

THE EFFECT OF SMMA AND BRAND IMAGE ON PRICE PREMIUM IN BUILDING MATERIAL SUPERMARKET

Johan Paing Heru Waskito¹, Hwihanus²

¹Fakultas Teknik, Universitas Wijaya Kusuma Surabaya, ²Fakultas Ekonomi dan Bisnis, Universitas 17 Agustus 1945 Surabaya

e-mail: johanpaing_ft@uwks.ac.id

ABSTRACT

Social Media Marketing Activity (SMMA) has recently become a popular marketing method. This study evaluates and analyzes SMMA in a Surabaya-based building materials supermarket about consumers' willingness to pay a premium price. The population of this research includes all individuals residing in Surabaya who have previously accessed or opened official social media accounts of the building materials supermarket. The sample analyzed consists of 108 respondents aged 17 years and above who have had social media accounts for at least six months. This study collected data using an electronic survey platform. The data were analyzed using Structural Equation Modeling (SEM) aided by SmartPLS for hypothesis testing calculations. The research findings indicate that SMMA significantly influences brand image and premium pricing. However, brand image does not mediate the relationship between SMMA and premium pricing.

Keywords: SMMA, brand image, price premium

INTRODUCTION

Social media can be considered as an evolution of Web 2.0 because it is built upon the concepts and technologies of Web 2.0 with the aim of creating a dynamic space where user-generated content can be further explored without limits (Kaplan & Haenlein, 2010). Consequently, social media and Web 2.0 together have transformed the role of users from mere consumers to active participants. As a result, it enables numerous creators and interactive engagement, making social media an ideal platform for fostering relationships among its users (Obar & Wildman, 2016).

Since its initial appearance in Indonesia in 2008, social media has gained massive traction among internet users in the country. According to a recent survey published in January 2020, approximately 160 million people (59% of the total population) access their social media accounts, spending an average screen time of 3 hours and 26 minutes per day (Hootsuite, 2020).

During the COVID-19 pandemic that began in early 2020, almost every business sector experienced significant losses. Jawa Pos newspaper reported that the purchase of building materials in Surabaya experienced a 26% loss in daily revenue. This figure also includes the revenue of building materials supermarkets (Jawa Pos, 2020).

This research is not based on previous research research gaps, so there is no novelty in it. This research is a problem solving approach based on the phenomenon that until now there has been no study of the social media marketing aspects of the building materials supermarket business.

This research aims to investigate the influence of social media marketing activities on the establishment of premium pricing in building materials supermarkets through the construct of brand equity. Thus, it offers a comprehensive framework that demonstrates how marketing efforts through social media impact brand equity and consumer behavior towards building materials supermarkets in the city of Surabaya.

The objective of this study is to systematically and comprehensively examine the impact of social media marketing on consumer responses through the creation of brand equity. Additionally, it aims to fill the gaps in previous research by (1) measuring the relationships between social media marketing efforts, brand image, and customers' willingness to pay a premium price; (2) evaluating the relative importance of social media marketing activities (SMMA) components on brand value creation and consumer preferences; (3) analyzing the influence of brand image on customers' preferences to pay a premium price, and (4) investigating the mediating role of brand image in

the relationship between social media marketing activities (SMMA) and premium pricing.

Literature Review

Conceptually, better financial performance begins by creating stronger reciprocal relationships between the seller (company) and the buyer (customer), in this case, the social media users. By strengthening and maintaining relational bonds with their customers, companies can achieve better financial performance (Palmatier, 2008).

There are several aspects that contribute to building stronger relational bonds and can impact financial performance. These aspects include:

Relationship Marketing

In the 2000s, marketing has evolved into a much more integrated business domain. Since then, relationship marketing has emerged and become the new norm in marketing, emphasizing the reciprocal relationship between sellers and buyers (Godey et al., 2016; Sabol et al., 2013). Relationship marketing focuses on the aspect of reciprocity through customer gratitude achieved by creating value that meets customers' needs. In this stage of development, relationship marketing has integrated itself with psychology and consumer behavior.

According to evolutionary psychologists Becker (1986) and Trivers (1971), as cited in Palmatier (2008), feelings of reciprocity and gratitude are genetically and socially embedded in human beings, making their spread throughout society sensible. They represent fundamental social and moral components for the functioning of a stable social system (Palmatier, 2008). Therefore, allowing customers to express their feelings (whether gratitude, dissatisfaction, or satisfaction) towards the seller is crucial. This creates a sense of presence and relationship, ultimately transforming short-term emotions into long-term connections. In the construction of relationship marketing, gratitude and reciprocity are inseparable, as gratitude reflects the ingrained psychological urge to reciprocate kindness.

Social Media Marketing Activity (SMMA)

Several previous studies have explained why social media is an ideal platform for creating and maintaining relationships with customers. Social media has fundamentally transformed how companies and brands interact with customers and has even shaped the trends of digital business as we know it today (Obar & Wildman, 2016).

