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Customer Loyalty to 'X' Brand Instagram Accounts

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Abstract

The purpose of this research is to examine the effect of social media marketing activities which include interactivity, informativeness, and trendiness on customer engagement. Testing the effect of customer engagement on brand loyalty on X's Instagram account. The population of this study is followers of the Instagram "X" account. The sample of this research is 107 respondents who follow Instagram "X" accounts and have interacted at least three times with Instagram "X" accounts. The sample selection used a non-probability method with a purposive sampling technique. The data collection technique was carried out by distributing questionnaires through google forms. Data analysis using the Partial Least Square-Structural Equation Modeling (PLS-SEM) technique was processed using the SmartPLS 4 program. The results of the data analysis showed that social media marketing activities which included interactivity, informativeness, and trendiness had a positive and significant influence on customer engagement. Customer engagement has a positive and significant influence on brand loyalty. The results of the research are expected to be a consideration for the "X" Instagram account to increase social media marketing activities which include interactivity, informativeness, and trendiness because this can affect customer engagement. "X" Instagram accounts may also consider increasing customer engagement as it can influence brand loyalty

Keywords: Social Media Marketing Activities, Customer Engagement, Brand Loyalty

Introduction

Marketing is a process of planning and executing, starting from the stages of conception, pricing, and promotion, to the distribution of goods, ideas, and services, as well as managing relationships between customers (Dianto in Asmuni et al, 2020). The goal of marketing is to understand consumer needs and wants and develop strategies to fulfill them. The current marketing concept has shifted from conventional marketing to digital marketing. The development of digital marketing has made many companies take advantage of information technology to advertise their products and services. One of the places to market is through social media. Social media is a digital platform that facilitates users to communicate with each other or share information and ideas in a network.

Based on the We Are Social report, the number of active social media users in Indonesia in 2022 is 191 million people, where the number has increased by 12.35% compared to 2021 of 170 million people. In everyday life, the social media sites that are often used by the public are Instagram, Facebook, and TikTok. The percentage of Instagram users is recorded at 84.8%; the proportion of Facebook users was recorded at 81.3%; and the proportion of Tiktok users

was recorded at 63.1%. It can be seen that the largest proportion of social media users is on Instagram social media site. Instagram is a free photo and video-sharing app available on iPhone and Android. People can upload photos or videos to their Instagram accounts and share them with their Instagram account followers. They can also view, comment on, and like posts shared by their friends on Instagram. Anyone aged 13 and over can create an account by registering an email address and choosing a username. The following is a comparison table for the number of followers from several e-commerce companies that have created accounts on Instagram.

Table 1
Number of E-commerce Instagram Followers

No.	Akun Instagram	Jumlah pengikut
1	shopee_id	8.8Juta
2	tokopedia	5.3Juta
3	lazada_id	3.1Juta
4	bliblidotcom	2.3Juta
5	bukalapak	2.1Juta
6	jdid	646Ribu

Source: Instagram 2022

According to this 2022 comparison table, Shopee is ranked first as the e-commerce platform that is most in demand by the public, because the Shopee Instagram account has the most number of followers.

In maintaining the number of Instagram account followers, the six Instagram accounts are competing with each other to carry out various ways to increase customer loyalty. Customer loyalty is important because it can increase brand loyalty. Customer loyalty will be affected because the brand provides complete and accurate information so that many people get the information they want. There is interaction from the Shopee account with customers on Instagram, as well as information in the form of photos and videos presented by Instagram Shopee to make it as attractive as possible and follow trends on social media. With 3 social media marketing activities such as information, interaction, and trends have an impact on customer engagement. Brand loyalty is a focal point in marketing research (Nguyen, Barrett, & Miller, 2011). The importance of brand loyalty has been widely recognized in the industry for decades (Rather & Sharma, 2016). Companies really need the presence of consumers who are loyal to the brand so that the company can survive. Loyalty is one of the important things which can produce barriers for competitors to enter, avoid competitive threats from competitors, and increase sales and revenue.

Customer engagement is the ongoing cultivation of a relationship between a company and a consumer that goes far beyond the transaction. It is a deliberate and consistent approach by companies that delivers value to every customer interaction, thereby increasing loyalty.

Previous research has found that interactivity, informativeness, and trends from social media marketing activities are positively and significantly related to customer engagement which also contributes to brand loyalty and more specifically on social media platforms of luxury fashion brands (Kim & Ko, 2012; Nyadzayo et al., 2020).

