

Vol: 2, Issue: 2 February/2021

https://ijbssrnet.com/index.php/ijbssr

DOI: http://dx.doi.org/10.47742/ijbssr.v2n2p3

#### ©The Institute of Academic Research and Publication

http://iarpnet.org/

# The Influence of Social Media Marketing, Electronic Word of Mouth and Consumer Engagement to Brand **Loyalty in Indonesia Grab Company**

#### Bismoaziiz\*

Master of Management Students State University of Jakarta

R. Mangun Muka Raya Road

Rawamangun, East Jakarta 13220, Indonesia Email: bismoaziiz@gmail.com

Orcid: https://orcid.org/0000-0003-1293-2924

Indonesia

## **Usep Suhud**

State University of Jakarta R. Mangun Muka Raya Road

Rawamangun, East Jakarta 13220, Indonesia

Email: usuhud@unj.ac.id

Orcid: https://orcid.org/0000-0002-1728-0737

Indonesia

# Saparuddin

State University of Jakarta R. Mangun Muka Raya Road Rawamangun, East Jakarta 13220, Indonesia

Email: saparuddin@unj.ac.id

Orcid: https://orcid.org/0000-0003-4641-5052

Indonesia

#### ARTICLE INFO

Article history: Article

Received: February 2021 Revised: February 2021 Accepted: 28 February 2021

DOI: 10.47742/ijbssr.v2n2p3

## ABSTRACT

This study aims to analyze social media marketing, electronic word of mouth, and consumer attachment to brand loyalty in Grab Indonesia. The research design used is quantitative research with a causal approach that examines the effect of exogenous variables (social media marketing, electronic word of mouth, and consumer attachment) on endogenous variables (brand loyalty). The population in this study were consumers of social media followers (Instagram) grab with an infinite number, therefore sampling was carried out using purposive sampling with the consideration of respondents as followers of Instagram grab with a minimum period of following is 6 months and has given "likes" to the grab Instagram posts. The sample used in this study were consumers of online transportation companies (grab) as many as 300 respondents. This research analysis tool uses a structural equation model (SEM). The results showed that the exogenous variables (social media marketing, electronic word of mouth, and consumer attachment) positively and significantly affect endogenous variables (brand loyalty). The variable that has the highest value in influencing brand loyalty is social media marketing. Meanwhile, the variable that directly influences brand loyalty with the lowest regression coefficient is electronic word of mouth.

Keywords: social media marketing, electronic word of mouth, consumer engagement, brand loyalty

#### INTRODUCTION

The internet has now become a necessity for the world community, not except for the Indonesian people. According to Digital Reports 2020", nearly 64 percent of Indonesia's population is connected to an internet network (Hootsuite, 2020).

The research released at the end of January 2020 stated that the number of internet users in Indonesia had reached 175.4 million people, while Indonesia's total population was around 272.1 research on the social media management platform HootSuite million. Compared to 2019, the number of internet users in and social marketing agency We Are Social entitled "Global Indonesia has increased by around 17 percent or 25 million users (Kumparan, 2020).



Vol: 2, Issue: 2 February/2021

https://ijbssrnet.com/index.php/ijbssr

DOI: http://dx.doi.org/10.47742/ijbssr.v2n2p3

#### ©The Institute of Academic Research and Publication

http://iarpnet.org/



Figure 1. Use of the Digital Internet (Hootsuite, 2020)

The rapid development of technology, especially in connection with the use of the internet, has had a tremendous impact on people's lives, including transportation. Everyone needs transportation to access certain places, therefore several developments in internet technology have emerged in online transportation, such as online motorcycle taxis.

Two online motorcycle taxi service brands, Gojek and Grab, are the brands most embedded in Indonesian consumers. The Indonesian Consumer Community (KKI) surveyed "Consumer Preference for Urban Land Transportation Service in Indonesia." The results of conducted by KKI in the February-April 2019 period involving 625 respondents in 15 districts/cities in six provinces, namely DKI Jakarta, Banten, Bali, West Sumatra, West Java, and Central Java. The survey results stated that consumer preferences to choose Gojek services were shown to be higher, reaching 36% of the total respondents, while Grab service users showed 32%, and those who used both reached 32% (Tribunnews.com, 2019).