With higher levels of interaction permitted on social media, customers - in this case, social media users - act as participants and can contribute to value creation by generating their own content, such as becoming brand advocates and influencing other customers' purchasing behavior through electronic word-of-mouth (Bruhn et al., 2012; Godey et al., 2016). Consequently, this transfers the power of brand identity and image into customer connections and content.

Kim & Ko (2012) depicted social media marketing activities consisting of four dimensions: entertainment, interaction, trends, and Word-of-Mouth (WOM). This study examines social media marketing from the perspective of Kim and Ko.

1. Entertainment, refers to the feeling of amusement or enjoyment derived from the experience of using or accessing social media (Agichtein et al., 2008). Studies have indicated that entertainment is a strong motivator for people to use social media (Kaye, 2007; Muntinga, Moorman, & Smit, 2011; Park, Kee, & Valenzuela, 2009).
2. Interaction; Fundamentally, interaction transforms the communication between brands and customers (Gallaughar & Ransbotham, 2010; Kaplan and Haenlein, 2010). Daugherty, Eastin, and Bright (2008) found that social interaction is a significant motivator for creating user-generated content. Social media provides assistance to consumers and offers a space for discussion and exchange of ideas. According to Muntinga et al. (2011), social interaction depicts users contributing to brand-related social media platforms to meet like-minded individuals, interact, and engage in conversations about specific products/brands.
3. Trendiness; According to Muntinga et al. (2011), content and information trends serve four categories: surveillance, knowledge, pre-purchase information, and inspiration. Surveillance refers to the observation and monitoring of one's social environment. Knowledge pertains to brand-related information that consumers acquire to benefit from the knowledge and expertise of other consumers in order to learn more about a product or brand.
4. Word of Mouth (WOM); Social media is an ideal tool for electronic Word-of-Mouth (eWOM) as consumers generate and disseminate brand-related information to friends, colleagues, and acquaintances without constraints (Kim & Ko, 2012; Vollmer &

Precourt, 2008). A study by Jansen, Zhang, Sobel, and Chowdury (2009) examined brand-related WOM activities on Twitter. They found that consumer posts initiated the process of information diffusion, which included branding comments, sentiment, and opinions. According to Chu and Kim (2011), researchers can examine the use of eWOM on social media from three perspectives: seeking opinions, providing opinions, and transmitting opinions.

Brand Image

The ways in which brand equity benefits a company have been the subject of extensive debate, much like the discussions surrounding what constitutes brand equity and how it can be built through different marketing actions (Christodoulides & De Chernatony, 2010). Despite disagreements regarding their importance and relative measurement, most experts agree that stronger brand equity contributes to increased brand preference, willingness to pay a premium price, and customer loyalty (Aaker, 1991; Keller, 1993, 2003; Keller & Lehmann, 2006). Kim and Ko (2012) revealed that social media-generated brand equity, created through social media marketing activities, positively relates to future purchasing behavior/responses. Therefore, this research focuses on the influence of brand equity on customer responses, particularly their willingness to pay a premium price.

Price Premium

Premium price may serve as a potential direct antecedent of purchasing behavior. Netemayer et al. (2004) defined willingness to pay a premium price as the amount customers are willing to pay for a brand compared to others. A brand achieves a premium price when the amount customers are willing to pay for its product is higher than what they are willing to pay for a similar product from other relevant brands (Wang et al., 2008; Yoo & Donthu, 2001).

The concept of premium price in this study, as well as Sethuraman (2000), is related to willingness to pay, which does not always reflect the actual price. Furthermore, premium price is a relative measure, meaning it is relevant across all brands - even for low-cost brands, where customers are willing to pay more for one brand compared to others.

Hypothesis Development

The relationship between SMMA and Brand Image: According to research conducted by

Mangold & Faulds (2009) and Bruhn et al. (2013), social media marketing activities specifically have an impact on brand image in the construction of equity. Other studies conducted by Bilgin (2018) and Seo et al. (2018) also concluded that social media marketing, especially entertainment, has a positive and significant impact on brand image, further strengthening the theory proposed by Kim & Ko (2012) regarding social media. Additionally, Ahmad & Ahmed (2019) concluded that social media marketing (SMM) significantly influences brand image in the construction of equity. Therefore, the following hypothesis is proposed:
H₁: SMMA has a positive and significant influence on brand image.

The relationship between SMMA and willingness to pay a premium price; Godey (2016) elucidated that although SMMA has a positive influence, it may not necessarily have a significant impact on customers' willingness to pay a premium price. In fact, among the three other customer responses examined, customers' willingness to pay a premium price ranked last in the study. Therefore, the following hypothesis is proposed:
H₂: SMMA has a positive and significant influence on premium prices.