Based on the factors that influence customer loyalty to the use of a particular brand, this study aims to determine the effect of social media marketing activities (Interactivity) on

customer engagement on brand "X" Instagram accounts, the effect of social media marketing activities (informativeness) on customer engagement on Instagram accounts. brand "X", the influence of social media marketing activities (trendiness) on customer engagement on brand "X" Instagram accounts, and the effect of customer involvement on brand loyalty on brand "X" Instagram accounts.

Literature Review

Social media marketing activities

Social network sites are gradually replacing traditional marketing channels as a means of achieving various marketing objectives, from brand awareness to inviting people to buy (Batra and Keller, 2016). Consumer-generated (rather than consumer-distributed) content will significantly increase the reach of brand-generated messages on well-known platforms such as Facebook and Twitter (Napoli, 2019). However, while brands are increasingly entering social media conversations, their influence on customers remains low; only 1% of followers see a typical company's tweets (Sullivan, 2014), and are likely to get lost in the vast expanses of big data (Horst and Duboff, 2015). Businesses face the difficult problem of developing compelling marketing messages with material that is less likely to get buried and that will be shared with customers.

Customer Engagement

Customer engagement is a customer expression of a brand or company, outside of purchases, that comes from motivational drivers such as online postings, comments, and participation in online games or activities (Yamamoto, 2015). Social media enables greater exposure and engagement with customers and promotes brand presence (Doyle, 2011). Connecting with customers through social media allows brands to connect with customers and make money through awareness, loyalty, and engagement (Akahoshi, 2012). Engagement in social media can manifest in the form of "liking" a brand and its products or by becoming a member of the social media pages of a brand (Anastasia, 2012). Subscribers can become fans of the brand's fan page and then indicate that they like the brand's posts or comment on them. These "likes" and "comments" on brand posts reflect the popularity of brand posts (De Vries et al., 2012). Engagement can be as simple as posting comments, and voting or as complex as recommending content to other users on the basis of preferences, interests, and lifestyle (Bashar et al., 2012). Thus, involving the use of social media is a good platform for retailers to promote their products and build customer trust which in turn can stimulate loyalty to their brand (Wallsbeck & Johansson, 2014).

Brand Loyalty

The establishment of good brand loyalty is the main goal in the company so that consumers can become loyal to the brand in their company (Selvia & Rodhiah, 2020)

Purchases made with a social goal in mind individualistic purchases are intrinsically motivated and self-satisfying, whereas purchasers that are purposive are motivated by a desire to satisfy others. The term "intention" immediately comes to mind (Hwang and Kim, 2016). Businesses will have a better understanding of the needs and want of their consumers and will be able to better meet their expectations by observing and anticipating their behavior, which will help them attract customers and achieve long-term goals (Shahedul et al., 2021). Values can mean different things to different individuals; for some, that means getting the best deal, while for others, it means spending their money wisely. To grow loyalty, you must first understand

what value means to your target audience and then try to deliver it at every stage of the customer journey. This could include ensuring products or providing customer service 24 hours a day. Prioritizing anything before determining its relevance to your audience is a waste of time, regardless of how your customer group perceives value (Guo and Jiang, 2016). Therefore, it is very important for a brand to demonstrate its value in order to maintain consumer loyalty to the brand.

Research Methods

The population in this study are followers of brand "X" Instagram accounts. The sample used in this research is *non-probability sampling*. The technique used was *purposive sampling*, with the criterion of having interacted at least three times with the brand "X" Instagram account. In measuring the interactivity of social media marketing activity with many as 3 items, the informativeness of social media marketing activities with many as 3 items, the trendiness of social media marketing activities with many as 3 items, customer involvement with many as 5 items, and brand loyalty as many as 5 items. SEM analysis technique using Smart PLS. The analysis technique used is SEM with PLS software. This data collection technique is by distributing questionnaires through Google form, using the criteria score of strongly agree (5), agree (4), neutral (3), disagree (2), and strongly disagree (1).

