Customer Engagement Analysis as Mediating the Influence on Social Media Marketing of Purchase Intentions on Skincare Avoskin

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Abstract

This research aims to analyze customer engagement in mediating the influence of social media marketing on purchase intentions. The approach used in this study is quantitative; the population of this study is all users of Avoskin skincare products in Bandung. Data is analyzed by testing the validity, reliability, and inner model using smartPLS. The results showed a direct influence of social media marketing activities on purchase intentions in Avoskin skincare users in Bandung, and customer engagement can mediate the influence of social media marketing activities on purchase intentions.

Keywords: Customer Engagement, Purchase Intention, Social Media Marketing

1. INTRODUCTION

The development of information and communication technology in the world continues to experience developments that change all human activities. The Information and Communication Technology Development Index (IP-ICT) continues to increase from 2018 to 2019 as recorded in (Central Statistics Agency, 2020). The number of smartphones that have reached 89.9 million people or 67.8% of Indonesia's total internet user population supports the development of technology that is happening today. [10]. The development of smartphones in Indonesia is accompanied by the development of the number of internet users, where the main results of the survey of Indonesian internet users amounted to 73.7%, up from 64.8% in 2018 [10]. When combined with figures from the central statistics agency (BPS) projection, Indonesia's population in 2019 amounted to 266,911,900 million, so that Indonesian internet users are estimated to be 196.7 million users, which is an increase from 171 million in 2019 with a penetration of 73.7% or an increase of 8.9% or as many as 25.5 million users (Ministry of Communication and Informatics, 2021).

Indonesia's consumer problems are related to higher consumer expectations, making product manufacturers must further improve their quality and strategies to make consumers feel satisfied with products purchased by consumers.

Consumers will be more interested in buying goods if they see the products they want to buy promoted through social media [12]. One of the currently viral products and social media is skincare products. Along with the times, the trend of people who began to pay attention to beauty products and body care as the main need resulted in the growth of the cosmetic industry is increasing. The company is increasingly aggressive and competing to present beauty products that follow the wants and needs of consumers. The national cosmetic industry recorded a growth increase of 20% or four times the national economic growth in 2017 (Source: kemenperin.go.id, April 08, 2020). This is an opportunity for players in the beauty industry to get promising prospects in running a cosmetics business in Indonesia, especially if the company is astute in looking at what beauty trends are happening and what products consumers want and need.

The desire to buy or purchase intention is important and is highly considered by consumers to buy products. According to Kotler & Armstrong [18], a purchase intention is a form of behavior of consumers who desire to choose and buy products based on their use, experience, and desire in a particular product. Customer engagement is a factor that can impact consumers' desire to make product purchases. The meaning of brand engagement is something that connects brands with consumers to allow the experience to happen in two directions (Jayswal &Vora, 2017). Based on the phenomena and problems that occur, researchers are interested in analyzing whether customer engagement can mediate the influence of social media marketing on purchase intentions on Avoskin skincare products for adolescents in Bandung.

2. METHODS
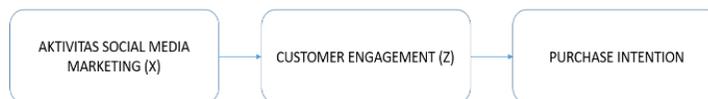
Research Hypothesis
H1: There is a positive and significant influence of social media marketing activities on purchase intentions on Avoskin products in Bandung.
H2: There is a positive and significant influence on customer engagement on purchase intentions on Avoskin products in Bandung.
H3: Customer Engagement can mediate the influence of social media marketing activities on purchase intentions on Avoskin products in Bandung.

2.1 Type of research
The approach used in this study is quantitative, emphasizing the breadth of information (not depth), so this method is suitable for use in a large population with limited variables. It involves utilizing and analyzing numerical data using specialized statistical techniques to answer who, what, what, where, when, how,

and how (Apuke &Programmes, 2017). This study is causal because of the causal effect between variables in the research model, namely the influence of social media marketing (SMMA) on purchase intentions mediated by customer engagement.

