

## Effects of Social Media Marketing Activities Toward Purchase Intention Healthy Food in Indonesia

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**Abstract:** With easier and faster internet access nowadays, social media has become an important means of online marketing activities. Both individuals and companies carry out activities on online platforms and develop business opportunities using social media. Meanwhile, there has been a lot of research on social media and discussing the effects of social media marketing activities. Researchers want to see the effect of social media marketing activities on purchase intentions by mediation of brand equity and customer trust in the healthy food industry. To empirically test the effect of marketing activities on social media, researchers conducted a survey of 151 social media users to perform data analysis. The results of data analysis shows that social media marketing indirectly affect the buying interest through brand equity and customer trust. At the same time, brand equity and customer trust influence buying interest. In the end, the academic and management implications based on the empirical results of this study serve as a reference for healthy food to increase the social media marketing activities.

**Keywords:** Social Media Marketing, Purchase Intention, Brand Equity, Customer Trust, Healthy Food

### 1. Introduction

Food is one of the basic human needs. It is useful for the body for the various important nutrients it contains. It is highly recommended to consumed healthy food every day to meet daily nutritional needs. Indonesia society is starting to care more about the food they consume (Priherdityo, 2016). With today's technological developments, shopping on social networks can come in a variety of ways, like shopping via website and mobile apps, all refer to the same methods of obtaining or buying goods over the Internet using social media and web shopping sites (Zhang & li, 2006) Buyers who are accustomed to shopping at physical stores such as large shopping centers have begun to apply a strategy of comparing prices when buying (Hsiao, 2009). Customers who are accustomed to shopping at a physical store will deal directly with store employees, can choose products directly, touch and feel the products, and more easily to make complaints to store employees and being provided after sale services. The customers who buy products in online shops usually feel the opposite, where they do not have strong emotional ties because they don't meet the seller in person and only communicate through a computer or smartphone. (Oz, 2013).

Instagram is one of the most popular social media today. With more than one billion monthly active users, Instagram ranks third after Facebook (more than two billion active users) and YouTube (1.9 billion active users) in terms of the most popular social media networks (Suci, 2019). The algorithm used by Instagram to determines content is "Big 3" in principle: interest, timeliness, and relationship. One of the "Big 3" principles is interest, where if someone is frequently involved with posts featuring something, for example fashion, the algorithm will give preference to fashion-related images and videos when managing user feeds. This technology provides good opportunities for advertisers by relying on the content itself to target customers (Bond, 2020). This platform uses image recognition technology to rate certain post content. This open a big opportunity for an online business opportunity, as social media marketing is cheaper and saves more time compared to other marketing tools (Rajasekhar & Makesh, 2013).

Social media involvement has become an important issue for companies to gain competitive advantage and it attract the attention of academics and practitioners in the last decade (Ramadani, Demiri, & Saiti-Demiri, 2014). The shift in the industrial economy to a knowledge economy, advanced technology, changes in the nature and expectations of customers have led to a paradigm shift in business (Drucker, 1994). As a result of the emergence of social media and the new role of customers, there has also been a change in communication between customers and companies. Companies are thought to have lost control over their interactions with their customers; they no longer feel they can control the message content, or the current message transmission, frequency or channel (Mangold & Faulds, 2009). Companies are seen to need a better understanding of customer behavior in the social media environment (Hawkins & Motherbaugh, 2010) This research was conducted with the aim of analyzing the interest in buying healthy food online by Instagram users which is influenced by the variables brand equity and customer trust in social media.

The application of social media marketing is done by the healthy food sellers using Instagram as a platform for interaction between customers and sellers. Brand equity has several categories, such as brand awareness, which is

a measure of the strength of the brand's existence in the minds of customers. Brand Awareness consists of brand recall and brand recognition (Aaker, 1991). The social media strategy carried out by healthy food sellers is ways of marketing communications with the aim to influence and increasing brand awareness of healthy food products sold on Instagram, such as disseminating information, conducting discussions, or just providing education or entertainment. To increase the brand awareness is the results targeted by marketers.