Several factors support consumer preferences to prefer Gojek. The survey shows that Go-Jek's Go-Ride service is considered safer (56%), more reliable (55%), friendlier (53%), and more comfortable and clean (53%). Meanwhile, its a wide scope. competitor in this industry, Grab Bike, was appreciated with a score of 44% for the safety aspect, 45% in the service reliability and Facebook aspect, 47% in the hospitality aspect, and 47% in the comfort and (Lidwina, 2020). cleanliness aspect (Kumparan, 2019).

The low consumer preference for Grab makes researchers interested in measuring brand loyalty from Grab. Grab is a platform that has studied the social needs of public (consumer) public transportation, which is connected to drivers and supported by smart smartphone technology so that it can still be tracked using GPS through the application. The services offered by Grab include GrabCar, GrabBike, GrabExpress, GrabFood, SewaGrabCar, GrabFresh, etc.

Brand loyalty is a very important concept in marketing strategy. Brand loyalty is considered a customer preference consistently to make purchases of the same brand on a specific product or service category. One of the things that companies can take advantage of is social media use to increase brand loyalty. In Indonesia, the number of social media users has reached 160 million, increasing 8.1 percent or 12 million users compared to last year. That way, the penetration of social media use in Indonesia has reached 59 percent of the total population (Kumparan, 2020).

The Global Web Index records that Indonesia's population has an average of 10-11 social media accounts per person in the first quarter of 2020. Social media in this survey has a wide scope. Starting from content sharing applications (Instagram, YouTube, and Twitter), sending messages (WhatsApp and Facebook Messenger), to video conferencing (Skype) (Lidwina, 2020).

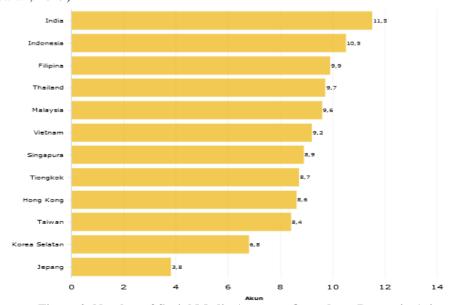


Figure 2. Number of Social Media Accounts Owned per Person in Asia (Quarter I-2020) (Lidwina, 2020)

17



Vol: 2, Issue: 2 February/2021

https://ijbssrnet.com/index.php/ijbssr

DOI: http://dx.doi.org/10.47742/ijbssr.v2n2p3

#### ©The Institute of Academic Research and Publication

http://iarpnet.org/

Based on Figure 2, it can be seen how social media has become a and active Instagram users out of the total population of around new space for internet users. Research We Are Social, Hootsuite 20 percent, In Indonesia, Instagram users are mostly men, namely (2020) states that as many as 79% of Indonesians use Instagram. The data states that Indonesia has 53 million monthly active users

around 51 percent, and women around 49 percent.



Figure 3. Instagram usage analysis, Source (Hootsuite, 2020)

the brand loyalty of a business. Seeing the potential role of parties, namely social media-based websites. Social media that is Instagram made researchers interested in reviewing Instagram from Grab. Recorded Instagram Grab posts during 2019 amounted to 399 posts. The posts are divided into three types, namely Picture, Video, and Carousel. The number of videos posted by Instagram Grab in 2019 was 157 videos. A picture is one or a group of still images posted on an Instagram page, while a video is a moving image in the post. Carousel is a combination of pictures and videos in one post on Instagram. The number of videos is recorded as the highest number of posts on the Instagram Grab account compared to other posts such as Pictures or Carousel.

Posts published by Grab can be classified into five different themes: Events, Infographics, Grab Stories, Promos, and Quizzes. Grab's five themes, the lowest average number of Likes and views, were on Instagram posts with an infographic theme. Note that, Infographic posts only resulted in 1,204 Likes and 19,500 impressions.

From this description, it can be said that there is an interaction between consumers and Grab through the Instagram Grab social media. In the long term, positive interactions that exist will result in consumer engagement with Grab. Consumers who follow Instagram Grab show that they are interested in information published through Instagram Grab. When viewed from the number of followers of Instagram Grab Indonesia, which reaches 1 million followers, of course, it will greatly help Grab informing consumer engagement through positive persuasion in every post. One indicator of successful consumer services.

