

The Role of Social Media Marketing and Electronic Word of Mouth on Brand Image and Purchase Intention of SMEs Product

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Abstract

This study aims to analyze the effect of social media marketing and electronic word of mouth on purchase intention through brand image. Methods This research is a quantitative research. Sampling The technique used is non-probability sampling by means of purposive samples. The sample used is 430 respondents, namely active social media users. Data collection The tool used is an online questionnaire distributed through social media. The data analysis technique used is structural equation modeling (SEM) analysis using the Smart PLS 3.0 program. Results of This study proves that Social Media Marketing has a positive and significant effect on Brand Image. Electronic word of mouth has a positive and significant influence on Brand Image. Social media Marketing has a positive and significant effect on Purchase Intent. Electronic Word of Mouth has a positive and significant impact on Purchase Intention. Brand Image has positive and significant effect on Purchase Intention. social media has a positive and significant effect on Purchase Intentions through Brand Image.

Keywords: Social Media Marketing ; Electronic word of mouth; Brand Image ; Purchase Intention; SME Products

Introduction

Social Media has now become a trend in marketing communications. According to Bernardo et al. (2022) social media is a group of internet-based applications that are built on the ideological and technological framework of Web 2.0, and allow the creation of the exchange of information content from internet users. Web 2.0 is the basis for the formation of social media. Examples of social media that are currently developing are: twitter, facebook, myspace, youtube, instagram, path, whatsapp, line, etc. Given the importance of information about how to use social media for SMEs and their benefits, it is necessary to conduct an observational study. communicate with consumers, and develop a wider market network. this is in line with previous research by Harrigan et al. (2021);Haudi et al. (2022) which shows that the perception of the benefits of using information technology is one of the driving factors for SMEs to use information technology media. Social media is one of the media that facilitates interactive communication between entrepreneurs and anyone, including consumers, and various interested parties, whenever and wherever. Social media is very helpful as a liaison of information and communication from producers to consumers wherever they are and whatever the distance.

According to Harrigan et al. (2021);Haudi et al. (2022) From social media, now we can make online purchases that really need recommendations from friends, family and so on because we can't see it

directly so that various worries arise such as items that don't fit, items don't ship and others. With electronic word of mouth, we can make people more confident to buy the product because there are reviews about the item from people we trust, be it friends or even influencers. The use of electronic word of mouth through social media can make it viral and trend so that it can reach a wider range of potential consumers. Almost everyone must have and use social media. These social media include Youtube, Whatsapp, Line, Facebook, Instagram and so on. These social media users range from the elderly to the younger generation, especially the millennial generation. The existence of this social media makes us get more friends and reach consumers because we can interact with one another without even needing face to face. By using social media, you can connect with consumers or potential customers easily because they are not limited by distance and time. In addition, social media can be used to make sales, create ads or promotions, share content, share information, etc. The existence of various new platforms in the world of social media, namely promoting and helping communicate with consumers is not yet known. According to Khiong (2022); Majeed et al. (2021) Social media is related to relationship marketing and as such Every company should be able to change its origin to "try to sell" to "make connections" with its consumers. Social media marketing is a way of giving everyone the opportunity to market websites, products, or services and communicating them to the public on a broad scale that traditionally did not exist According to Erlangga, H. (2021); Fahmi et al. (2022); Harrigan et al. (2021); Haudi et al. (2022) Media marketing Social media is an effort made by companies to promote through social media because in social media there is a large community and compared to advertising in the traditional way.