Results and Discussion

Validity and Reliability Analysis

a. Convergent Validity

Table 2

Results of Average Variance Extracted Value

	Average Variance Extracted (AVE)
Interactivity	0.769
Informativeness	0.758
Trendiness	0.662
Customer Engagement	0.734
Brand Loyalty	0.775

Convergent validity is considered to meet the validity criteria if the Average Variance Extracted (AVE) value is above 0.5 (>0.5) (Orville & Rodhiah, 2022). Based on the results of the analysis above, the AVE value of each variable in the tables has a value above 0.50 so it can be concluded that the above variable has met the analysis of convergent validity which can be measured by the AVE value.

b. Discriminant Validity

Table 3

Discriminant Validity

	Brand Loyalty	Customer Engagement	Informativeness	Interactivity	Trendiness
Brand Loyalty	0.880				
Customer Engagement	0.819	0.856			
Informativeness	0.511	0.480	0.870		
Interactivity	0.476	0.444	0.629	0.877	
Trendiness	0.461	0.447	0.437	0.397	0.814

Discriminant validity is seen from the *Fornell-Larcker criterion* approach. The results of the *Fornell-Larcker criterion* analysis show that all indicators and variables are valid because the AVE in the construct is greater than the construct's correlation with other latent variables.

c. Composite Reliability Test

Reliability is an index that indicates the extent to which a measuring instrument can be trusted or relied on, it is also said to be reliable if the answers to the questionnaire statements are consistent (Yuandari & Rachman, 2017). Reliability testing is seen from two values, namely *Cronbach's Alpha* and *Composite Reliability*. This study uses *Composite Reliability* with values above 0.70; and *Cronbach's alpha* with a value of more than 0.70 (Hair et al., 2019).

Table 4
Cronbach's Alpha and Composite Reliability

	<i>Cronbach's Alpha</i>	<i>Composite Reliability</i>
Brand Loyalty	0.927	0.945
Customer Engagement	0.909	0.932
Informativeness	0.841	0.904
Interactivity	0.851	0.909
Trendiness	0.748	0.854

The results of the reliability analysis were declared reliable because the value of *Cronbach's Alpha* and *Composite Reliability* values were above 0.70.

d. Coefficient of Determination Test (R²)

The coefficient of determination (R²) is a tool for measuring the ability of the model to explain the dependent variable (Nanincova, 2019). The R² value of 0.75 indicates a strong model; 0.50 states a moderate model; 0.25 states a weak model (Hair et al., 2011).

Table 5
Coefficient of Determination of R-Square (R²)

	R-Square
Brand Loyalty	0.671

The results of the analysis of the coefficient of determination (R²) show a value of 67.1% in brand loyalty.

e. The Result of bootstrapping is

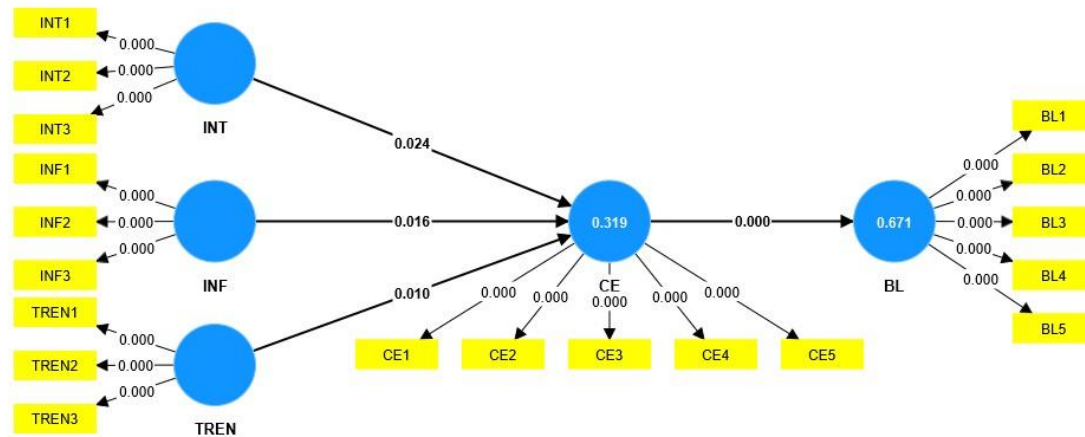


Figure 1. Bootstrapping Test Results

Based on the results of the *bootstrapping* test which can be seen in figure 1, the complete significance test results can be seen in table 6 below:

