The Iceberg of Social Media Marketing

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Abstract: **Social media has become a necessity for everyday life. More than half of Indonesians are internet users, who spend most of their time on social media. This is a phenomenon that opens up great opportunities for companies to digitize their business ventures. Ads are increasingly rampant starting from Facebook, Instagram and Youtube. Whatever type of product and service purchases is switched, from offline to online. In social media there are content, advertisements using endorsers (celebrities), and online reviews that customers count into. Other thing that could affect the brand equity is the perceived connection/relationship between the customer and the brand itself. Therefore, in this study, the author would examine the influence of *Social Media Marketing* towards *Brand Equity* with *Self-Brand Connection* as an intervening variable. The results of this study prove that social media marketing has positive effect on brand equity with self-brand connection as mediation.**

Keywords: **social media marketing, brand equity, self-brand connection, online marketing, digital marketing.**

I. BACKGROUND

The number of internet users in Indonesia in 2018, according to a survey conducted by the Asosiasi Penyelenggara Jaringan Internet Indonesia (APJII), more than half of Indonesia population is connected to the internet, which is 132.7 million of the total 256.2 million. This number has increased by 51.8%, compared to the number of Indonesian internet users in 2014, which was only 88 million (Widiartanto, 2016).

In addition, almost all well-known chat applications, such as LINE, BBM, or social media applications such as Facebook, began launching the latest shopping-based features . LINE with LINE @, and BBM with BBM Shopping in collaboration with Bukalapak as its first partner. Likewise with Facebook and Instagram which now has a page and business profile features, for business owner who want to bring their brands closer to active social media users. Digital companies other than banks are also competing now to have e-money features, such as Go-Pay, Lippo with OVO, Simpati with T-Cash, and others.

Platforms in online sales that are commonly used by users are social medias, personal sites, and online stores. There are 2 types of online stores which are developing in Indonesia, which are ad sites and marketplaces (Aditiasari, 2016). Ad sites are sites that offer a line of products, such as Lazada, Zalora, Matahari Mall, etc. While the marketplace is a site which acted as the third party/as a meeting place for all sellers and buyers via online, and it serves as a mediator for transferring funds and the product between seller and buyer.

Picture

1. Indonesian Digital Statistics

Source: Kemp (2018).

Social media is very closely related to the internet world. Social media becomes a primary need, becoming the main way for someone to connect with others. According to Facebook Business Group Head Reynold D'Silva, that Indonesia is one of the countries with the largest number of Facebook users in the world, beside the United States, India, and Brazil (Yusuf, 2016). Likewise, the number of Indonesian Instagram users, according to TNS, a research and analysis company from the United Kingdom, states that Indonesia has the largest number of Instagram users in the third world, after Japan and Brazil (Wijaya, 2016).

Currently, social media also brings new income for artists, celebrities even non-celebrities. In the past, advertisements only existed in print or broadcast network. Nowadays, all celebrities must have a social media account, not just to share their personal lives or communicate with fans, but rather to be a media to advertise (known as endorse), both own products and endorsement products of a brand (Um, 2016). That is the cause of the existence of a new business phenomenon, namely online management that becomes a third party or a link between celebrities and business owners that want to be advertised. Each celebrity has different rate for advertisements offered, usually based on the number of followers or subscribers they have. In addition to celebrities who are already well-known from the world of television/conventional, there are also new celebrities that are known purely from the online world or social media, such as Youtube, which is emerging lately. They not only get direct income from YouTube management based on the number of video viewers, but they became famous and got paid from

certain products and brands, by advertising on their social media. Another form of advertising is online reviews (online reviews) or video reviews which are explaining the way or results of the use of products/services or opinions/comments endorser about the product.

Social Media Marketing for Brand Equity

The phenomenon of online marketing in the current digital era, certainly is a big change when compared to conventional marketing in the past. Online marketing brings new tools, techniques and paradigms for sellers to market and interact with their customers (Jayaram, Manraib, &Manrai, 2015). Marketers form variety of social media applications for the products offered. This media becomes a tool for communicating social responsibility, launching new products, communication for customer complaints, and for maintaining good relations with customers (Baxi, Panda &Karani, 2016). Social media is believed to be influential in increasing brand loyalty and reputation.

Customers could follow their favorite brands on social media sites like Facebook, Instagram and Twitter, to stay informed about the latest products, discounts, special promotions, and to find out more about company news (Ismail, 2017). The use of social media by companies could increase brand equity (Felix, Rauschnabel, & Hinsch, 2017).

