Model Criteria)

The structural model assessment is the second step in the PLS testing process. The goal of this step is to see how one latent variable correlates with another [6]. This test is carried out by examining the path coefficient to determine whether the effect is significant or not based on the t-values of each coefficient. The t-values can be obtained through the bootstrapping process [6].

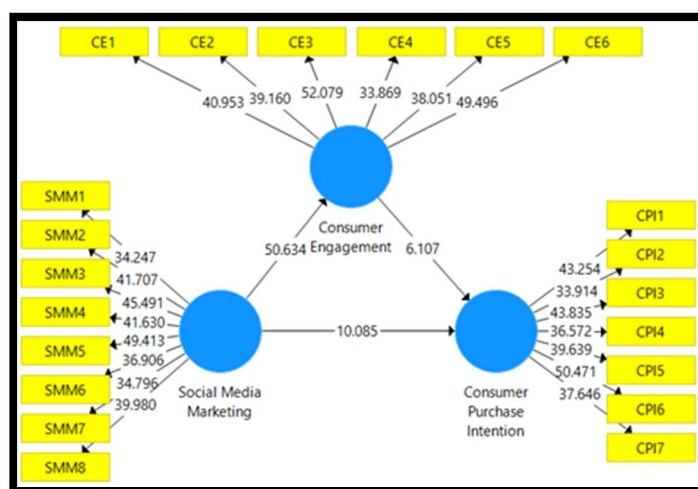


Figure 3: Measurement Model Path Diagram (Bootstrapping)
Source: Data Processed by Author, 2022

4.5.1. Hypothesis Testing & Results

Path Diagram	Path Coefficient (Beta)	T-value	P-value	Conclusion
Social Media Marketing>Consumer Purchase Intention	0.587	10.085	0.000	H1 Accepted
Social Media Marketing>Consumer Engagement	0.878	50.634	0.000	H2 Accepted
Consumer Engagement>Consumer Purchase Intention	0.358	6.107	0.000	H3 Accepted
Social Media Marketing>Consumer Purchase Intention (Indirectly through Consumer Engagement)	0.314	5.869	0.000	H4 Accepted

Table 6: Path Coefficient and T-Value
Source: Processed by Author (2022)

This study uses a significant level of 0.05 and a t-value of 1.96. If the t-value of each relationship between variables exceeds 1.96, it can be concluded that there is a relationship between each variable. Based on the table above, the following results are obtained:

- Social Media Marketing has an effect on Consumer Purchase Intention because the T-value > T-table is greater than 1.96, and the P-value is less than 0.05. Therefore, Ha1 is accepted.
- Social Media Marketing has an effect on Consumer Engagement since the T-value > T-table is greater than 1.96, and the P-value significance is 0.000 value, which is less than 0.05. Therefore, Ha2 is accepted.
- Consumer Engagement has an effect on Consumer Purchase Intention, as demonstrated by the results of the T-value > T-table, which are 6.107 > 1.96, and the significance of the P-value, 0.000, which is less than 0.05. Therefore, Ha3 is accepted.
- Consumer Engagement Mediates the Relationship Between Social Media Marketing and Consumer Purchase Intention, as demonstrated by the results of the T-value > T-table, which are 5.869 > 1.96, and the significance of the P-value, 0.000, which is less than 0.05. Therefore, Ha4 is accepted.

5. Conclusion

Based on the results of research and discussions on the effect of Social Media Marketing on Consumer Purchase Intention, several conclusions can be drawn that provide answers to the research questions that have been formulated.

- First, Social Media Marketing variable (X) has an effect on Consumer Purchase Intention (Y).
- Second, Social Media Marketing variable (X) has an effect on the Consumer Engagement variable (Z).
- Third, Consumer Engagement variable (Z) has an effect on Consumer Purchase Intention (Y).
- Last, Social Media Marketing (X) and Consumer Engagement (Z) have an effect on the Independent Variable, Consumer Purchase Intentions (Y).

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