

Social Media Marketing Strategies and Their Impact on Brand Equity and Buying Interest in Cake & Bakery

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Histori Artikel:

Dikirim 28 Februari 2024; *Diterima dalam bentuk revisi* 1 April 2024; *Diterima* 10 April 2024; *Diterbitkan* 10 Mei 2024. Semua hak dilindungi oleh Lembaga Penelitian dan Pengabdian Masyarakat (LPPM) STM IK Indonesia Banda Aceh.

Abstrak

Meningkatnya persaingan di industri makanan, khususnya di sektor kue dan roti, mendorong perusahaan untuk meningkatkan daya saing pemasarannya melalui media sosial, membutuhkan pemasar yang dapat membangun merek yang kuat. Meskipun jumlah pengikut perusahaan di media sosial telah menjadi indikator umum, itu tidak dapat memberikan gambaran yang pasti tentang seberapa besar minat beli pengikut ini terhadap produk yang dijual. Penelitian ini mengeksplorasi pengaruh kegiatan pemasaran media sosial terhadap ekuitas merek dan minat pembelian di industri makanan, khususnya pada produk kue dan roti. Penelitian ini mengambil pendekatan kuantitatif dengan menganalisis data yang dikumpulkan dari pengikut akun Instagram Kumo Cake. Dengan menggunakan teknik sampel acak langsung, terpilih 122 peserta dari wilayah Jabodetabek untuk survei. Model Persamaan Struktural digunakan untuk tujuan analitis. Temuan penelitian ini menunjukkan bahwa penggunaan media sosial sebagai strategi pemasaran meningkatkan ekuitas merek, yang pada gilirannya meningkatkan minat beli, dan bahwa ekuitas merek mempengaruhi minat beli dengan cara yang positif dan signifikan secara statistik. Hasil ini memiliki implikasi penting bagi perusahaan sektor makanan yang ingin meningkatkan strategi pemasaran media sosial mereka untuk meningkatkan minat konsumen terhadap merek dan produk mereka.

Kata Kunci: Pemasaran Media Sosial; Ekuitas Merek; Bunga Pembelian.

Abstract

Increasing competition in the food industry, especially in the cake and bread sector, encourages companies to increase their marketing competitiveness through social media, requiring marketers who can build strong brands. Even though the number of followers of a company on social media has become a general indicator, it cannot provide a definite picture of how much buying interest these followers have in the products being sold. This research explores the influence of social media marketing activities on brand equity and purchasing interest in the food industry, especially in cake and bread products. This study takes a quantitative approach by analyzing data collected from the followers of Kumo Cake's Instagram account. By using a straightforward random sample technique, 122 participants from the Jabodetabek region were chosen for the survey. A Structural Equation Model (SEM) is used for the analytical purpose. The study's findings demonstrate that SMM campaigns boost brand equity, which in turn increases purchase interest, and that brand equity influences buy interest in a positive and statistically significant way. These results have important implications for food sector firms looking to improve their social media marketing strategy in order to raise consumer interest in their brands and products.

Keyword: Social Media Marketing; Brand Equity; Purchase Interest.

1. Introduction

In the digital era, humans have made it more accessible to meet their wants and needs with technological advances, information, and communication. Many people now spend their time on devices connected to social media due to the rapid development of technology, information, and communication. The influence of social media has transformed how we connect with friends, family members, communities, and businesses. It also offers a faster and more productive way to consume news and different data types. According to Ahlgren, by October 2022, it is estimated that there will be around 4.74 billion individuals actively using social media platforms worldwide. The top three social media platforms by monthly active users are Facebook (2.7 billion), YouTube (2 billion), and Instagram (1 billion). With 50% of Instagram users reporting that they check the platform multiple times daily, it has the highest user engagement rate (Ahlgren, 2023). Additionally, over 80% of businesses use social media to connect and engage with customers, making it an important marketing tool. Social media users in Indonesia will reach 60.4% of the population in January 2023, or 276,386,000 people (Kemp, 2023).