The Relationship between Brand Image and Premium Prices: Bondesson (2012) concluded that brand image is a favorable antecedent of premium prices, although their model only captured 22% of the relevance. Another study that built upon Bondesson's work found that two-thirds of their research categories supported the notion that brand image is a strong determinant for premium prices (Anselmsson et al., 2014). Therefore, the following hypothesis is proposed:

H₃: Brand image has a positive and significant influence on premium prices.

Mediation of brand image between SMMA and premium prices; Kim and Ko (2012), Godey (2016), Seo (2018), and Bilgin (2018) all indicate a positive and significant relationship between these two variables. Several studies also show a positive relationship between brand image and premium prices, including Bondesson (2012) and Anselmsson (2014). However, the explicit presentation or highlighting of the mediating effect of brand image between SMMA and premium prices is not apparent in the aforementioned studies. Nevertheless, Wolter et al. (2016) suggest that companies should maintain their identity perception on social networks. Furthermore, Torres (2018) supports Wolter's viewpoint by stating in their research that brand image fully mediates

SMMA and premium prices. Therefore, the hypothesis is formulated as follows:

H₄: Brand image mediates the influence of premium prices and SMMA.

The conceptual framework of this research is as follows:

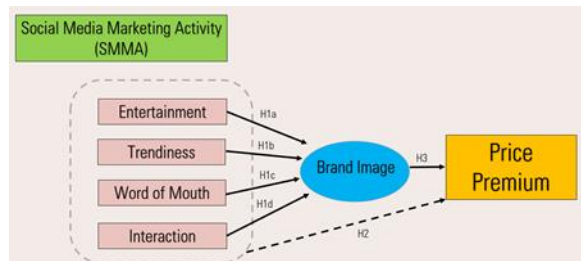


Figure 1
Path Analysis

RESEARCH METHOD

The research methodology involves investigating the cause-and-effect relationship between 1 independent variable, 1 dependent variable - which will be mediated by 1 intervening variable, on the identified object, which is the building materials supermarket, and its significance to the research objective. Primary data will serve as the main source of information, collected through an online questionnaire. In its analysis, this quantitative study employs a deductive strategy as it develops specific hypotheses to create a comprehensive objective.

Research Population and Sample

This research defines its population as all individuals who have knowledge of, use, and interact with social media of building materials supermarkets. The total collected sample size is 108 individuals, with the following breakdown:

Table 1
Respondent

Community	Fill GF	Not valid	Analysed
Planner	20	1	19
Contractor	18	3	15
Lecture	52	0	52
Student	23	1	22
TOTAL			108

The data analysis was conducted using descriptive statistics and its inferential statistics. Descriptive statistics were primarily focused on describing the statistical values collected using the questionnaire itself. Meanwhile, inferential statistics primarily pertained to describing the

multivariate analysis metrics generated by the SmartPLS software in determining the causal relationships between each variable, including the measurements of the external and internal model.

Research Variable

This study will analyze three variables: one independent variable, one dependent variable, and one intervening variable. The dependent variable to be tested is price premium. The independent variable in this study is SMMA. Meanwhile, the independent and dependent variables will be mediated by brand image as the intervening variable.

DISCUSSION

Hypothesis Test and Result

The purpose of hypothesis testing is to determine whether the research hypotheses proposed earlier are accepted or rejected. The criteria for accepting a hypothesis are a t statistic ≥ 1.96 and a P Value ≤ 0.05 . Table 2 presents the results of hypothesis testing for the research model:

Table 2
Result of Hipotesis Test

Path	T-Value	P-Value	Result
SMMA → BI	16.478	0.000	Supported
SMMA → PRA	5.129	0.000	Supported
BI → PRA	2.038	0,042	Supported
SMMA → BI → PRA	1.912	0,056	Not supported

Source: processed data

Based on the data presented in Table 2, the author draws the following conclusions:

1. The T-Value and P-Value for the path from SMMA to brand image exceed the minimum criteria. Therefore, SMMA has a positive and significant effect on brand image. this can be interpreted as better SMMA leading to a better brand image.
2. The T-Value And P-Value for the path from SMMA to premium price exceed the minimum criteria. Therefore, SMMA has a positive and significant effect on premium price. This can be interpreted as better SMMA leading to more customers willing to pay a premium price.
3. The T-Value and P-Value for the path from brand image to premium price exceed the minimum criteria. Therefore, brand image has a positive and significant effect on premium price. This can be interpreted as a better brand image leading to more customers willing to pay a premium price.

- The T-Value and P-Value for the path from SMMA to the premium price do not exceed the minimum criteria. Therefore, the brand image has not significantly mediated the impact between SMMA and the premium price. this can be interpreted as the willingness of customers
- to pay a premium price not being solely preceded by the brand image formed by the performance of SMMA.