Consumer engagement can encourage brand loyalty in the long run. To maintain consumer engagement, Grab must be responsive to change through continuous interactions. One form of responsiveness shown by Grab is through Instagram posts with the hope of feedback from consumers. However, Table 2 shows the data that several Instagram Grab posts did not generate interest for consumers. These posts include posts with the theme of Infographics and Events. This is certainly homework for the Grab marketing team.

To increase brand loyalty in today's digital era, marketing through social media is considered efficient. Marketing through

In the business world, Instagram can be used to increase social media is a marketing process carried out through third often used for marketing or promotion include Instagram. Through this media, the company or brand can carry out a structured and targeted promotion.

> Marketing with social media is not always related to direct buying and selling. In this marketing, Grab can market content related to the products or services offered. By introducing the brand and giving it a good impression, the public's trust will increase and increase sales conversion to sales and increase brand loyalty.

> To support its marketing mix activities through social media, Grab must create good marketing communications. This marketing communication activity is carried out using promotional tools, commonly known as the marketing communication mix. The marketing communication mix includes word of mouth.

> The use of the internet and social networks, which has increased significantly, has become the basis where word of mouth is currently not only done face-to-face but can be in any form, including using the internet, which is called Electronic word of mouth (EWOM). Electronic word of mouth is more effective than word of mouth communication in the offline world because of greater accessibility and high reach. One of the EWOM roles implemented by Grab is through the rating on the application. Star rating will help Grab maintain the quality of service to passengers and measure the level of passenger satisfaction.

The star rating that appears in the Grab Driver engagement is increasing consumer loyalty in products and Application is not 'real-time' (current). Star ratings are updated twice a day at fixed intervals and are calculated based on the average of the last 100 star ratings received. Star rating describes a form of virtual communication that includes word of mouth via electronic (EWOM). EWOM is believed to encourage consumer purchases, influence the community, be efficient because it does not require a large budget (low cost), create a positive image for products, and touch consumer emotions to increase brand loyalty consumer engagement.

> Brand loyalty is a measure of how loyal or loyal consumers are to always buy and use products from a brand, in this case, Grab. The higher the level of brand loyalty that



Vol: 2, Issue: 2 February/2021

https://ijbssrnet.com/index.php/ijbssr

DOI: http://dx.doi.org/10.47742/ijbssr.v2n2p3

#### ©The Institute of Academic Research and Publication

http://iarpnet.org/

survive in the competition.

There is a low preference for Grab Indonesia users compared to Gojek related to brand loyalty, low interaction, or customer engagement on the Grab Instagram social media, which shows problems with Grab's social media, as well as consumer attachment to certain Instagram social media themes that have been classified by researchers and lastly The star rating in the grab application, is a form of EWOM that Grab implements. Still, data that is not real-time is one of the problem factors.

#### LITERATURE REVIEW

#### **Brand Loyalty**

Marketers have used various ways to maintain their customers' brand loyalty, including brand elements, classic marketing mix variables, and new marketing methods such as events, sponsorship, one-to-one marketing activities, Internet marketing, and social media marketing (Kotler, 2018). According to Schiffman and Kanuk (2005), brand loyalty is customers' preference to make purchases on the same brand on specific products or certain service catalogs.

Akin (2017) defines brand loyalty as repurchase points, preferences, recommendations, and attachments; its need for loyal customers for the sustainable competition is better understood. Loyalty is seen as one of the key elements to achieving permanent and long-term success in terms of business. Meanwhile, Semuel and Putra (2018) say brand loyalty is a strong commitment to subscribing or buying a brand consistently in the information about products and services by consumers. As the future.

Brand loyalty is the customer's preference to purchase the same brand on a specific product or service catalog. Brand loyalty is a strong commitment to offering or buying a supported brand in the future Schiffman and Kanuk (2005). Customer Loyalty can conclude that a customer will continue to choose a product based on their commitment and a high probability that the customer will buy back the product and suggest it to people around him (Savitri & Suhud, 2018).

