

SUMMARY

DANNY KHAIRUL. Effect of Social Media Marketing on E-commerce Consumer Loyalty toward Brand Image and Relationship Marketing. Supervised by LILIK NOOR YULIATI and NUR HASANAH.

The development of the internet in Indonesia is currently experiencing a significant increase. The growth of internet users in Indonesia tends to increase consistently over a long period of time. The growth of internet users which continues to increase has an impact on the increasing use of social media. Internet users in Indonesia use social media as a means of obtaining the necessary information. Instagram is the most used social media. Indonesian people are very active in using the internet and social media, so this phenomenon opens up opportunities for business people to take advantage of it. Currently the e-commerce business is one of the world's business trends. Indonesia is a country with the highest e-commerce adoption rate in the world in 2019. The penetration of e-commerce users has an impact on increasing e-commerce sales revenue in Indonesia.

There are four latent variables in this study, namely social media marketing as an independent variable, brand image, satisfaction, and trust as an intervening variable, and loyalty as the dependent variable. The objectives of this study are (1) to identify the behavior of using Instagram and e-commerce, (2) to analyze the influence of social media marketing on brand image, satisfaction and trust, (4) to analyze the influence of brand image, satisfaction and trust on loyalty (5) formulate managerial implications that can be applied by corporate companies in increasing consumer loyalty in e-commerce.

This research was conducted from June to December 2020. This research used quantitative descriptions with an online survey method using google form. The respondents of this research were determined by using voluntary sampling technique. The criteria for the respondents of this study are active users of social media Instagram and consumers who have made transactions on e-commerce sites at least 2 times in the last three months. This study uses a sample of 200 respondents who are e-commerce consumers who are Instagram users. Data processing in this study was carried out by descriptive analysis using SPSS 24 software and Structural Equation Modeling (SEM) with LISREL 8.8.

Based on the results of the characteristics of the respondents, it is found that the majority of respondents are women in the age range 20-30 years. The domicile of spending the most on e-commerce sites are West Java. Respondents who work as students dominate shopping activities on e-commerce sites with an income of Rp5.000.000 - Rp10.000.000 and the last degree education.

Based on descriptive analysis, the majority of respondents use Instagram social media because it is more informative and usually access Instagram at home. The frequency of respondents being exposed to promotional information on e-commerce sites on Instagram is once a day. Instagram users more frequently shop online through the e-commerce site Shopee (45,5%), followed by Tokopedia (32,5%) and Bukalapak (12%). The order of the respondents' reasons for choosing the e-commerce site were more choices of available goods (37%), easy-to-use sites (31%), and low prices (28,5%). The order of the types of goods purchased by the

respondents was clothes (47,5%), accessories (31%), and shoes / sandals (22,5%) with the largest shopping frequency of 3-5 times in the last three months. The majority of respondents used the payment method via mobile banking (51%), followed by e-wallets (29,6%), and ATM transfers (13,4%).

Based on the evaluation of the level of model fit, this research model includes good fit and marginal fit so that it is feasible to test the hypothesis. Based on the results of the structural model fit test, it was found that all hypotheses were significant except for hypothesis 2, namely that the effect of social media marketing was insignificant on satisfaction and hypothesis 6, namely that the effect of brand image was not significant on loyalty. The results of this study are social media marketing has a positive and significant effect on brand image and trust. Satisfaction and trust have a positive and significant effect on consumer loyalty. Brand image has a positive and significant effect on satisfaction, and satisfaction has a positive and significant effect on trust.

Several forms of managerial implications for the company are maintaining and increasing the accuracy of product description conformity with actual conditions. E-commerce industry players must ensure that sellers who work with industry players provide product information that is in accordance with actual conditions. Furthermore, e-commerce industry players can carry out effective marketing activities through social media marketing using Instagram, namely by providing content that can attract consumers to shop. This can be done by providing useful information such as providing information related to product knowledge, as well as other information related to the e-commerce industry. In addition, e-commerce industry players can increase responsiveness to complaints and input given by consumers through e-commerce Instagram accounts, and be actively involved in discussion / exchange of opinions.

Keywords: Brand image, e-commerce, loyalty, relationship marketing, social media marketing.