2.2 Population and Sample
A population is a generalization area consisting of objects or subjects with certain qualities and characteristics, which have previously been determined by researchers to be studied and then drawn conclusions. The population of this study is all users of Avoskin skincare products in Bandung.

2.3 Sample Withdrawal Method
The method of sample withdrawal in this study is based on research conducted by (Hair et al., 2017; Wong, 2013), who uses PLS-SEM (Partial Least Square) as an analysis tool, so the sample is obtained is 100 samples.

2.4 Data Collection Methods
The method the authors used to collect primary data was through questionnaires. Questionnaires are information gathering techniques that allow researchers to study the attitudes, beliefs, behaviors, and characteristics of several people in an organization that could be affected by a proposed system or an existing system. Filling out questionnaires will be distributed through google form to facilitate researchers and respondents in collecting and applying data. This questionnaire will use a Likert measurement scale where respondents will fill out and provide values based on the objects studied. In this Likert scale assessment, strongly disagree, disagree, neutral, agree, and strongly agree. Questions on the questionnaire about respondents' characteristics (name, age, education level, occupation, intensity of social media use) and research variables were SMMA, customer engagement, and purchase intention.

2.5 Data Analysis Techniques
1. A validity test is conducted to find out whether the construct is sufficient to continue as research or not.
2. Test reliability using outer loading. Reliability tests can be measured by looking at Cronbach's Alpha and composite reliability. Cronbach's Alpha is a reliability coefficient that shows how well items in a set are positively correlated with each other, while composite reliability measures the true value of a construct's reliability.
3. Internal or structural model testing is done to see the relationship between the construct, the significant value, and the research model's R-square. Structural models are evaluated using R-square for dependent constructs, Stone-Geiser Q-square tests for predictive relevance and t-tests, and the significance of structural path parameter coefficients.

3. RESULTS AND DISCUSSION

3.1 Validity Test

Testing of this measurement model is done to assess the validity and reliability as described earlier. Because of reflective indicators, assessment through convergent validity, discriminant validity, composite reliability, Cronbach alpha, and AVE.
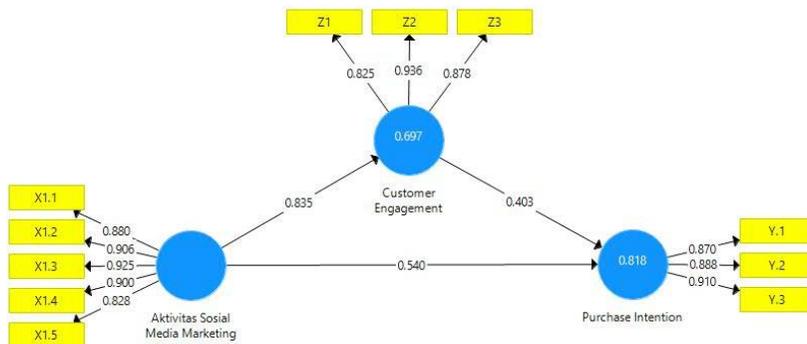

Figure 1.1 outer model

In figure 1, all items on outer model 1 have an outer loading of more than 0.6, so it can be concluded that indicators that measure social media marketing activity have met convergent validity requirements and no indicators need to be removed. Furthermore, all outer model 2 have an outer loading of more than 0.6 that measures customer engagement and meets convergent validity requirements, and no indicators need to be removed. Next is outer model 3, which has an outer loading above 0.6, indicating that the purchase intention indicator has met convergent validity requirements and no indicator needs to be removed.

1.   Discriminant Validity

The results of data processing tests showed that the loading value of each item against the construct is greater than cross-loading, which shows that there are no problems in discriminant validity.