According to Aaker et al. (2007), brand loyalty is a measure of customer relationship with a brand. This measure can provide an overview of the likelihood of a customer switching to another product, especially in a brand where there is a change, either in terms of price or other attributes. Companies expect as many customers as possible to have loyalty to their brands so that they will continue to buy and use what the company has to offer (Suhud et al., 2017).

The definition of customer loyalty is the result of the process of maintaining and maximizing relationships with customers and expanding relationships through efforts to create "value" and create word of mouth promotion (Savitri & Suhud, 2018). So that brand loyalty, in return, brings sales revenue, market share, profitability to the company and helps them grow or at least defend themselves in the market (Kotler, 2018).

Indicators used to measure brand loyalty are consumer interest in the product offered, evaluating product prices, repeated product purchases, consumer trust in products, a wider impact than conventional word-of-mouth.

consumers have towards Grab, the greater the chance for Grab to consumer attachment to products (Djatmiko & Novianto, (2016); Durianto, (2004); Rangkuti, (2002); Rizan et al., (2015).

> Based on the explanation above, it can be concluded that brand loyalty or brand loyalty is consumers' preference or action to buy the same product or brand more than once. Brand loyalty is the goal of the company to increase sales of products.

## Electronic Word-of-Mouth

EWOM (electronic word-of-mouth) in the context of the Internet (Soares et al., 2012). Electronic word-of-mouth is a negative or positive statement made by actual, potential or previous consumers regarding which products or companies this information is available to people or through internet social media Jalilvand and Samiei (2012). Social media links EWOM with online consumer-to-consumer interactions about the brand (Muntinga et al., 2011).

According to Kotler (2018), word-of-mouth marketing is written. and electronic communication oral. communities related to the advantages or experiences of buying or using a product or service. EWOM can be considered as a traditional interpersonal communication partner in the new generation of cyberspace. Jalilian et al. (2013). While typical WOM communication consists of spoken words exchanged with a friend or relative in face-to-face situations, online WOM usually involves personal experiences and opinions transmitted via the written word (Bickart & Schindler, 2001).

WOM includes all forms of informal exchange of same source reports, this type of information is considered more reliable and impartial than paid forms of persuasive information, such as advertising, which are controlled by Soares et al. (2012).

The EWOM channel attribute can facilitate consumer social interaction, participate in messaging and encourage the expression of opinions related to brands, thereby increasing sharing and engagement of consumer opinions. Therefore, companies must remember that EWOM has a major impact on consumer behavior, so they should try to stimulate and engage consumers' opinions managing EWOM activities (López & Sicilia, 2014).

EWOM on social media platforms is influential in influencing consumer evaluations of products because of their perceptions of trust, and consumers are increasingly generating and sharing information related to brands in the form of EWOM to other social media users, including friends, peers, and the general public without constraints (Cheung et al., 2019).

The indicators used to measure EWOM are interacting with other users, having negative opinions, having positive opinions, and delivering information to other users (Govette et al., (2010); Seo et al., (2020); Sun et al., (2020); Wang & Yu (2017).

Based on the explanation above, the researcher concludes that electronic word-of-mouth is a process in which product users' actual opinions are expressed in online media. This consumer opinion can be seen by all online media users and has



Vol: 2, Issue: 2 February/2021

https://ijbssrnet.com/index.php/ijbssr

DOI: http://dx.doi.org/10.47742/ijbssr.v2n2p3

http://iarpnet.org/

#### ©The Institute of Academic Research and Publication

#### Social Media Marketing

media that facilitate interaction, collaboration, and content sharing (Richter & Koch, 2007). In contrast, according to Safko and Brake (2009), it is defined as activities, practices, and behaviors among communities of people who gather online to share information, knowledge, and opinions using conversational media. Social media is one of the tools widely used in marketing communication, resulting in brand-related consequences, including brand awareness and customer engagement (Bento et al.,2018). Social Media Marketing (SMM) is generally recognized as playing a fairly large role in influencing consumer perceptions of brands (Kotler et al., 2018).

Social Media Marketing can be defined as using existing social media platforms to increase brand awareness among consumers on online platforms through the use of the principles of word-of-mouth (Drury, 2008). Social media marketing, a form of word-of-mouth marketing, viral marketing, buzz, and guerrilla marketing, is a deliberate influence of consumer-to-consumer communication through professional marketing techniques (Kozinets et al., 2010). According to Ahmed and Gomathy (2020), social media marketing can be defined as using existing social media platforms to increase brand awareness among consumers on online platforms through the utilization of these traditional marketing promotion and social promotion.