According to Bernardo et al. (2022); Haudi et al. (2022) Word of mouth is an explanation of the good, neutral and bad experiences of potential buyers, actual and former customers of products, services, brands or companies, and these experiences are obtained through the Internet. According to Harrigan et al. (2021);Haudi et al. (2022) The people we talk to every day, our friends and acquaintances, are a significant and influential source of opinion and information about products, brand names, and voting choices. According to Moslehpour et al. (2021); Onofrei et al. (2022); Purwanto et al. (2022); Purwanto et al. (2022) Brand image is the consumer's view of a brand as a reflection of remembered brand associations. Creating a good brand image requires a marketing plan that can link a strong, partial, and special plan in the minds of consumers. In order to create the impression of a consumer-oriented brand, sellers need to build brand alliances that are not only easy to like, but also special and don't exist in competing brands. Purchase intention is defined as a consumer's likelihood to purchase in the future. According to Bernardo et al. (2022); Cheng et al. (2021); Haudi et al. (2022) Purchase intention serves as an indication of self to buy a brand or take a purchase action. A purchase intention effort arises with product analysis, in which individuals use their knowledge, experience, and information from outsiders for evaluation (Bukhari et al., 2013). The purchase intention parameter is the main indicator in evaluating consumer behavior, which can predict consumer behavior when making a purchase decision, because the stronger the purchase intention, the greater the probability of purchasing. Social media marketing is a new method or medium used to create awareness, memory and action for brands, companies, products, people or other entities. According to Harrigan et al. (2021);Haudi et al. (2022) Creating a positive brand image requires a marketing plan to associate a solid design, preferences and specialties in the minds of consumers. Each Brand will be actively marketing or Social Media Marketing to the public. According to Fahmi et al. (2022); Harrigan et al. (2021);Haudi et al. (2022) stated from the results of his research that there was a significant and positive impact on marketing using social media with Brand Image. Based on the study that has been described, several hypotheses can be formulated, namely:

H1: Social Media Marketing has a positive effect on Brand Image.

Word of mouth marketing is a good or bad judgment designed about product characteristics, company identity, or media that is designed widely through the internet. Viral marketing or electronic word of mouth is marketing using the internet to build word-of-mouth information to support business and marketing objectives. A more positive word of mouth will lead to a higher quality view, otherwise it can lead to a lower quality view. Research Erlangga, H. (2021); Fahmi et al. (2022); Harrigan et al. (2021);Haudi et al. (2022) showed that word of mouth marketing can have a positive and significant effect on Brand Image. The next hypothesis that can be proposed based on the explanation of the theory above is:

H2: Electronic word of mouth has a positive and significant effect on Brand Image.

Marketing that uses social media provides various benefits, including fast delivery, easy to know and can attract consumers' attention quickly so that it can increase consumer purchasing power. According to Harrigan et al. (2021);Haudi et al. (2022) Purchase intention is an opportunity for consumers to plan to buy a certain product at a certain time and certain factors are the main factors in purchasing behavior. According to Bernardo et al. (2022);; Harrigan et al. (2021);Haudi et al. (2022) Social Media Marketing helps marketers in sharing good information about the products being sold to the store. Through social media, customers can find out complete and easy information so as to create interest in buying the product. Increased consumer exposure to social media activity can increase their propensity to buy and this positive effect can last for at least a few weeks. Furthermore, the hypotheses that can be proposed according to the theory that has been presented are:

H3: Social Media Marketing has a positive effect on purchasing intention.

Purchase intention is a sequence to build a choice in the minds of consumers to determine one brand among others and can determine the choice of a brand that is purchased through various considerations. Consumers who are influenced by good word of mouth marketing are more likely to make purchasing decisions, while consumers who are affected by negative word of mouth are less likely to make purchasing decisions. Based on the description above, the next hypothesis is:

H4: Electronic word of mouth has a positive and significant effect on purchase intention.

Based on research by Fahmi et al. (2022); Harrigan et al. (2021);Haudi et al. (2022) it can be seen that there is a very significant positive effect of Brand Image on consumer purchasing power. Brand image is one of the factors that can influence consumers to purchase a product. A good brand image can increase the level of loyalty to the brand, the level of trust, and the willingness of consumers to buy goods that have a brand that they trust. According to the theory that has been explained, *the next hypothesis is:*

H5: Brand Image has a positive and significant effect on purchase intention.

Method

The method used in this research is quantitative. Meanwhile, the data collection technique in this study used media in the form of a survey by distributing questionnaires to respondents which were in accordance with the criteria in this study which were used for primary data. The data analysis technique obtained in this study uses the Smart PLS program to facilitate the analysis process. Methods This

research is a quantitative research. Sampling The technique used is non-probability sampling by means of purposive samples. The sample used is 430 respondents, namely active social media users. Data collection The tool used is an online questionnaire distributed through social media. The data analysis technique used is structural equation modeling (SEM) analysis using the Smart PLS 3.0 program. The independent variables in this study were Social Media Marketing and Electronic word of mouth. The mediating variable used in this research is Brand Image. The dependent variable in this study is Purchase Intention (consumer purchasing power).