There are several previous studies conducted in other countries that already exist shows that social media marketing has an impact on customer buying interest. In research conducted by (Chen & Lin, 2019) it was concluded that marketing activities through social media can affect customer buying interest through mediation. social identification, perceived value, and satisfaction. Furthermore, similar research also states that social media marketing variables (Context, Communication, Collaboration, and Connection) simultaneously have an influence on the purchase interest of Sugar Tribe customers by 56% (Maulana & Heppy, 2015). Other research related to Instagram shows this social media has a weakness in building customer trust through product reviews. In this study, the R square value obtained is still low, which indicates that several factors outside of trust and purchase intensity can affect purchase intensity (Astuti & Putri, 2018). Other studies suggest that recreational messages alone are not enough to influence Instagram users' buying interest. The user must also be involved in this recreational message. These results indicate that the more Instagram users who view entertaining images and messages, the less purchase intent they have. However, the more Instagram users engage in recreational messaging, the greater their buying interest will be. Besides, There are other minor factors that influence purchase interest, including commercial advertising, aspirational groups (actors / actresses, singers, intellectuals, writers, or celebrities), and ease of use. The last factor makes it easier for users to find product information, which helps them make decisions. Utilitarian messages, direct influence of aspirational groups, and engaging in utilitarian messages do not influence users' purchase intentions (Amornpashara, Nopadol, & Phadoongsitthi, 2015).

Based on some of the pre-existing findings, it can be said that this topic related to social media still needs further research. There is still limited literature that examines customer buying interest in social media marketing, especially on healthy food products in Indonesia.