The term endorsement is no longer strange on the ears of Indonesian. Many celebrities now earn more from social media advertising. Even their personal social media accounts, have majority are containing photo or video of the advertisements (Um, 2016). It is undeniable that now new celebrities are emerging on the online world or social media.

Celebrities inspire an endorsement brand with personality that matches the celebrity's popular image (Keller, 2013). According to Ohanian in Dwivedi et al. (2015), a celebrity who is perceived by customers as a credible figure could bring good associations to interests, trust, and expertise, directly and positively adding to customer knowledge about endorsed brands.

When customers read online reviews about a brand, they try to form a perception of the brand, then they form a brand image in their own minds (Chakraborty & Bhat, 2018). Oninternet, there are very many customer reviews. But not all reviews can be trusted (Johnson & Kaye, 2016). Nowadays, it has become a common phenomenon where customers look for product reviews online before buying a product (Zhang, Zhao, Cheung, & Lee, 2014). Customers generally seek the credibility of online reviews before accepting these reviews (Shan, 2016). According to Erkan & Evans (2016), evaluating the credibility of online reviews could be described as the process by which customers measure the accuracy of the online reviews.

Studies by Spry, Pappu, & Cornwell (2011), Dwivedi et al. (2015), Kostyra, Reiner, Natter, & Klapper (2016), and

Ismail (2017) prove that endorser credibility is able to influence brand equity.

H1: There is a positive influence between social media marketing on brand equity.

Self-Brand Connection to Brand Equity

Consumers are often bound in a process of finding the desired identity and self-image. Brand is one of the mechanisms in fulfilling the needs of self-identity. Self-brand connection is an important construction in explaining results related to brands. Self-brand connections could potentially deepen the level of customer recognition of a brand (Albert, Merunka, & Valette-Florence, 2013).

Research conducted by Thomson, MacInnis, and Park (2005) prove that consumer connections to brands could influence brand equity and brand performance. Loureiro (2017), Hollebeek, Glynn, and Brodie (2014) and Dwivedi, Johnson, Wilkie, and De Araujo-Gil (2018) prove that the emotional aspects of customers could influence brand equity.

H2: There is a positive influence between self-brand connection and brand equity.

Social Media Marketing towards Self-Brand Connection

According to Tuten in Ismail (2017), social media marketing is a large category in advertising expenditure, including advertising using social networks, internet, user reviews of products, endorsement bloggers, RSS feeds on content and news sites, podcasts, games, and advertisements the user. Social media marketing is also defined as a form of online advertising that uses the cultural context of the social context. Social media marketing in this research consists of content and information about brands, endorser credibility and online review credibility.

Self-brand connection was first introduced by Escalas and Bettman in 2003, in Tan, Salo, Juntunen, and Kumar (2018). The definition is an extension where a customer combines a brand into his self-concept. According to Escalas and Kemp in Dwivedi et al. (2015), self-brand connection is an important concept that reflects the formation of a strong and meaningful relationship between the brand and the customer's identity. This construct is relevant to understanding the impact of celebrity endorsement, because celebrities are considered as a reference group in establishing and defining the desired identity (Hammedi et al., 2015). Consumers tend to be generally attracted to celebrities and to objects associated with them (Radford & Bloch, 2013).

Endorsements from celebrities are proven to be able to increase customers' emotional attachment to brands, which could ultimately foster stronger relationships between brands and customers (Chahal, 2012; Yelin and Kinnear, 2012). Celebrities are considered to inspire brands with symbolic associations, and customers use brand symbolism to shape their self-concept and nature (Cutright et al., 2013).

In the endorsement advertising scenario, experts emphasize the importance of establishing stronger relationships between customers and endorsed brands (van Kuilenburg, de Jong, & van Rompay, 2011; Zdravkovic & Till, 2012, Wang & Muehling, 2012). A brand endorsed by celebrities that is perceived as credible, is also perceived by customers as important in achieving self-definition needs. Interestingly, an endorser's favorite, familiarity, and similarity could attract customers closer to the brand.

H3: There is a positive influence between social media marketing and self-brand connection.

II. RESEARCH METHODS

The sampling method used is purposive sampling. This method collects samples based on certain criteria adjusted to the research objectives (Indriantoro & Supomo, 2013). The sample criteria used in this study are people who have a social media account for a minimum of 6 months and are active in it.