Tabel 1. Cross Loading

	Social media marketing activities	Customer Engage-ment	Purchase Intention
X1.1	0,880		
X1.2	0,906		
X1.3	0,925		
X1.4	0,900		
X1.5	0,828		
Y.1			0,870
Y.2			0,888
Y.3			0,910
Z1		0,825	

Z2	0,936
Z3	0,878

2.   Composite Reliability, Cronbach Alpha dan AVE

Tabel 2. Construct Reliability and Validity

	Cronbach-ch's Alpha	Composite Reliab-ility	AVE
Social Media Marketing Activities	0,933	0,949	0,789
Customer Engagement	0,855	0,912	0,776
Purchase Intention	0,868	0,919	0,791

Based on the results of composite reliability tests, AVE and Cronbach alpha showed that all three constructs showed values more than 0.7 so that all three constructs showed internal consistency reliability. Similarly, the Cronbach alpha value has a number more than 0.7, so it can be concluded that there is no reliability/unidimensionality problem in the model formed. In addition, the AVE value indicates a value above 0.5 that supports convergent validity previously. The following are the results of the inner model test in the study, which is listed in figure 4.2 below:
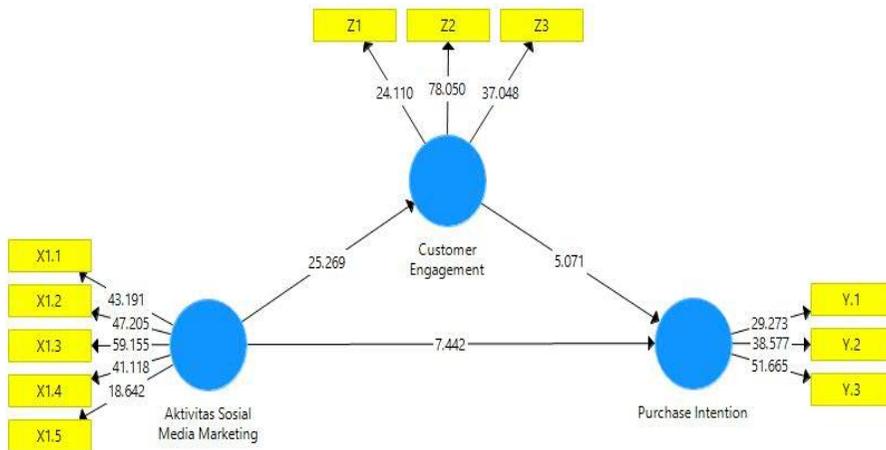

Figure 2. Inner Model

This test is a structural test that aims to predict causality's influence between latent variables. As already explained, what will be seen is the result or output in the form of a coefficient of determination that will be used to calculate predictive relevance and goodness of fit.

3.   Coefficient of Determination (R2)

<div align="center">Table 3. R-Square Results</div>

	R Square	R Square Adjusted
Customer Engagement	0.697	0.694
Purchase Intention	0.818	0.814

Based on the table, the value of R2 in customer engagement (0.697) and purchase intention (0.818). The value (R2) in customer engagement of 0.697 explains the large percentage of customer engagement can be explained through the purchase intention variable of 69.7%. The R-square value on the purchase intention of 0.818 explains that the large percentage of purchase intentions can be explained through the customer engagement variable of 81.8%.

4.   Predictive Relevance (Q2)

From the previous R-square value , the calculation (Q2) can be done as follows:

$$Q2 = 1 - (1 - R1^2) (1 - R2^2) ..... (1-Rp^2)$$
$$Q2 = 1 - (1 - 0{,}697) (1 - 0{,}818)$$
$$Q2 = 0{,}9448$$

Q2 measures how well the model and its parameters generate the observation value. The closer to 1, the better the model. This shows that the model used is very good. Moreover, according to the theoretical review, because $Q2 > 0.35$, then the predictive ability of this model is categorized as large.