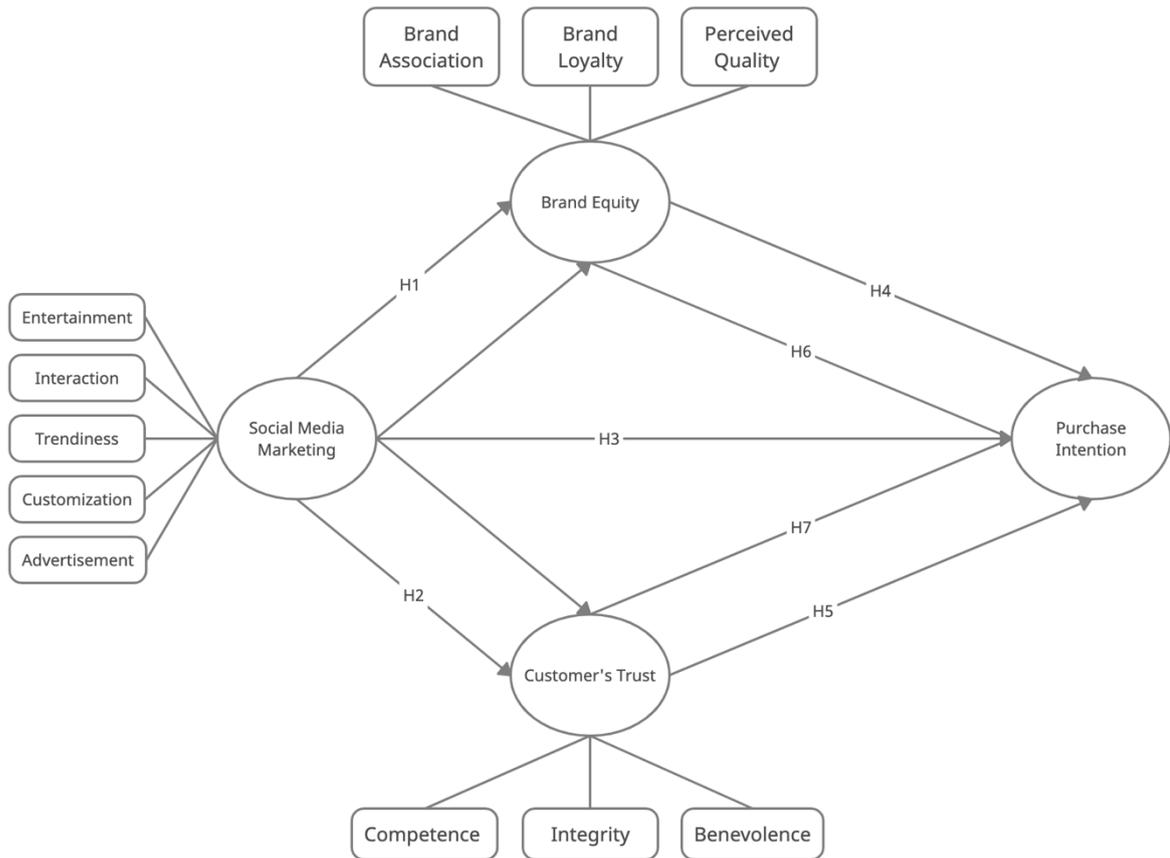
## 2.Literature Review

Purchase intention is the tendency to buy a brand and is generally based on the suitability of the purchase motive with the attributes or characteristics of the brand that can be considered (Belch & Belch, 2004). According to (Busler, 2000), purchase interest can be measured through dimension, such as Likely refer to the customer's purchase plan for a product, Definitely Would refer to customer satisfaction in a product, and Probable refers to the possibility of customers buying a product.

Social media marketing is a form of Internet marketing that makes use of social networking websites as a marketing tool. The goal of social media marketing is to produce content that users will share with their social networks to help companies increase brand exposure and expand customer reach (Bansal, 2014)

As an integrated marketing media, marketing activities on social media are effective at increasing equity value by providing novel values for customers that are not always available by traditional marketing media. A social media platform owned by a brand offers a place for customers to engage indirectly and makes it easier to communicate with the brand's company or with other users. The intent of brand action on the communication scene has a positive effect on the relationship between equity and enlargement of brand equity (Kim & Ko, 2012). Social media marketing and Brand Equity are positively and significantly correlated, where social media marketing helps organizations in building positive customer relationship and enhances brand image. The building blocks of social media have a positive effect on brand awareness, brand association, brand loyalty and perceived quality (Tresna & Wijaya, 2015). The three main drivers of brand equity are customer brand awareness, customer brand attitude, and customer perceptions of brand ethics (Leone, et al., 2016).

(Chen & Dhillon, 2003) describe the dimensions of customer trust used in their research are competence, integrity and benevolence. Competence refers to a company's ability to fulfill promises made to customers. Integrity shows that the company acts consistently, reliably and is honest. Benevolence is the company's ability to put the interests of customers first, have personal interests, and show genuine concern for the welfare of customers. These three dimensions of trust differ independently, but they are all interrelated and they together contribute to overall customer trust.



**Figure 1.** Research Model

The main feature of social media is the production and consumption of content that takes place without time or location restrictions, and through the active participation of customers. This has a greater impact on the way customers behave or think about a brand than one-sided communications such as advertisements in print media. (Chae, Ko, & Han, 2015) mention that when customers are motivated to use hashtags on social media, they tend to have a positive effect on customer participation and Brand Equity of the item. This is consistent with the results of Song's (2012) research which shows that social media advertising in the food service industry has a significant effect on Brand Equity. Based on the above discussion, this study proposes H1

**H1: Social Media Marketing has an influence on Brand Equity.**

Social media marketing is a modern marketing technique practiced by almost every company on virtual networks to reach customers. (Karimi & Naghibi, 2015) define social media marketing as a mechanism that allows anyone to advertise their blog, goods, or services online to reach a wider audience that cannot be accessed through traditional channels. Therefore, if we make it clear, social media marketing is a business mechanism that uses social media platforms to concentrate on their official websites. By using social media, a company can remind potential clients about activities at the company, to introduce new concepts or products, and to connect news about the company. Reviews, feedback, and more positive judgments also contribute to greater trust (Utz, Matzat, & Snijders, 2009). Previous research found that the consistency of customer reviews and the quantity of information influenced customer purchasing decisions by increasing customer confidence (Lien, Wen, Huang, & Wu, 2015). So, based on the above discussion, this study proposes H2