Descriptive Statistic Analysis

Descriptive statistics are used to understand the mean values of each factor used in each variable. These mean values can be categorized into four intervals: strongly disagree (1.00 - 1.75), disagree (1.76 - 2.50), agree (2.51 - 3.25), and strongly agree (3.26 - 4.00). Based on these criteria, the author draws the following conclusions:

- With an average of 3.225, the SMMA of the building materials supermarket has successfully accommodated customers' needs to share their experiences by disseminating the latest trends and information while maintaining a pleasant and entertaining experience.
- With an average of 3.454, the brand image of the building materials supermarket has successfully shaped a physical structure that reflects its values in the customers' mindset.
- With an average of 2.566 for the premium price, it indicates that customers of the building materials supermarket will only tolerate a slight increase in price before switching to other premium building materials supermarkets.

Path Coeffisien Analysis

Path coefficients depict the relationships between variables ranging from negative (weak) to positive (strong). Path coefficients from 0 to +1 indicate positive relationships, and the closer the value is to +1, the stronger the relationship. The same applies in the opposite direction.

Based on the data obtained, the author draws the following conclusions:

- SMMA has a positive coefficient of 0.687 towards brand image. Therefore, according to the definition, any increase in SMMA will result in a 68.7% increase in brand image relative to SMMA.
- SMMA also has a positive coefficient of 0.499 towards premium price. Therefore, according to the definition, any increase in SMMA will

result in a 49.9% increase in premium price relative to SMMA.

- The brand image has a positive coefficient of 0.133 towards premium price. Therefore, according to the definition, every 13.3% increase in brand image will result in a 13.3% increase in premium price relative to the brand image.

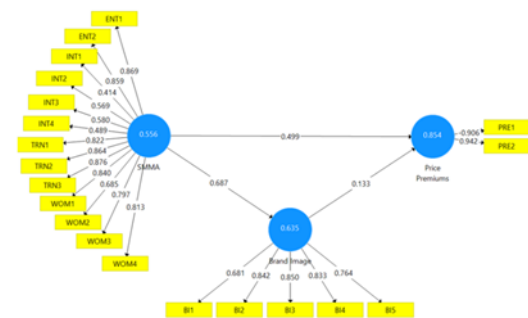


Figure 2
Path Coeffisien

(Source: SmartPLS output)

The main objective of this study is to investigate the relationship of price premiums and social media marketing which mediated by brand image with Building Material Supermarket as the research object. The result of this study shown that from the 4 hypothesis that were proposed, all but one of the hypotheses are accepted. Further explanations about the hypothesis will be as follows:

Social Media Marketing Activities (SMMA) to Brand Image

Although hypothesis is accepted, its statistics shows SMMA relationship towards Brands Image has relatively low r-square – less than 50% of changes made is explainable by SMMA even though it has high f-square value – high impact to BI but only 46,2% explained by SMMA. Also, Q² value is considered low only 26,5% predictive relevance. Meaning predictions made based on changes in SMMA only has 26,5% accuracy towards the outcome on brand Image. Thus, raising the question of consistency in result interpretation.

Interestingly, social media's strongest point in and probably crucial in creating value towards customer/user – interactions (Bruhn, Schoenmueller, & Schafer, 2012; Kozinets, de Valck, Wojnicki, & Wilner, 2010), does not seem to shine in current study. In fact, data in the convergent validity analysis (table 4.12) shows that interaction has its score ranging from 0.414 to

0.580. less than 70% of obtained responses represents SMMA construct, far less than the author expected. Meaning only a handful portion of Interaction shapes customer perception on how well SMMA performance towards brand image creation.

The author argues that phenomenon above occurs based on the law of diminishing utility. The law stated that a value of utility (satisfaction, happiness, usefulness) diminishes proportional to increase in frequency (Goetz, 2013). Meaning that although interaction gives advantage in creating value for customers by allowing them to co-create and collaborate in the content creation process, it is facilitated by universally shared platform (i.e. Facebook, Twitter, Instagram, etc.). Thus, making this interaction-enabling (share, repost, comments, tag, etc.) features seems to be worthless since literally every other premium restaurant who had an account in one of the aforementioned platforms is automatically granted the access to these features. Therefore, interaction loses its edge in creating a standout, *one-of-a-kind* experience towards associated brand image.

Despite the drawbacks aforementioned, SMMA still has profound impact towards brand image. f^2 value shows substantially high value of 0,895. Meaning SMMA has strong relationship towards Brand image. This finding confirms previous studies conducted by Seo et al. (2018) Ahmed (2019), Kim & Ko (2012), and Mangould & Foulds (2009). This is due to the nature of social media marketing as a direct marketing tool (*Below-The-Line / BTL*) which targeted to a specific predetermined audience and delivered contents that matches their specific needs and characteristics. The objective is to create an environment that reflects certain values of which will distinguish their market positioning.

Beyond the nature of social media marketing as a direct marketing tool, this phenomenon is amplified by the behaviour modern internet society where image presented in social media is perceived as real conditions or circumstances (reality) instead of manufactured projection of reality (Debord, 1992). In simpler terms, people tend to take what they see on social media more seriously than an actual event presented before their eyes. Thus, any image with relevant caption and context in social media would rapidly gain association to a certain party. Although there is no guarantee to have a positive or negative association from this process.