The indicators used to measure social media marketing are feelings of pleasure, a means of sharing opinions, providing the latest information, the suitability of information services (Godey et al., 2016; Ismail, 2017; Angella J. Kim & Ko, 2012; Yadav & Rahman, 2017).

Based on the explanation above, the researcher concluded that social media marketing (SMM) or social media marketing uses social media in online networks, where social media is a very effective medium in disseminating information quickly and widely.

#### Customer Engagement

Consumer attachment can be defined as the level of physical, cognitive, and emotional presence of customers in their relationship with a service or organization (Arora et al., 2020). concluded that consumer attachment could be interpreted as Customer engagement has been recognized as an emotional relationship between companies and customers that focuses on customer interactions and participation. The key element for customer engagement is the exchange of knowledge, so that information and communication technology provides a great opportunity for organizations to exchange knowledge and engage with customers (Vivek et al., 2012).

Vivek et al. (2012) defined customer engagement as the intensity of individual participation and connection with organizational offers and activities initiated by the customer or organization. Customer engagement has been considered an enthusiastic relationship between an organization and its customers, concentrating on collaboration with clients and their support (Dissanayake et al., 2019).

According to Bowden (2009), understanding customer Social media is an online application, platform, and attachment is a mental procedure that models a hidden instrument where client service is linked to acquiring new clients. A specific case of online customer engagement is defined by Mollen and Wilson (2010) as a customer's cognitive and affective commitment to an active relationship with a brand as personified by a website or other computer-mediated entity designed to

communicate brand value. According to Kunz et al. (2017), customer engagement should be viewed and managed from a combined approach that combines customer and company views.

Customer engagement is defined as a psychological process that models the mechanisms underlying customer loyalty to service brands formed in new customers and mechanisms by which loyalty can be maintained so that customers can make repeat purchases from service brands (Bowden, 2009). Sorenson and Adkins (2014) also argued that businesses should improve their marketing efforts to engage consumers because engaged consumers are more loyal and emotionally connected to the brand. Attachment refers to customer behavior that goes beyond transactions and can be specifically defined as a manifestation of customers' behavior who have a company brand or focus, outside of purchasing, resulting from motivational drivers (Doorn et al., 2010).

Definition of CBE (Consumer Business Engagement) by principles. Thus, it supports two forms of promotion, namely Hollebeek et al. (2014) as consumer activities related to cognitive, emotional, and brand-related behaviors positively or related to consumer or brand-focused interactions. A key component to customer engagement is studying commerce, so data and correspondence innovation provide extraordinary opportunities for associations to trade information and attract clients (Vivek et al., 2012).

> Consumer attachment can be measured by five dimensions: identification, enthusiasm, attention, absorption, and interaction. While the indicators used to measure consumer attachment are consumer perceptions, the interest that consumers have towards the product, consumer connection with the product, pleasant conditions, participation (Abbasi et al., 2016; Hapsari et al., 2017; Rather & Sharma, 2017; So et al., 2014b).

> Based on the explanation above, the researcher customer behavior in services or products through emotional and cognitive interactions that can provide opportunities for companies to get more information from customers.

#### RESEARCH METHOD

## Research Place

This research was conducted at a company in online transportation, namely Grab, which is located in Kuningan, South Jakarta. Researchers chose Grab as the research object because it has problems following the variables being studied, namely social media marketing, electronic word-of-mouth, consumer engagement, and brand loyalty.

#### Research Design

The design in this research is causal research. Causal research is "a causal relationship, that is, there are independent variables that affect the dependent variable. Causal research was



Vol: 2, Issue: 2 February/2021

https://ijbssrnet.com/index.php/ijbssr

DOI: http://dx.doi.org/10.47742/ijbssr.v2n2p3

## ©The Institute of Academic Research and Publication

http://iarpnet.org/

chosen because it aims to test the hypothesis about the influence of exogenous variables (social media marketing, electronic wordof-mouth) on endogenous variables (consumer engagement and several collected data. This research uses SEM (Structural brand loyalty) on Grab's social media (Instagram) followers.