**H2: Social Media Marketing has an influence on Customer's Trust.**

Media Social as a two-way communication platform is perfect for sharing information and opinions, and is also considered more honest with customers because companies communicate about the product's brand rather than just trying to control its image. This type of interaction increases positive attitudes towards the brand, influencing commitment and stronger Purchase Intentions (Hutter, Hautz, Dennhardt, & Fuller, 2013). Based on the discussion above, this study proposes H3

**H3: Social Media Marketing has an influence on Purchase Intention.**

Social Media Marketing enables companies to communicate with customers faster and more easily. From a company perspective, their participation in social media produces the same positive effects as traditional advertising. Interactions with existing potential customers allow the company to communicate positive Brand Equity. The experience of using products or services from online users has a great influence on a person's behavior (Jr, 2003) and communication on social media is considered one of the important reason customers make purchase decisions. In addition, this kind of communication can effectively reduce the risk and uncertainty recognized by customers when buying a product or service, so that their Buying Interest can be more influenced (Chatterjee, 2001).

**H4: Brand Equity has an influence on Purchase Intention.**

One of the main requirements for the formation of strong customer purchase intentions in an online environment and social media is customer trust (Lu, Fan, & Zhou, 2016). In marketing, customer trust is generally defined as a customer's willingness to revisit a brand (Ramanathan, Subramanian, & Parrot, 2017). Chinomona said that customer trust is hope and a positive willingness to buy. From the above discussion, this study proposes H5

**H5: Customer's Trust has influence on Purchase Intention.**

Social Media Marketing as a two-way communication is make it easier for companies to communicate their products and also their organization with customers. Social media marketing produces the same positive effects as traditional advertising and helps companies to communicate positive Brand Equity. This kind of communication can effectively reduce the risk and uncertainty recognized by customers when buying a product or service, so that their buying interest can be more influenced (Chatterjee, 2001). This is because customers can find out more about the good Brand Equity of these products through these social media marketing activities and interaction. Based on these discussions, this study proposes H6

**H6: Brand Equity mediates the influence of Social Media Marketing on Purchase Intention.**

Customers perceive social media as more trustworthy than traditional marketing due to the fact that it provides direct networking, instant feedback, and more tangible content created by customers. Customer trust in transactions and networks affects online buyers (Pappas, 2016) and increases purchase intention (Hajli, Sims, Zadeh, & Richard, 2017). Trust is an important determinant when considering customer purchase intentions (Basha & Lal, 2019). More trust by customers is correlated with increased intention to buy (Hasbullah, et al., 2016). Therefore, this study proposes H7

**H7: Customer's Trust mediates the influence of Social Media Marketing on Purchase Intention****3.Methodology**

The target respondent for the research is individual Instagram users in Indonesia who are interested in healthy food products. The study examined on how the influence of promotion ads of healthy food products that appear on their Instagram feeds can affect the buying interest of customers.

This type of research is descriptive and associative. The time horizon to retrieve the data in this study using a cross-sectional method, which means the data is collected in a certain way over a period of time. The operational variables in this study are the independent variables: social media marketing, the mediating variable: brand equity and customer trust, and the dependent variable: purchase intention.

The data used in this research is qualitative data. The data source used is primary data obtained from questionnaires distributed through online platforms to 158 respondents. There are 151 respondents' data that can be processed data which are healthy food enthusiasts.

To ensure that respondents meet the requirements for the study, a description of the questions will be displayed at the beginning of the questionnaire. In the initial stage, respondents will be asked whether they have followed and interacted with an account that sells health food on Instagram. If the respondent answers yes, then they can continue to participate in filling out the questionnaire. Then to test the demographics and characteristics of respondents, there are several questions to be answered by respondents such as gender, age, profession, recent education, frequency of Instagram usage, and number of accounts of healthy food sellers that are followed on Instagram. All of these questions are presented in closed question format. The next step is to test the question items on this questionnaire. To ensure the validity of its contents,