In social media, users may find others who share their interests and engage in conversation, post and share content, and otherwise digitally express themselves (Weber, 2011). Innovative methods of reaching a large audience have evolved due to the proliferation of social media. Social media marketing refers to the current trend of companies creating, sharing, and delivering a variety of online marketing activities using social media in an effort to establish and maintain strong connections with stakeholders (Koay *et al.*, 2021). In addition, it provides an advantage for entrepreneurs because social media encourages interaction with potential consumers with high time and space flexibility, thus creating a greater sense of closeness (Mersey *et al.*, 2010). Some experts have discussed the activity dimension of social media marketing. Marketing efforts in the high-end apparel sector fall into five broad categories: entertainment, engagement, trends, personalization, and word-of-mouth (WOM), as outlined by Kim & Ko (A. J. Kim & Ko, 2010). Seo & Park classify social media marketing activities within the aviation sector as entertainment, interaction, trend flow, personalization, and risk perception (Seo & Park, 2018). Interaction, trends, customization, and risk perceptions are the characteristics that Kaede has identified as being important in insurance business social media marketing campaigns (Kaede, 2014). Bilgin argues that entertaining, interacting, trending, promoting, and personalizing are all aspects of social media marketing (Bilgin, 2018).

Entertainment in social media is a significant element in creating positive emotions, increasing user participation, and generating the intention to continue using it continuously (Kang, 2005). In social media marketing, interaction does not only occur between consumers or companies, but companies can also respond to customer inquiries quickly and responsively (Mao *et al.*, 2014). Trends are an extra facet of social media marketing that shows customers the most recent product information (Godey *et al.*, 2016). Ads are a kind of social media marketing that companies use to promote their products and services in an effort to boost sales (Bilgin, 2018). Customization, according to Kim & Ko, social media presents interesting content and becomes a place for users to find the information needed and freely express their thoughts (A. J. Kim & Ko, 2010).

According to the aforementioned sources, businesses create and improve stakeholder connections via the use of social media platforms for the creation, communication, and implementation of various online marketing tactics. This strategy is referred to as social media marketing initiatives. The entertainment, engagement, trend, advertising, and personalization facets of social media marketing have all been examined by a number of specialists from a variety of industries. Classically, brand equity refers to the total value of assets and liabilities associated with a specific brand, including elements such as logos and names, and is considered the primary resource that assists a company in maintaining competitive advantage (Smith & Aaker, 1992). Brand equity also includes the subjective and intangible valuation of a brand's customers (Kim *et al.*, 2008). Durianto and Darmadi state that the term "brand equity" refers to the sum of all the assets and liabilities associated with a name, symbol, or brand (Durianto & Darmadi, 2003). It has the potential

to boost or lower the product's or service's value to both the business and the consumer. A name or symbol must be associated with the brand's assets and liabilities in order for the name or symbol to serve as the foundation of brand equity. Loyalty, recognition, and associations with the brand are all components of brand equity (Smith & Aaker, 1992). Based on experts' definitions, brand equity can be interpreted as a collection of critical assets, such as logos, names, or symbols, that support a company in maintaining an edge over the competition. It has several dimensions: brand awareness, association, quality perception, and loyalty.

In addition, brand equity also includes the valuation of a brand made by customers. The ability of brand equity to influence an increase or decrease in the value of a product or service also depends on its association with the name or symbol that allows customers to recognize, identify, and remember the brand. Govoni defines buying Interest as an action shown by consumers in response to a product that describes the desire to make a purchase (Govoni, 2012). The amount of purchasing Several indicators can be used to assess interest, such as: a) the propensity to buy products advertised on social media, b) the actual purchase of those products, c) a strong desire to buy those products, and d) the actual planning to buy those products (Alalwan *et al.*, 2017). The AIDA simulation model that seeks to describe the stages of stimulation that a person or consumer may experience from a stimulus provided by marketing, namely a) attention, b) interest, c) will, and d) action, can be used to measure the dimensions of buying Interest (Govoni, 2012).