#### Population and Sampling Techniques

collection of objects or individuals that are the object of the research has no known boundaries or measurements of the total number of individuals in the occupied area can be made (Kozak, 2008). The population in this study were consumers of Grab's social media (Instagram) followers.

In this study, the sampling technique used was nonprobability sampling with a purposive sampling technique model carried out after the analysis of the unidimensionality level (Smith, 2010). The reason for using purposive sampling is that it is hoped that the sample to be taken meets the criteria following the research to be carried out. The sample used in this study was 300 consumers from an online transportation company (Grab). The respondents' characteristics in the study are Instagram Grab followers with a minimum period of following, which is 6 months, and who have given "likes" on Grab Instagram posts.

## Data Analysis Techniques

Data analysis is to interpret and draw conclusions from Equation Model) to process and analyze research data. Through SEM software, not only the causality (direct and indirect) This study's population is infinite; this is because the relationship on the observed variables or constructs can be detected, but the components that contribute to the construct itself can be determined in magnitude so that the causality relationship between variables or constructs becomes more informative, complete, and accurate.

#### RESULT

Based on the results of the feasibility test of the research of the dimensions/indicators forming latent variables tested by confirmatory factor analysis, the next analysis is Structural Analysis Equal Modeling (SEM) in a full model. The results of data processing for the full model SEM analysis are explained as follows:

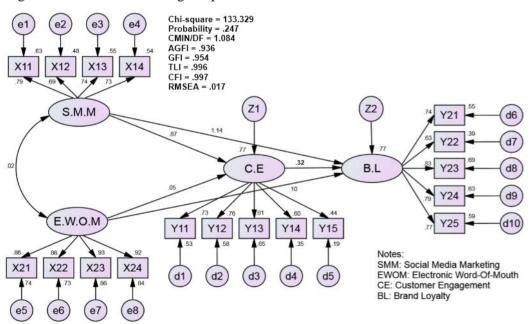


Figure 4. Full SEM Model

The results of testing the feasibility of the research model developed in this study are presented in Table 1 below.

Table 1. Research Model Feasibility Test Results The goodness of Cut off Value Result **Information** Tit In Jale

r u maeks			
Chi-Square	< 149,885	133,329	Good
Probability	$\geq 0.05$	0,247	Good
CMIN/DF	$\leq$ 2,00	1,084	Good
AGFI	$\geq 0.90$	0,936	Good
GFI	$\geq 0.90$	0,954	Good
TLI	≥ 0,95	0,996	Good
CFI	$\geq 0.95$	0,997	Good
RMSEA	≤ 0.08	0,017	Good

Source: Primary data processed, 2021



Vol: 2, Issue: 2 February/2021

https://ijbssrnet.com/index.php/ijbssr

DOI: http://dx.doi.org/10.47742/ijbssr.v2n2p3

#### ©The Institute of Academic Research and Publication

http://iarpnet.org/

in Table 1 show that the overall testing criteria are in a good category or meet the required assessment criteria. In the Chi-Square test, a model will be considered good if the results show the calculated Chi-Square value smaller than the table Chi-Square value. The more Chi-Square count, which is smaller than the Chi-Square table value, shows that the better the model means variables, one endogenous variable, and two intervening no difference between the population estimate and the sample variables. Table 2 shows that the estimate of standardized effects tested. This research model shows that the calculated Chi-Square consists of an estimate of standardized direct effects. value is 133,329, while the critical value / Chi-Square table with

The results of the feasibility test of the model presented df = 123 is 149.885. Because the calculated Chi-Square value in this study is smaller than the critical value, it means that the research model is not different from the estimated population / the model is considered good (accepted).

## Hypothesis Testing

The structural equation model consists of two exogenous

Table 2. Research Variable Causality Test

Hip	Variable			Regression Coefficient		
	Exogen		Endogen -	Direct Effect		
	Exogen		Endogen —	Coef.	Prob.	
$H_1$	Social media marketing	<b></b>	Customer engagement	0.95	0,000	
H <sub>2</sub>	Electronic word-of- mouth	<b></b>	Customer engagement	0.02	0,025	
H <sub>3</sub>	Social media marketing)	<b></b>	Brand loyalty	0.945	0.000	
$H_4$	Electronic word-of- mouth	<b></b>	Brand loyalty	0.03	0.037	
H <sub>5</sub>	Customer engagement	<b></b>	Brand loyalty	0.242	0.039	

Source: Primary data processed, 2021

Note: \* p-value (probability value) < 0.05

loyalty on customer engagement is 0.95; Electronic word-of- brand loyalty of 0.242.