Social Media Marketing Activities (SMMA) to Price Premium

Before elaborating further, an important note to be highlighted is that one of the requirements for participating respondent is to have previously visited/accessed Building Material Supermarket's *social media account*, NOT their *brick-n-mortar* venue. Meaning, current study only measuring social media literacy and their intention, not decision. Therefore, it opens the possibility that a respondent might have visited Building Material Supermarket's social media account but have never visited the actual restaurant venue.

Based on data presented in Table 2, hypothesis is supported due to all requirements are met. A deeper look into the data shows richer and more interesting perspective in the relationship. With low R^2 value of 0.352 and path coefficient of 0.499 and effect size (f^2 value) of 0.205 the relationship between SMMA and Price premium is moderate. Data above tells us that although an increase of SMMA would lead to a 49,9% increase in Price Premium relative to SMMA, a mere 35,2% is explainable by SMMA-related matter, while only 20,5% from the overall increase in Price Premium is directly attributed to SMMA. These findings confirm the hypothesis made based on study conducted by Godey (2016) which stated although SMMA has somewhat positively influential, SMMA is not necessarily giving significant impact towards customer willingness to pay premium (Price Premium).

The author argues that these phenomena occur due to lack of contagious buying effect. Contagious buying is a social phenomenon that happens when one's buying decision on similar product/service is influenced by previous buying action set by another. This social phenomenon is similar with panic buying. But instead of fear or anxiety, it is triggered by other social stimuli such as Social Currency, Trigger, Emotion, Public, Practical Values, and Stories - STEPPS. (Berger, 2013). Basically, a precursor to *Word-of-Mouth* (WOM), which Building Material Supermarket's is lacking of. According to Berger (2013), *Word-of-Mouth* (WOM) is more effective than other marketing methods due to two main reasons. First, WOM is more persuasive. Advertising does have a convincing tone about how good a certain product is, but that is exactly what an advertising supposed to do. Thus, reducing their credibility among customers. However, our friends and our close circle would almost tell it straight to us whether a certain product is good or bad, coupled with their

candidness, make us much more likely to trust, listen to, and believe them. Secondly, WOM is more targeted. Most marketing campaign is designed to reach as many audiences as possible, regardless of their interest, tendencies, and preferences. While WOM tend to be passed on towards groups or people who think that information on a certain product/services is relevant to them. Meaning that WOM ensures interest, tendencies, and preferences compatibility between sender and receiver. Hence, a more effective marketing method.

Interval Classification analysis indicates specifically on indicator WOM3 and WOM4 with lower average score compared to other indicators shows that average respondent tends to be more reluctant in sharing information related to Building Material Supermarket. To make matter worse, this study mainly measures the intention not the decision. Consequently, a low intention will almost guarantee a low sharing decision. Furthermore, according to Berger (2013), *Word-of-mouth* is the primary factor behind 20% to 50% of all purchasing decisions and similarly with price premium. Therefore, with relatively low *Word-of-Mouth* generated, the less likely it is to have contagious buying occurrences.

A possible explanation to Building Material Supermarket's case, is that people do willing to share the information but it stops right after the initiator. Unfortunately, no other follow-up action is taken due to lack of social stimuli within the shared content. Thus, SMMA is only capable in evoking their feelings and intention to pay premium price NOT driving people to be willing to pay premium price.

Brand Image to Price Premium

According to table 2, T-value and P-value of BI – PRE path exceeds the minimum requirement but by only a small margin. Other related data also shows similar results, take for an example path coefficient of 0.133. Although brand image has a positive relationship towards price premiums, any increase in brand image would only result in 13,3% increase in price premium which is much lower compared with SMMA (path coefficient of 0,499). Based on table 4.18, F^2 value for brand image – price premium path only scored 0.015 which is well below 0.02. Thus, the effect brand image given to price premium is low and could possibly insignificant when considering other parameters imply similar results. Thus, these findings confirm the positive relationship between

brand image and price premium which also found in studies conducted by Anselmsson (2014) and Mitchell et al. (2002) while also exploring the degree of its significance. Despite the optimism from previous studies, this study finds that brand image is proven to have less significant impact towards price premiums.

A possible explanation to this phenomenon lies in the self-identity theory, which stated that people tend to use products that represent the image of their own personalities (Stryker & Burke, 2000). While Salem (2018), further proves that self-identity is strongly defined by one's income and its source. Therefore, people tend to purchase products & services that suits their income level. The problem is that most Indonesian is categorised as lower-middle class (44,5%) according to the world bank quoted in katadata.id (2020).