Based on the definition of experts, buying Interest is a form of consumer behaviour that responds to a product or service that shows a desire to purchase products or services. One way to measure buying interest is by looking at the following: a) the frequency with which people buy products advertised on social media, b) the actual purchases of those products, c) the strength of the tendency to buy those products, and d) the frequency with which people plan to buy those products. In the food industry, companies use social media as a business and marketing tool to interact with customers to know consumer behaviour, increase sales, and minimize costs incurred by the company. Competition in the food industry, especially in cakes and bread, is growing among local and foreign companies. Because social media marketing has such a huge effect on product sales, it is strongly tied to a brand's success in selling its items to customers in a highly competitive market. Many people think that promoting a brand on social media might boost its value (Bilgin, 2018). Direct consumer engagement and review sharing is possible via social media marketing. Customers are more likely to believe online reviews while making purchases. Consequently, the corporation is in a position to exert influence via the material it posts on social media. As a result, customers tend to seek more detailed information regarding the company's products or services, making customer buying Interest more robust (Godey *et al.*, 2016).

In addition to social media marketing activities, companies must have a strong brand (Adrie *et al.*, 2014). Therefore, a brand must have substantial brand equity to win the fierce money competition. Brand equity is needed in winning tight competition because, according to Susanto & Wijarnako, in facing fierce competition, a strong brand is a clear, valuable, and sustainable differentiator, spearheading the company's competitiveness and very helpful in marketing strategies, meaning that if the brand equity of a product is substantial, it is beneficial in the company's marketing strategy (Susanto & Wijanarko, 2004). In addition, significant brand equity of a product can influence consumers' buying interest in the product. Kumo Cake is a food business brand that sells cakes and bread. Kumo Cake is the pioneer of halal "Japanese cake" with affordable prices starting from 25,000 rupiahs, although the price is low in taste and quality is maintained. This brand was established in September 2022. This brand is still relatively new and hasn't even existed for one year. Although in a period of not yet one year, Kumo Cake could get Instagram followers in large quantities. The number of followers who are very interested in purchasing Kumo Cake's goods at the moment cannot be determined by the fact that the Instagram account received 222 likes on July 14, 2023, which is still the most popular day for the brand. As a result, this research is necessary to ascertain and evaluate how Kumo Cake's social media marketing initiatives have affected the company's brand equity and consumers' desire to acquire its goods.

Previous studies have shown that social media marketing may affect a number of different factors. Loyalty attitudes and behaviors in the coffee sector are further influenced by these brand equity elements (Park & Namkung, 2022), customer relations, and buying Interest in the fashion industry (Kim & Ko, 2010). The purpose of this study is to add to the extensive literature on the subject by examining the relationship between social media marketing activities (the independent variables) and brand equity (the dependent variables) with a specific focus on the Kumo Cake brand of cakes and breads. Examining how Kumo Cake's social media marketing campaigns affected the company's reputation and consumer interest is the primary goal of this research. Findings from this study will help with understanding Instagram marketing strategies, building brand equity, increasing product interest in the Kumo Cake brand, and ultimately, increasing sales of Kumo Cake items.

2. Methods

This quantitative study looks at how Cake & Bakery's social media marketing affected their brand equity and consumer interest. Dimensions of marketing activities that were examined included advertising, entertainment, trends, interaction, and social media marketing. Brand equity and purchase interest were also included as factors (Bilgin, 2018; Kim & Ko, 2010). Brand equity is measured through brand awareness, association, quality perception, and loyalty (Seo & Park, 2018; Smith & Aaker, 1992). The concept of buying Interest is referenced from previous research (Admiral, 2018; Toor *et al.*, 2019). The study population comprised 16,200 followers of Kumo Cake's Instagram account in the Jabodetabek area. The sample was randomly selected through simple random sampling, consisting of individuals active on Instagram, followers, and interacting with Kumo Cake accounts, with a minimum age of 17. Data collection was conducted through an online questionnaire with a 5-point Likert scale.