In total there were 58 questions, with details of 37 questions for the social media marketing variable, 6 questions for the self-brand connection variable, and 15 questions for the brand equity variable. There are 311 questionnaires were received back.

III. RESULTS AND DISCUSSION

The total data after passing the outlier test is 279 respondents. There were 31 data that experienced outliers and were removed in subsequent tests. The validity test results in this study stated that there were 2 invalid questions, namely SMMCI4 and SMMCI5 on the independent variable Social Media Marketing, which had a 2-tailed significance value of more than 0.005, namely 0.173 and 0.045. In the reliability test, all indicators are declared reliable. Cronbach's Alpha values of the three variables amounted to 0.871, 0.876, and 0.937. All numbers are greater than 0.7, which represents the reliability of the three variables.

Figure 2
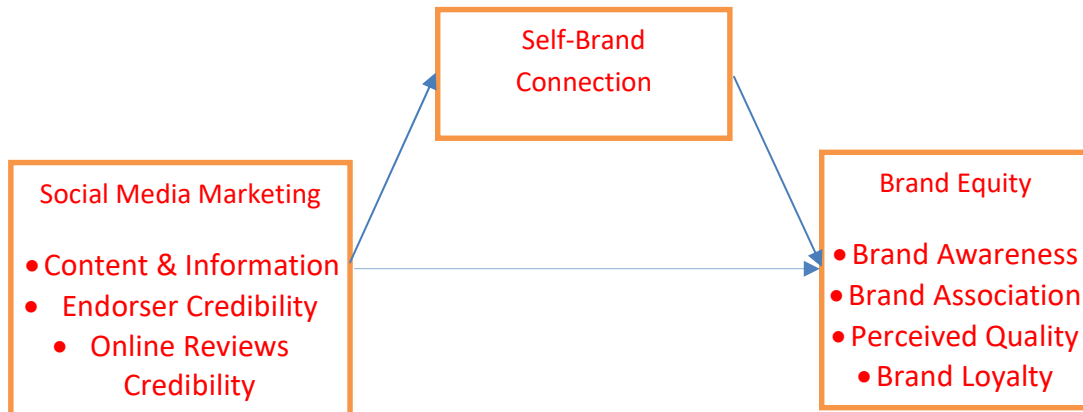
Research Model

Hypothesis Test Results

F Test

Both F test values between the influence of social media marketing and self-brand connection to brand equity; and social media marketing on brand equity are 0,000, which means that both models have significant influence between the independent variables on the dependent variable.

Table 1 F Test Results

Dependent Variable	Significance	Conclusion
Brand Equity	0,000	Significant
Self-Brand Connection	0,000	Significant

Source: Data processed (2019).

t Test

T-test results, which were also carried out twice, showed that the three hypotheses were appropriate in predicting the effect of each independent on the dependent.

Table 2 t Test Results of Dependent Brand Equity

Model	Unstandardized Coefficients (B)	Sig.	Conclusion
Constant	-0.90	0.716	
Social Media Marketing	0.428	0,000	H1: Significant +
Self-Brand Connection	0.593	0,000	H2: Significant +

Source: Data processed (2019).

Table 3 T Test Results of Dependent Self-Brand Connection

Model	Unstandardized Coefficients (B)	Sig.	Conclusion
Constant	-3,373	0,000	
Social Media Marketing	1,831	0,000	H3: Significant +

Source: Data processed (2019).

T-test results obtained a significance value of less than 0.005, with a positive B value, meaning that each hypothesis proved to be significantly positive.

Adjusted R^2 Test

Adjusted R^2 test performed twice with the results on the following table. The test results state that the independent variable social media marketing and self-brand connection affect brand equity by 79.6%. The independent variable social media marketing is able to influence self-brand connection by 71.2%.

Table 4 Adjusted R^2 Test Results

Independent	Dependent	Adjusted R^2
Social Media Marketing and Self-Brand Connection	Brand Equity	0.796
Social Media Marketing	Self-Brand Connection	0.712

Source: Primary data processed (2019).

IV. CONCLUSION

Companies or actors who offer their products through online or social media should pay attention to the elements in social media marketing, because although they do not only directly affect brand equity, this variable could affect indirectly through intervening self-brand connection variables.

The number of respondents used in this study still tends to be minimal, it is recommended for future research, to obtain more respondents data, and to be more widespread, or to narrower comparisons between regions or types of products / services.

The variables used are also limited to one independent variable, one intervening variable and one dependent variable. Future studies can use other variables or add new variables.

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