#### 4.Data Analysis & Discussions

The composite reliability (CR) value for the construct was higher than the threshold value of 0.7 (Chin, 1998), indicating that the construct was internally consistent. In convergent validity, apart from measuring each question using factor loading and composite reliability, it is necessary to consider the AVE indicator for each construct. If the index is > 0.5 this construct has good convergent validity (Fornell & Larcker, 1981). AVE value on the construct variable in the study above is between 0.589 and 0.794, indicating good convergent validity. Discriminant validity detects the level of discrimination between the tested variables and different construct criteria (Henseler, Ringle, & Sarstedt, 2015), shows that the testing technique is the Heterotrait-Monotrait Ratio (HTMT) correlation based on a multitrait-multimethode matrix.

Therefore, this study evaluates discriminant validity using the HTMT method. The discriminant validity does not have a serious problem when the HTMT value is lower than the HTMT value 0.90 (Gold, et al., 2001). HTMT value has been reached at a threshold condition of 0.90 shows that the discriminant validity has been achieved. In addition, the comparison of cross loads and load factors for each discriminant indicator showing reasonable discriminant validity, as the factor loading of each scale item for its latent construction is higher than the loading on other constructs (Hair, et al., 2016).

Therefore, the construct in this study has a good discriminant validity value. Precautions were taken to avoid the common method variant (CMV) that might result from the collection of cognitive information on a single respondent on a self-reported scale and reduce the CMV impact. Apart from the anonymous survey, this study attempted to hide the meaning of each statement and as much as possible to separate the questions for different variables.

In this study, the PLS inner model analysis was used to test the hypothesis. The inner model was used to estimate the path coefficient, R-square, and Q-square. The path coefficient represents the intensity and direction of the variable relationship to show the cause and effect between the observed variables and the latent variables. However, the R-Square value refers to the percentage of the dependent variable that can be explained, representing the predictive ability of the model. Social Media Marketing activities and Brand Equity are the second order factors. In addition, this study uses a bootstrap to estimate the significance of each path coefficient. Table 1 show that social media marketing activities have a positive and significant effect on brand equity, supporting H1 and H2 (SM→BE: T statistic = 18.210; P Values = 0.000; BC→ CT: T statistic = 18.630; P Values = 0.000), but social media marketing activities do not have a significant direct effect on purchase intention (SM → BE: T statistic = 1.059; P Values = 0.290) thus H3 is not supported. The results of the analysis show that Brand Equity and Customer Trust have a significant effect on purchase intention, supporting H4 and H5 (BE→ PI, T statistic = 7.515; P Value = 0.000; CT→ PI, T Statistic = 2.938; P Value = 0.003).