Table 6
Bootstrapping Test Results

	Original Sample	Sample Mean	Sample Deviation	T Statistics	P values
Interactivity -> Customer Engagement	0.182	0.185	0.081	2.257	0.024
Informativeness -> Customer Engagement	0.248	0.249	0.103	2.406	0.016
Trendiness -> Customer Engagement	0.266	0.273	0.103	2.575	0.010
Customer Engagement -> Brand Loyalty	0.819	0.820	0.042	19.307	0.000

Based on the results of the first hypothesis test (H_1), it can be proven that the interactivity of social media marketing activities has a positive and significant effect on customer engagement. It can be seen from the original sample of 0.182, then the t-statistic is greater than 1.96, which is 2.257 and the p-values are smaller than 0.05 or 0.024.

Based on the results of the second hypothesis test (H_2), it can be proven that the informativeness of social media marketing activities has a positive effect on customer engagement. It can be seen from the original sample of 0.266, then the t-statistic that is greater than 1.96 is 2.406 and the p-values are smaller than 0.05 or 0.016.

Based on the results of the third hypothesis test (H_3), it can be proven that the trendiness of social media marketing activities has a positive effect on customer engagement. It can be seen from the original sample of 0.266, then the t-statistic that is greater than 1.96 is 2.575 and the p-values are smaller than 0.05 or 0.01.

Based on the results of the fourth hypothesis test (H_4) it can be proven that customer engagement has a positive effect on brand loyalty. It can be seen from the original sample of 0.819, then the t-statistic that is greater than 1.96 is 19.307 and the p-values are smaller than 0.05 or 0.00.

Table 7

Summary of Hypothesis Testing Results

H ₁	Interactivity of social media marketing activities has a positive and significant influence on customer engagement.	Accepted
H ₂	Informativeness of social media marketing activities has a positive and significant influence on customer engagement.	Accepted
H ₃	Trendiness of social media marketing activities has a positive and significant influence on customer engagement.	Accepted
H ₄	Customer engagement has a positive and significant influence on brand loyalty.	Accepted

Discussion

Based on the results of the analysis that has been carried out in this study, the conclusions that can be drawn are as : Interactivity of social media marketing activities has a positive and significant impact on customer engagement. The results of this analysis are supported by previous research by Joe Hazzam (2021); Cheung et al (2019) which state that interactivity in social media marketing activities has a positive effect on customer engagement. Customer engagement is influenced by interactivity where customers who follow the Instagram “X” account can easily convey the opinions that customers think through their Instagram account. Informativeness of social media marketing activities has a positive and significant impact on customer engagement. The results of this analysis are supported by previous research by Joe Hazzam (2021); Cheung et al (2019) which state that informativeness in social media marketing activities has a positive influence on customer engagement. Customer engagement is influenced by informativeness where customers who follow the Instagram “X” account can easily get information and share that information with others through their Instagram accounts. Trendiness of social media marketing activities has a positive and significant impact on customer engagement. The results of this analysis are supported by previous research by Joe Hazzam (2021); Cheung et al (2019) which state that the trendiness of social media marketing activities has a positive influence on customer engagement. Customer engagement is influenced by trendiness where customers who follow the Instagram “X” account can easily get content that follows the latest trends through their Instagram account. Customer engagement has a positive and significant impact on brand loyalty. The results of this analysis are supported by previous research by Joe Hazzam (2021); Cheung et al (2019) which state that customer involvement has an effect on brand loyalty. Brand loyalty is influenced by customer engagement where customers who follow the “X” Instagram account can easily invite their relatives to view and shop through their Instagram account.

Conclusion

The conclusions obtained from the results of this study are as Interactivity of social media marketing activities has a positive and significant influence on customer engagement. Customer engagement is influenced by interactivity where customers who follow the Instagram “X” account can easily convey the opinions that customers think through their Instagram account.

Informativeness of social media marketing activities has a positive and significant influence on customer engagement. Customer engagement is influenced by informativeness where customers who follow the Instagram “X” account can easily get information and share that information with others through their Instagram accounts.

Trendiness of social media marketing activities has a positive and significant influence on customer engagement. Customer engagement is influenced by trendiness where customers who follow the Instagram “X” account can easily get content that follows the latest trends through their Instagram account.

Customer engagement has a positive and significant influence on brand loyalty. Brand loyalty is influenced by customer engagement where customers who follow the “X” Instagram account can easily invite their relatives to view and shop through their Instagram account.

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