According to the world bank having annual income per capita between USD 1,036 and USD 4,045 or between IDR 14,693,173 and IDR 57,368,617. Thus, their monthly income ranging between IDR 1,224,431 and IDR 4,780,718. Looking at the price that Building Material Supermarket charges, it is easy to assume that it tries to project themselves to appeal to the upper echelon of the society. A rough estimation that assumes world bank's data of income cluster proportion and applied it to current data set shows that only 20,5% (40 people – clustered in Middle & Upper class) that are suited to Building Material Supermarket projected image. Therefore, there is just not enough people who project themselves high enough to match Building Material Supermarket, let alone exceeds it.

Since most of the social media user does not always have the ability to pay its normal price, let alone willing to pay a higher price. The current study shows that there is just not enough purchasing power among the respondents to keep up with the price range that Building Material Supermarket is charging. Thus, even an excellent brand image does not necessarily impact price premium.

Brand Image as Mediator of SMMA and Price Premium

According to Table 2, brand image's T-value and P-value (1,912 and 0,056 respectively) which are not exceeding the minimum criteria to be considered having adequate mediation effect between SMMA and Price Premium. These findings are against Torres (2018) that stated Brand image has full mediation effect between

SMMA and Price Premium of which laid the basis of current study hypothesis.

The author argues that social media literacy does not guarantee buying decision let alone led to actual buying execution. Social media literacy only guarantee buying intention. Although both SMMA and Brand Image has positive and somewhat significant impact towards price premium, it does not necessarily make brand image a good mediator between SMMA and Price Premium. Separate analysis of both paths may result in good and expected results, but when combined together to make a new-unified construct a similar result should not be expected.

As shown in previous discussion, SMMA plays significant role in creating good brand image (Kim & Ko, 2012). But good brand image does not guarantee customer willingness to pay premium price despite statistical evidence shows little positive relation between Brand Image and Price Premium. Apart from the economic factor discussed earlier, the author suspect that the nature building material supermarket as a service industry plays a critical role in explaining this phenomenon. Author argue that building material supermarket is categorised as service industry instead of regular building material shop comes to the fact that building material supermarket does not sell expensive building material, but an experience of luxury during shopping time – including the mood and ambience. Building material supermarket does not sell building material as commodity, instead it's part of the luxury experience they offer especially friendship and familiarity.

Experience is such complex subject that marketers have to think creatively to bring experience to life in order to touch hearts and mind of customer. Some consider it is impossible for experience be to translated into 2-dimensional pictures a video might help a little but still nothing compared to experience it first-hand (Hudson; Ritchie, 2009). Not to mention that each experience is unique to each person experiencing. Making it harder to generalise let alone standardise it to meet criteria to be a *brand-worthy content*. Which also could be differently perceived by general public / social media user even though a brand should be able to convey the experience it is associated with. People might be able to identify that bulding material supermarket as a premium or fancy supermart due to its branding effort through social media, but if they are asked how fancy it is, different and various answers are highly expected since people perceive the word fancy or premium

differently. Not to mention that people have different standards regarding how premium or fancy a restaurant should be in order to called premium or fancy.

CLOSING

Conclusion

Based on the result of research analysis and discussion in accordance with the purpose of the research, the author concludes the results of this study as follows:

First, Social Media Marketing Activities (SMMA) has significantly affects Brand Image, which means hypothesis is supported. This study finds that the relationship between SMMA and Brand Image is positive, meaning that any increase in SMMA would also lead to an increase in Brand Image. In other words, the better an SMMA is, the better the brand image. Therefore, should building material supermarket seek improvement in their brand image, they can start by improving their Social Media Marketing Activities (SMMA).

Second, despite a positive relationship is confirmed between Social Media Marketing Activities (SMMA) and Price Premium, evidence shows that only moderate impact is given to Price premium by SMMA. Meaning, a good social media post or campaign initiated by building material supermarket does not necessarily improve its customer willingness to pay premium. But it would also not deter or reduce existing willingness to pay premium. Therefore, improving Social Media Marketing Activities (SMMA) will give building material supermarket a chance to improve their customer willingness to pay premium.

Third, a positive relationship between Brand Image and price premium is confirmed. But despite the positive relationship, statistical result shows brand image has little to no significance towards price image. Meaning, improvement in brand image will definitely increase willingness to pay but not by much. Thus, a small incremental increase in willingness to pay premium price should be expected by building material supermarket with an improvement in brand image.

Fourth, mediation effect of brand image between Social Media Marketing Activities (SMMA) and Price Premium is not confirmed. Thus, hypothesis is not supported. Separately, Brand Image will have positive relationship with price premium. But as mediator brand image could not facilitate the path. Therefore, willingness to pay premium is not determined by brand image that is defined with SMMA.