5.   The goodness of Fit (GoF)

From the previous R2 and AVE values, GoF can be calculated as follows:

$$GoF = \sqrt{\mathbf{AVExR^2}} = GoF = \sqrt{\mathbf{0,785 \times 0,7575}}$$
$$GoF = 0{,}771$$

The gof value result is above 0.36, so it can be said that the model used is very fit.

3.2 Hypothesis Testing
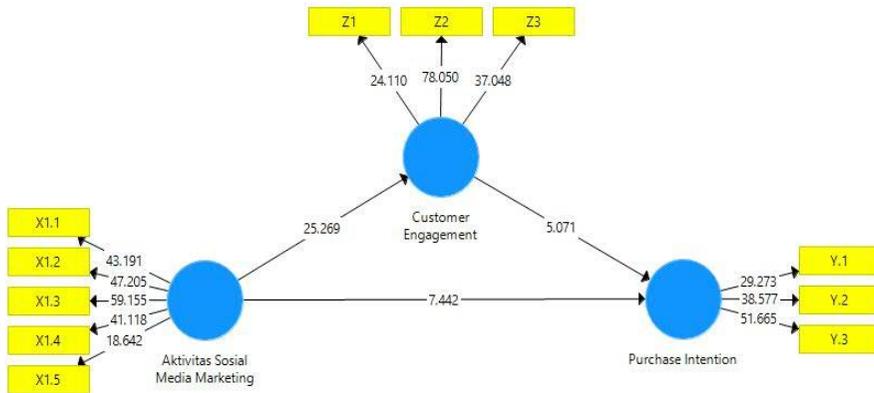
Here is a picture of bootstrapping results:

Figure 1. Bootstrapping Results

Figure 3. For more details, the results of path analysis using bootstrapping with the help of SmartPLS 3.0 software can be seen in Table 4.3 below:

Table 4. Bootstrapping Results (Path Coefficient)

	(O)	(M)	(STD-EV)	P Values
Social Media Marketing Activities -> Customer Engagement	0,835	0,835	0,033	0,000
Social Media Marketing Activities -> Purchase Intention	0,540	0,544	0,073	0,000
Customer Engagement -> Purchase Intention	0,403	0,401	0,079	0,000

1. Social Media Marketing Activities Have a Positive and Significant Effect on Purchase Intentions

Test results on the first hypothesis showed that social media marketing activity positively influenced purchase intentions. It is proven by the original sample value of 0.540 (positive) with a P-Value of 0.000. This shows that the higher the social media marketing activity, the higher the purchase intention and vice versa. With a P-Value below 0.05, the positive influence of social media marketing activity on purchase intentions is significant, so hypothesis 1 is accepted.

2. Social Media Marketing Activities Have a Positive and Significant Effect on Purchase Intention Mediated by Customer Engagement)

Table 5. Bootstrapping Indirect Effect Results

	Original Sample (O)	Sample Mean (M)	STDEV	P Value
ASMM -> CE -> PI	0,336	0,335	0,067	0,000

Test results on hypothesis two show that social media marketing activities positively influence purchase intentions through customer engagement. Proven by the original sample value on the indirect effect of 0.336 (positive) with P-Value (0.000). This shows that the higher the social media marketing activity, the higher the purchase intention or vice versa through customer engagement. With a P-Value of 0.000 or below 0.05, customer engagement can mediate the influence of social media activities on purchase intentions. The mediation model in this study is partial mediation, where after mediation from customer engagement, the influence of social media marketing activities on purchase intention is optimal. So, the customer engagement model mediating the influence of social media marketing activities on purchase intentions is acceptable, so hypothesis 2 is accepted.

4. CONCLUSION

Based on the results of research analysis and discussion on customer engagement analysis as a mediation of the influence of social media marketing activities on purchase intentions, it can be concluded that there is a positive and significant influence with a p-value of 0,000 social media marketing activities and customer engagement to purchase intentions in Avoskin skincare users in Bandung and customer engagement can mediate the influence of social media activities. Marketing towards purchase intentions.

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