The hypothesis of this research is:

- H1: Social Media Marketing has a positive effect on Brand Image.
- H2: Electronic word of mouth has a positive and significant effect on Brand Image.
- H3: Social Media Marketing has a positive effect on purchasing intention.
- H4: Electronic word of mouth has a positive and significant effect on purchase intention.
- H5: Brand Image has a positive and significant effect on purchase intention

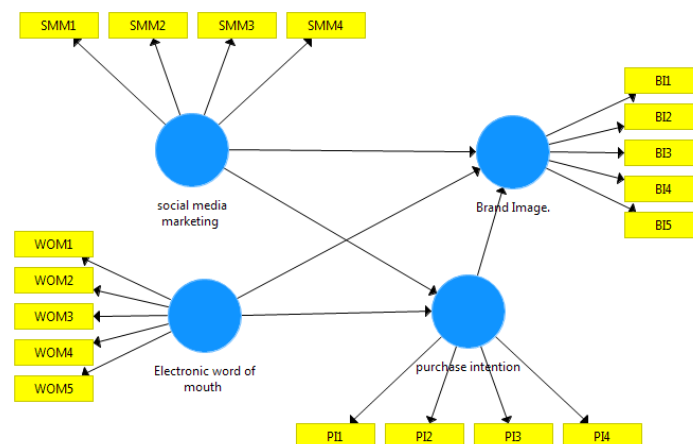


Fig 1. Research Framework

Result and discussion

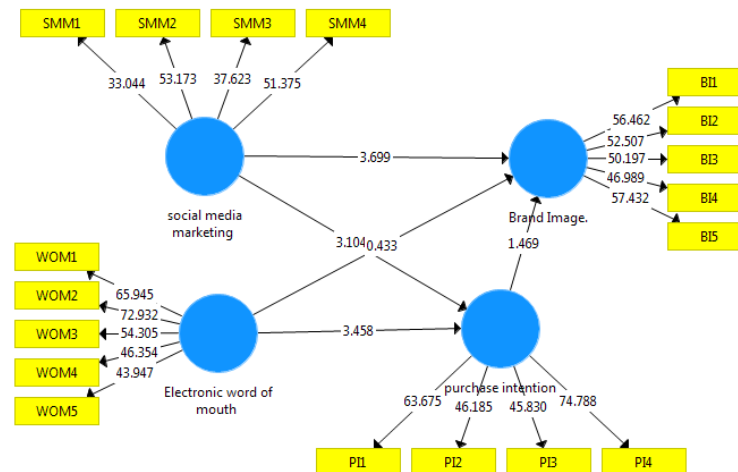


Fig 1. Hypothesis Testing

H1: Social Media Marketing has a positive effect on Brand Image.

Based on the results of the hypothesis testing that has been carried out, marketing using social media can have a significant positive effect on Brand Image which shows the t-statistic results in a row of 6,134. This means that when Social Media Marketing is of better value, the Brand Image will also be of better value. Thus, it proves that the first hypothesis of Social Media Marketing has a positive and significant effect on Brand Image. The results shown in this study are in accordance with the opinion of Syahril et al. (2022); Savitri et al. (2022); Wijaya et al. (2021) that there is a significant and positive impact on social media marketing on Brand Image. The results of this study also agree with the research of Savitri et al. (2022); Wijaya et al. (2021); Yuliantoro et al. (2019). that there is a significant and positive impact on social media marketing that uses Brand Image.

H2: Electronic word of mouth has a positive and significant effect on Brand Image.

The next hypothesis testing gives the conclusion that Electronic word of mouth has a positive and significant effect on Brand Image which shows the original sample and t-statistic results, respectively, namely 0.348 and 4,895. This means that when the number of electronic word of mouth is more positive, the brand image will also increase in quality. Thus, proving that the second hypothesis Electronic word of mouth has a positive and significant effect on Brand Image. The results of this study are in accordance with the research conducted by Syahril et al. (2022); Savitri et al. (2022); Wijaya et al. (2021); Yuliantoro et al. (2019) explains that electronic word of mouth has a positive and significant influence on Brand Image. That is, the brand image that exists in the memory of consumers will be of better value if the electronic word of mouth that occurs to consumers through internet networks is also getting better. And vice versa, the brand image that exists in consumers' memories worsens if the electronic word of mouth that occurs among consumers in online media is also getting worse. The results of this study are in accordance with the research of Wijaya et al. (2021); Yuliantoro et al. (2019) which states that electronic word of mouth has a positive effect on brand image.