REFERENCE

- Ahmad, M., & Ahmed, MA (2019). Interpersonal Relationship Marketing: Sebuah Studi Dyadic tentang Orientasi Pelanggan dan Komitmen Pelanggan Perusahaan. *Jurnal Masalah Sosial Pakistan*, 10(1), 172–187.
- Anderson, M., Sims, J., Harga, J., & Brusa, J. (2011). *Mengubah “Suka” Menjadi “Beli” Media Sosial Muncul*. Strategi &.
- Anselmsson, J., Bondesson, NV, & Johansson, U. (2014). Citra Merek Dan Ketersediaan Pelanggan Untuk Membayar Harga Premium Untuk Merek Makanan. *Jurnal Manajemen Produk dan Merek*, 23(2), 90–102. <https://doi.org/10.1108/JPBM-10-2013-0414>
- Bilgin, Y. (2018). Pengaruh Kegiatan Pemasaran Media Sosial Terhadap Kesadaran Merek, Citra Merek Dan Loyalitas Merek. *Studi Bisnis & Manajemen: Jurnal Internasional*. <https://doi.org/10.15295/v6i1.229>
- Bondesson, N. (2012). Brand Image Anteseden Loyalitas dan Harga Premium di Pasar Bisnis. *Riset Bisnis dan Manajemen*, 1(1). <https://doi.org/10.5430/bmr.v1n1p32>
- Boomsma, A. (2010). *Kekokohan estimasi kemungkinan maksimum dalam model persamaan struktural. Dalam Pemodelan Struktural dengan Contoh*. <https://doi.org/10.1017/cbo9780511601118.010>
- Broadbandsearch (2020) Waktu Rata-Rata Yang Dhabiskan Setiap Hari Di Media Sosial: Data Terbaru 2020 Diperoleh dari <https://broadbandsearch.net/>
- Bruhn, M., Schoenmüller, V., Schäfer, D., & Heinrich, D. (2012). Keaslian Merek: Menuju Pemahaman Yang Lebih Dalam Tentang Konseptualisasi Dan Pengukurannya. *Kemajuan Dalam Riset Konsumen*.
- Casey, S. (2017). *Laporan Media Sosial Nielsen 2016*. Perusahaan Nielsen.
- Chaffey, D. (2016). *Ringkasan Penelitian Media Sosial Global 2016*. Wawasan Cerdas: Saran Pemasaran yang Dapat Ditindaklanjuti.
- Christodoulides, G., & De Chernatony, L. (2010). Konseptualisasi Dan Pengukuran Ekuitas Merek Berbasis Konsumen – Tinjauan Pustaka. *Jurnal Riset Pasar Internasional*, 52(1), 43–66.
- Creese, J. (2007). *Web 2.0 / Bisnis 2.0: Teknologi Web Baru, Organisasi, dan WCM*. Simposium Manajemen Konten Web Tahunan ke-2, Mei. <http://eprints.qut.edu.au>
- Ghozali, I. (2008). *Pemodelan Persamaan Struktural: Teori, Konsep, Dan Aplikasi*.
- Godey, B., Manthiou, A., Pederzoli, D., Rokka, J., Aiello, G., Donvito, R., & Singh, R. (2016). Upaya Pemasaran Media Sosial Merek-Merek Mewah: Pengaruh Pada Ekuitas Merek Dan Perilaku Konsumen. *Jurnal Riset Bisnis*, 69(12), 5833–5841. <https://doi.org/10.1016/j.jbusres.2016.04.181>
- Hootsuite (2020, 28 Januari) *Laporan Digital 2020: Indonesia* diambil dari <https://www.hootsuite.com/>
- Jackson, DL (2003). *Meninjau Kembali Ukuran Sampel Dan Jumlah Perkiraan Parameter: Beberapa Dukungan Untuk Hipotesis N:q. Pemodelan Persamaan Struktural*. https://doi.org/10.1207/S15328007SEM1001_6
- Kapferer, JN (2008). *Manajemen Merek Strategis Baru*.
- Kaplan, AM, & Haenlein, M. (2010). Pengguna Dunia, Bersatu! Tantangan Dan Peluang Media Sosial. *Cakrawala Bisnis*, 53(1), 59–68. <https://doi.org/10.1016/j.bushor.2009.09.003>
- Kaye, BK (2007). Cerita Situs Web: Sebuah Studi Eksplorasi Tentang Motivasi Penggunaan Blog. Dalam M. Tremayne (Ed.), *Blogging, Citizen And The Future Of Media* (hlm. 127–148). New York, NY: Routledge.
- Kim, AJ, & Ko, E. (2012). Apakah Kegiatan Pemasaran Media Sosial Meningkatkan Ekuitas Pelanggan? Sebuah Studi Empiris Merek Fashion Mewah. *Jurnal Riset Bisnis*, 65(10), 1480–1486. <https://doi.org/10.1016/j.jbusres.2011.10.014>
- Kozinets, RV, de Valck, K., Wojnicki, AC, & Wilner, S. (2010). Narasi Jaringan: Memahami Pemasaran dari Mulut ke Mulut di Komunitas Online. *Jurnal Pemasaran*, 74, 71–89.
- Mangold, WG, & Faulds, DJ (2009). Media sosial: Elemen Hibrida Baru Dari Bauran Promosi. *Cakrawala Bisnis*, 52, 357–365.
- McDonald, JH (2015). *Pengujian Hipotesis - Handbook of Biological Statistics*. [Http://Www.Biostathandbook.Com/](http://Www.Biostathandbook.Com/).
- Muntinga, DG, Moorman, M., & Smit, EG (2011). Memperkenalkan COBRA: Menjelajahi Motivasi Untuk Penggunaan Media Sosial Terkait Merek. *Jurnal Periklanan Internasional*, 30(1), 13–46.