**Table 1.** Summary of Inner Model Results.

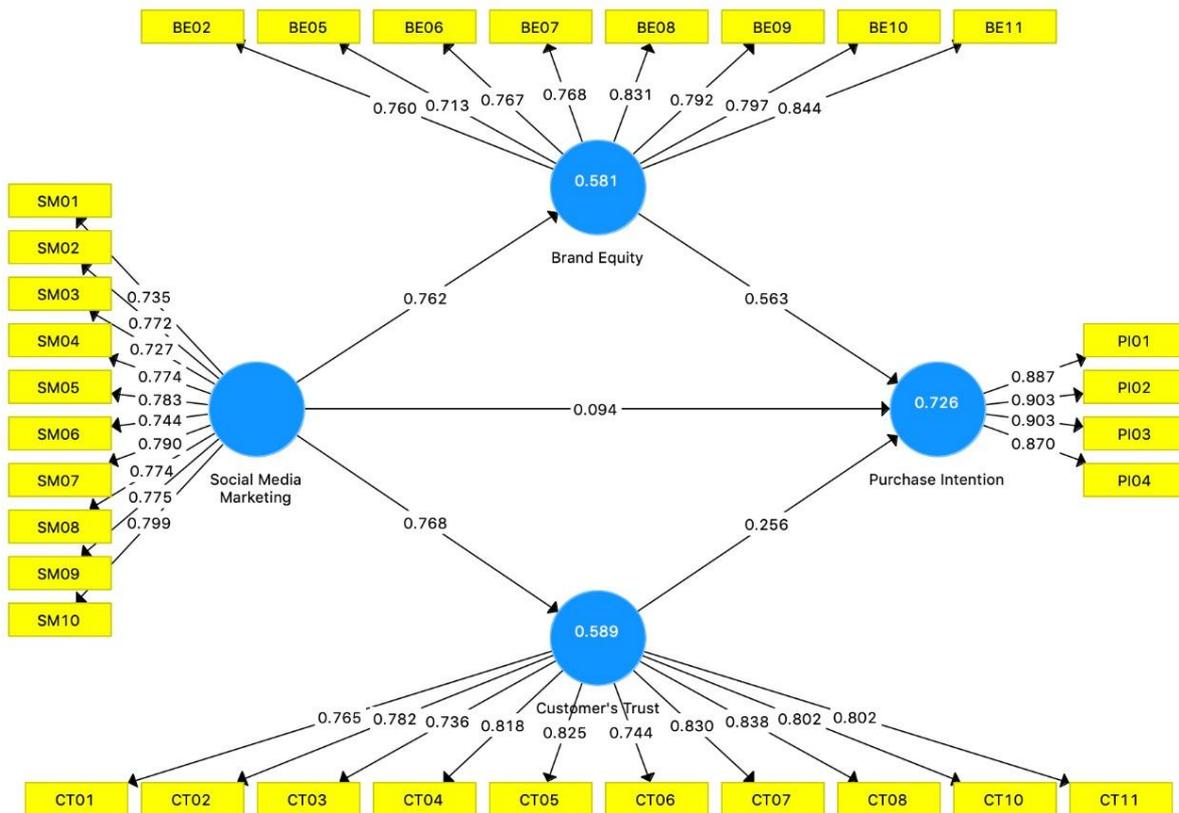
Hypothesis	Original Sample	T Statistic	P Values	Result
H1 SM → BE	0.762	18.210	0.000	Supported
H2 SM → CT	0.768	18.630	0.000	Supported
H3 SM → PI	0.094	1.059	0.290	Not Supported
H4 BE → PI	0.563	7.515	0.000	Supported
H5 CT → PI	0.256	2.938	0.003	Supported

#### 4.1. Testing of mediation effect

On testing of mediation variables using PLS analysis, the results show the influence of Social Media Marketing on Purchase Intention with mediation of the mediation variable Customer Trust. Social Media Marketing activities have a significant effect on Purchase Intention (SM → CT → PI: T Statistic = 2.900; P Values = 0.004). The influence of Social Media Marketing also has a significant effect on Purchase Intention mediated by Brand Equity (SM → BE → PI: T Statistic = 6.530; P Values = 0.000). From this result, the mediation variable has an absolute effect making Social Media Marketing significantly influence Purchase Intention.

**Table 6.** Mediation Effects Testing.

Relationship	Original Sample	T Statistic	P Values	Result
SM → CT → PI	0.196	2.900	0.004	Full Mediation
SM → BE → PI	0.429	6.530	0.000	Full Mediation



**Figure 2.** Confirmatory Factor Analysis Diagram

**5. Conclusions & Implications**

This study is based on the social media marketing activities proposed by Kim and Ko (2012) and investigates the factors that influence Purchase Intention from the use of Instagram as the Social Media platform. As the results of this study, it shows that Social Media Marketing activities have a significant effect on Brand Equity of healthy food products and Customer's Trust on the products which in turn affects Purchase Intention to consume the product. Thus, this model helps understand the Purchase Intention to consume healthy food products from social media users is not directly from Social Media Marketing itself. Instead, Social Media Marketing has a direct effect on Brand Equity from the healthy food products or to Customer Trusts. Social media marketing reaches broadly and increases the effect of information transmitted through close long-term relationships and online communities (Holzner, 2008). In practice, sellers of healthy food products using social media services must consider how to increase the effect of their social media marketing activities.

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