H3: Social Media Marketing has a positive effect on purchasing intention.

The results of hypothesis testing explain that Social Media Marketing has a positive and significant effect on Purchase Intention and t-statistics, respectively, namely 0.240 and 2.978. This can be interpreted that when Social Media Marketing increases it can also increase Purchase Intention. Therefore, it proves that the third hypothesis of Social Media Marketing has a positive and significant impact on Purchase Intention. The results of this study are in agreement with the research conducted by Savitri et al. (2022); Wijaya et al. (2021); Yuliantoro et al. (2019).) which reveals that marketing through social media has a positive and significant impact on consumer purchase intentions in e-commerce.

H4: Electronic word of mouth has a positive and significant effect on purchase intention.

The results of the research conducted on the fourth hypothesis test, namely Electronic word of mouth has a positive and significant effect on the value of Purchase Intention with the results of the original sample and t-statistics, respectively, namely 0.399 and 5.023. This means that when Electronic word of mouth is getting better, it will increase Purchase Intention. Thus, it proves that the fourth hypothesis, namely Electronic word of mouth can have a positive and significant impact on Purchase Intention.

The results of this study are in agreement with the research conducted by Savitri et al. (2022); Wijaya et al. (2021); Yuliantoro et al. (2019). which states that electronic word of mouth has a positive and significant impact on purchasing power. This means that there are online reviews

H5: Brand Image has a positive and significant effect on purchase intention

The data can be explained that when the Brand Image is getting stronger, it will increase Purchase Intention. Thus, it proves that the fifth hypothesis of Brand Image has a positive and significant effect on Purchase Intention. The results of this study are in accordance with the research data. According to Savitri et al. (2022); Wijaya et al. (2021); Yuliantoro et al. (2019). states that Brand Image has a positive and significant influence on consumer purchasing power. This indicates that consumer power in supporting product purchases is higher if the brand image of a product is more positive. The results of this study are in agreement with the research by Savitri et al. (2022); Wijaya et al. (2021); Yuliantoro et al. (2019). which explains that Brand Image has a positive influence on purchase intention

This study concludes that the observed SMEs have used social media in their companies. The most widely used social media are Facebook, Twitter and Instagram. For most SMEs, the benefits of using social media are for personal communication with consumers, marketing and advertising, recording consumer needs, responding to consumers, helping decision making and as a discussion forum with consumers. Based on research, the use of social media can increase sales by more than 100% if the company updates information consistently through social media every day. SME entrepreneurs need to make optimal use of social media and consistently update information every day to develop market share and increase product sales. Further research is needed to measure sales increase accurately so that the analysis of the effect of using social media on increasing sales can be done more accurately

Conclusion

Based on the results of the research that has been done, it can be concluded that marketing using social media can have a positive and significant impact on Brand Image; Electronic Word POf Mouth has a positive and significant impact on Brand Image; Social Media Marketing also has a positive and significant effect on the level of Purchase Intention, Electronic Word POof Mouth has a positive and significant effect on Purchase Intention; Brand Image will have a positive and significant effect on Purchase Intention; Social Media Marketing has a positive and significant effect on Purchase Intention through Brand Image; Electronic Word Of Mouth has a positive and significant effect on Purchase Intention through Brand Image. This social media can affect marketing where marketing itself is a very important part for a business person. There are many marketing tools that can be used by business people in marketing their products, including: (1) advertising which refers to the approach used to attract consumers' attention and influence their feelings towards a product or service; (2) direct sales where we can meet directly with consumers; (3) conducting sales promotions; (4) personal selling; (5) creating relationships with the community; (6) internet marketing. All of these promotional tools (sales promotions) must be well integrated because each tool has strengths and weaknesses. If all of them are well integrated, an effective and efficient integrated marketing concept will be created.

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