Structural Equation Model (SEM) data analysis utilizing SmartPLS. This method involves checking the validity and reliability of instruments, testing relationships between variables, and forming predictive models. The model's validity and reliability are examined in the outer model test. Specific criteria include convergent validity, average variance extracted, and discriminant validity. Cronbach's Alpha and Composite Reliability are used for reliability testing. To determine how the independent variable affects the dependent variable, inner model testing uses the R-squared statistic. Use a p-value to test the hypothesis; a p-value less than 0.05 indicates a substantial influence. This study examines the cake and bakery sector from every angle to deduce the nature of the connection between social media marketing, brand equity, and consumer interest in making a purchase.

3. Result and Discussion

The respondents of this study were men and women from the age of 17-60 years who had an Instagram account, had followed the Kumo Cake brand Instagram account, and had interacted with the Kumo Cake brand Instagram account in the Jabodetabek area as many as 122 respondents. There are 60 men and 62 women. In age characteristics, it was found that respondents were between 17-35 years, amounting to 99 people or 81.1%. The type of private employee work dominates, with as many as 48 people or 39.3%, followed by students, with 25 people or 20.5%. An average of IDR 50,000 dominates the average nominal monthly expenditure for online shopping – IDR 500,000, as many as 78 people or 63.9%. Opening Instagram for one day is dominated by a frequency of 6-10 times as many as 39 people, or 31.9%.

Convergent validity is indicated by an estimated standard loading factor of 0.5 or higher, preferably 0.7 or higher, according to Hair *et al.* (Hair *et al.*, 2019). The findings of the validity test on the respondents in this research were evaluated using a cutoff of 0.5. The indication of the loading

factor value being more than 0.5 was therefore deemed legitimate. Data from a concurrent validity test on social media marketing activity variables showing 0.803 and 0.829 for entertainment, 0.787 and 0.777 for interaction, 0.762 and 0.701 for trend, 0.877 and 0.869 for advertising, and 0.815 and 0.860 for customization. By analyzing the brand equity variable, we find that social media marketing activities have a positive impact on brand awareness (0.761 x 0.868), brand association (0.855 x 0.854), quality perception (0.742 x 0.824), and brand loyalty (0.830 x 0.805). It can be interpreted that the brand equity variable shows valid results. On the variable buying interest of 0.776, 0.867, 0.846, and 0.884, it can be construed that buying Interest shows promising results. At least 0.7 for both Cronbach's alpha and composite reliability indicates that the study's findings may be trusted in a reliability test (Hair *et al.*, 2014). Reliability on all variables is the output of the reliability test. Social media marketing activity's composite reliability and Cronbach's alpha were 0.950 and 0.941, respectively. Composite reliability factors for brand equity and Cronbach's alpha were 0.942 and 0.929, respectively. In addition, the composite reliability variable of purchasing interest was 0.908 and Cronbach's alpha was 0.864. Consequently, the tools used exhibit a great deal of reliability and steadiness.

A decent rule of thumb for appropriate convergence is an AVE of 0.5 or above (Hair *et al.*, 2019). Research data processing yielded an AVE of 0.656 for the social media marketing activity variable, 0.670 for brand equity, and 0.713 for purchasing interest. One possible reading is that all variables satisfy a validity concept. The discriminant validity test was performed for all reflective construct pairs in a model (Hair *et al.*, 2019). In determining discriminant validity, there are several stages, as follows:

1) Nilai Cross Loading

A high of 0.877 and a low of 0.701 are the cross-loading values of the indicator on the variable of social media marketing activity. The indicator's cross-loading value on the brand equity variable ranges from 0.742 to 0.868. Indicator cross-loading on the purchasing interest variable also varies between 0.776 and 0.884.