- Netemeyer, RG, Krishnan, B., Pullig, C., Wang, G., Yagci, M., Dean, D., Ricks, J., & Wirth, F. (2004). Mengembangkan Dan Memvalidasi Langkah-Langkah Aspek Ekuitas Merek Berbasis Pelanggan. *Jurnal Riset Bisnis*, 57, 209–224.
- O'Reilly, T. (2005). O'Reilly: Apa Itu Web 2.0. Pola Desain Dan Model Bisnis Untuk Perangkat Lunak Generasi Selanjutnya.
- Obar, JA, & Wildman, S. (2016). *Erratum: Edisi Khusus Tata Kelola Media Sosial (Kebijakan Telekomunikasi* (2015) 39, 9). Dalam Kebijakan Telekomunikasi. [https://doi.org/10.1016/S0308-5961\(16\)00014-8](https://doi.org/10.1016/S0308-5961(16)00014-8)
- Palmatier, RW (2008). Driver Relasional Antar Perusahaan Dari Nilai Pelanggan. *Jurnal Pemasaran*. <https://doi.org/10.1509/jmkg.72.4.76>
- Park, N., Kee, KF, & Valenzuela, S. (2009). Tenggelam Dalam Lingkungan Jejaring Sosial: Grup Facebook, Penggunaan Dan Kepuasan, Dan Hasil Sosial. *Cyberpsikologi & Perilaku*, 12(6), 729–733.
- Sabol, A., Šander, M., & Fučkan, Đ. (2013). Konsep Siklus Hidup Industri dan Pengembangan Strategi Bisnis. *Kewarganegaraan Aktif oleh Manajemen dan Pembelajaran Knowlege*, 635–642.
- Sarstedt, M., Ringle, CM, & Rambut, JF (2014). *PLS-SEM: Melihat ke Belakang dan Melangkah Ke Depan. Dalam Perencanaan Jangka Panjang*. <https://doi.org/10.1016/j.lrp.2014.02.008>
- The Jakarta Post, (2020, 27 Maret) *Industri Makanan dan Minuman paling terpukul oleh COVID-19: Laporan* Diambil dari <https://www.thejakartapost.com/>
- The Jakarta Post, (2020, Jun 12) *Industri Makanan Mewah Menjadi Suram Di Tengah Penguncian Virus Corona Secara Global*. Diambil dari <https://www.thejakartapost.com>
- Torres, P., Augusto, M., & Wallace, E. (2018). Meningkatkan Kemauan Konsumen Untuk Membayar Menggunakan Aktivitas Media Sosial. *Jurnal Pemasaran Jasa*, 32(7), 880–896. <https://doi.org/10.1108/JSM-07-2017-0257>
- Trivers, Robert (1971). *Evolusi Altruisme Timbal Balik*. Tinjauan Kuartal Biologi 46 (Maret), 35–57.
- Tsai, WHS, & Men, LR (2013). Motivasi Dan Antecedent Keterlibatan Konsumen Dengan Halaman Merek Di Situs Jejaring Sosial. *Jurnal Periklanan Interaktif*, 13(2), 76–87.
- Tuten, TL, & Solomon, MR (2015). *Pemasaran Media Sosial* (edisi ke-2). SAGE Publications Ltd.
- Wang, H., Wei, Y., & Yu, CY (2008). Model Ekuitas Merek Global: Menggabungkan Berbasis Pelanggan Dengan Pendekatan Hasil Produk-Pasar. *Jurnal Manajemen Produk dan Merek*, 17(5), 305–316. <https://doi.org/10.1108/10610420810896068>
- Yamin, S. dan, & Kurniawan, H. (2009). *Statistik Spss Lengkap: Teknik Analisis Statistik Terlengkap Dengan Software SPSS Structural Equation Modeling: Belajar Lebih Mudah Teknik Analisis Data Kuesioner Dengan LISREL-PLS*. Analisis Korespondensi Bab Analisis Diskriminan.
- Yoo, B., & Donthu, N. (2001). Mengembangkan Dan Memvalidasi Skala Ekuitas Merek Berbasis Konsumen Multidimensi. *Jurnal Riset Bisnis*, 52(1), 1–14. [https://doi.org/10.1016/S0148-2963\(99\)00098-3](https://doi.org/10.1016/S0148-2963(99)00098-3)