Table 2, shows that the analysis results show that all mouth on customer engagement of 0.02; Social media marketing paths in the structural equation model have a significant effect towards brand loyalty of 0.945; Electronic word-of-mouth affects (p-value or probability value <0.05). The direct effect of brand brand loyalty of 0.03; and customer engagement has an effect on

Table 3. Research Hypothesis Testing

	Variable		<b>Estimate</b>	S.E.	C.R.	P
C.E	<	S.M.M	0.95	0.1	9.51	***
C.E	<	E.W.O.M	0.02	0.018	2.151	0.025
B.L	<	S.M.M	0.945	0.165	5.738	***
B.L	<	E.W.O.M	0.03	0.015	2.089	0.037
B.L	<	C.E	0.242	0.133	2.819	0.039

Source: Primary data processed, 2021

Based on Table 3, the testing of the five hypotheses proposed in the study was carried out by analyzing the Critical Ratio (CR) value and the probability of a causal relationship effect on customer engagement presented as follows:

#### a. Hypothesis Testing 1

## H1: Social media marketing has a positive and significant effect on customer engagement

The estimated parameter for testing the effect of social media marketing on customer engagement shows a CR value of 9.51 with a probability of 0.000. Therefore, with the probability tested. value <0.05, it can be concluded that the social media marketing variable is proven to have a positive and significant effect on customer engagement. The results showed that hypothesis 1 was tested.

## b. Hypothesis Testing 2

# H2: Electronic word-of-mouth has a positive and significant

The estimation parameter for testing the effect of electronic word-of-mouth on customer engagement shows a CR value of 2.151 with a probability of 0.025. Therefore, with the probability value <0.05, it can be concluded that the variable electronic word-of-mouth has a positive and significant effect on customer engagement. The results showed hypothesis 2 was

#### c. Hypothesis Testing 3

H3: Social media marketing has a positive and significant effect on brand loyalty



Vol: 2, Issue: 2 February/2021

https://ijbssrnet.com/index.php/ijbssr

DOI: http://dx.doi.org/10.47742/ijbssr.v2n2p3

#### ©The Institute of Academic Research and Publication

http://iarpnet.org/

media marketing on brand loyalty shows a CR value of 5,738 with a probability of 0,000. Therefore, with the probability value <0.05, it can be concluded that the social media marketing the largest contribution to the formation of brand loyalty variable has a positive and significant effect on brand loyalty. The research results prove that hypothesis 3 is tested.

## d. Hypothesis Testing 4

## H4: Electronic word-of-mouth has a positive and significant effect on brand loyalty

electronic word-of-mouth on brand loyalty shows a CR value of 2.089 with a probability of 0.037. Therefore, with the probability value <0.05, it can be concluded that the electronic word-ofmouth variable has a positive and significant effect on brand loyalty. The research results prove that hypothesis 4 is tested.

## e. Hypothesis Testing 5

# effect on brand loyalty

The estimation parameter for testing customer engagement's effect has a positive and significant effect on brand loyalty, showing a CR value of 2.819 with a probability of 0.039. Therefore, with the probability value <0.05, it can be concluded that the customer engagement variable has a positive and significant effect on brand loyalty. The research results prove that hypothesis 5 is tested.

## CONCLUSIONS AND SUGGESTIONS

Brand loyalty variables are formed by consumer interest in the products offered, evaluating product prices, repeated product purchases, consumer trust in products, consumer attachment to products. The main thing in establishing brand loyalty is an indicator of consumer confidence in the product that provides the greatest support.

The formation of social media marketing variables is formed in this study by feeling good, sharing opinions, providing up-to-date information, and the suitability of information marketing is formed by providing up-to-date information.

Electronic word-of-mouth is formed by interaction indicators with other users, having negative opinions, having have a positive opinion.

conditions, and participation. The main thing in building standard operating standards for partners to serve consumers.