2) AVE Root Value Comparison

The social media marketing activities had an AVE root value of 0.810 and a correlation value to factors other than social media marketing activities of 0.713 and 0.751, according to the findings of the AVE root value and the correlation between constructs. Other factors with AVE root values of 0.713 and 0.845 connect with brand equity with an AVE root value of 0.819. Purchasing Interest also correlates with 0.751 and 0.845 other factors, and its AVE root value is 0.844.

The results obtained by statistical descriptive testing may be seen at three different levels: average, minimum, and maximum. The statistical descriptive test findings were acquired from this study's 122 respondents. The social media marketing activity variable's average value on the trend indicator was 2,098 and its average value on the customisation indicator was 4,695. The brand equity variable's average value was 3.734, while the brand awareness indicator's average value was 2.418. An average of 1.892 was the lowest value for the purchasing interest variable, while the highest was 4.154. An improved equation would have a higher R-squared value, which indicates that the independent variable provides a better explanation of the dependent variable. The criterion for a strong, moderate, or weak R-squared value were determined by Chin to be 0.67, 0.33, and 0.19, respectively (Ghozali *et al.*, 2015).

The modified R-squared value for the relationship between X, the variables representing social media marketing activities, and Y1, the brand equity metric, is 0.504. The results show that social media marketing activities have a moderate to moderate effect on brand equity (0.504, or 50.4%), with other variables accounting for the remaining 49.6% of the variation. With an adjusted R-squared value of 0.756, the following R-squared value indicates that variables representing social media marketing activity (X) have an effect of 0.760 on purchasing interest (Y2). With a 0.756 coefficient of determination (or 75.6% of the total), we can deduce that social media marketing activities have a strong (or very strong) impact on buying interest (the construct of interest in making a purchase),

while other variables accounted for the remaining 24.4%. To find out if the variables under study have any effects on each other, researchers conduct hypothesis testing. When making decisions using statistical T-values up to 1.96. There is no effect between variables if the T statistic is less than 1.96, and there is an influence if the T statistic is greater than or equal to 1.96. If the p-value is more than 0.05, it indicates that the variables do not impact each other; conversely, if the p-value is less than or equal to 0.05, it indicates that the variables do influence each other (Ghozali, 2015).

A T-statistic greater than 1.96, which is 6.837, and a p-value smaller than 0.05, which is 0.000, suggest that the results of this study's testing of the hypothesis can explain the influence of social media marketing activities on brand equity. These findings are supported by the table below. A T-statistic more than 1.96, 2.911, and with a p-value less than 0.05, which is 0.004, provide evidence that social media marketing activities increase purchasing interest. Therefore, the findings of the second hypothesis may be accepted. We may accept the hypothetical findings since the T statistic is larger than 1.96 (6.377) and the p-value is lower than 0.05 (0.000) when testing the third hypothesis, which states that brand equity influences purchasing interest.

Table 1. Hypothesis Test Results

Hipotesis	Original Sample (O)	T Statistics (O/STDEV)	P Values	Information
H ₁ : Social media marketing activities positively affect brand equity	0,713	6,837	0,000	Accepted
H ₂ : Social media marketing activities positively affect buying Interest	0,304	2,911	0,004	Accepted
H ₃ : Social media marketing activities positively affect buying Interest	0,629	6,377	0,000	Accepted

Source: Data processed by researchers using Smart PLS, 2023

4. Conclusion

The study's findings led to the following conclusions. There is a favorable correlation between the amount of social media marketing effort put into promoting Kumo Cake and the amount of equity the brand enjoys. The indicators of brand equity (such as recognition and association) and social media marketing activity (in the form of Kumo Cake ads) lend credence to this. There is a positive correlation between the amount of time spent promoting Kumo Cake items on social media and the amount of attention such products get from potential customers. Ads and signs of purchase interest, two aspects of social media marketing, lend credence to this. It follows that an increase in brand equity will lead to a rise in purchasing interest for Kumo Cake items, as brand equity has a favorable effect on consumer interest. Indicators of purchasing interest and the brand equity component, which measures recognition and relationship with the brand, corroborate this.

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