The estimated parameter for testing the effect of social customer engagement is the connection between consumers and Grab products.

Indicators of consumer confidence in products provide variables. Indicators of consumer confidence in products dominate as a measure of brand loyalty compared to other indicators. The results showed that consumer confidence in the product is the best reflection of the variable brand loyalty.

The social media marketing variable is formed by the The estimation parameter for testing the effect of feeling of pleasure indicator, which gives the biggest contribution. This means that the indicator of pleasure is more dominant than other indicators as a measure of social media marketing. The results showed that the pleasure indicator's feeling was the best reflection for the social media marketing variable.

The indicator has a positive opinion and provides the H5: Customer engagement has a positive and significant largest contribution to forming the Electronic Word-Of-Mouth (EWOM) variable. Indicators think positive is more dominant as a measure of Electronic Word-Of-Mouth (EWOM) than other indicators. The results show that the positive opinion indicator is the best reflection for the EWOM variable or electronic word-ofmouth

> The consumer connection indicator provides the largest contribution to the customer engagement variable. The results show that consumer connection with the product is the best reflection for the customer engagement variable.

## Suggestions

It needs to be a consideration for the online transportation company Grab, through various continuous improvements, especially concerning indicators of evaluating product prices that provide the lowest value for the formation of brand loyalty by means that the online transportation company Grab often provides attractive discounts and promos to consumers or provides prices transparently better to consumers.

It needs to be a consideration for online transportation services. The main thing in the formation of social media company Grab, through various continuous improvements, especially concerning indicators of evaluating product prices, means of sharing opinions, having negative opinions, and pleasant conditions by providing attractive discounts and promos positive opinions, conveying information to other users. The to consumers or providing prices with better transparency. to main thing in the formation of electronic word-of-mouth is to consumers; adding media or means on various social media for consumers to share opinions about Grab; often preach Customer engagement variables are formed by indicators good/positive news, including drivers, to be polite and serve their of consumer perceptions, an interest that consumers have in the customers wholeheartedly so that the services provided by driverproduct, consumer connection with the product, pleasant partners to consumers have an immediate effect, and provide

## References

Aaker, D. A. (2000). Managing Brand Equity: Capitalizing on the Value of a Brand Name. Free Press.

Abbasi, A. Z., Ting, D. H., & Hlavacs, H. (2016). A revisit of the measurements on engagement in videogames: A new scale development. Springer International Publishing, 247–252. https://doi.org/10.1007/978-3-319-46100-7\_25

Ahmed, T. A., & K. Gomathy. (2020). Influence of Social Media Marketing on Customer Engagement. UGC Care Listed Journal,

Akin, M. (2017). The impacts of brand personality on brand loyalty: A research on automobile brands in Turkey. *International* 



Vol: 2, Issue: 2 February/2021

https://ijbssrnet.com/index.php/ijbssr

DOI: http://dx.doi.org/10.47742/ijbssr.v2n2p3

#### ©The Institute of Academic Research and Publication

http://iarpnet.org/

- Journal of Marketing Studies, 9(2), 134. https://doi.org/10.5539/ijms.v9n2p134
- Arora, R., Duggal, V., & Kaur, J. (2020). To study the impact of social media marketing on the buying behavior of millennial parents. *Journal of Asia Entrepreneurship and Sustainability*, *16*(1), 57–91. https://doi.org/10.17010/ijom/2018/v48/i10/132334
- Bento, M., Martinez, L. M., & Martinez, L. F. (2018). Brand engagement and search for brands on social media: Comparing generations X and Y in Portugal. *Journal of Retailing and Consumer Services*, 43, 234–241. https://doi.org/10.1016/j.jretconser.2018.04.003
- Bickart, B., & Schindler, R. M. (2001). Internet forums as influential sources of consumer information. *Journal of Interactive Marketing*, 1(3), 31–40. https://doi.org/10.1002/dir.1014
- Bowden, J. L. H. (2009). The process of customer engagement: A conceptual framework. *Journal of Marketing Theory and Practice*, 17(1), 63–74. https://doi.org/10.2753/MTP1069-6679170105
- Cheung, M. L., Pires, G. D., & Rosenberger, P. J. (2019). Developing a conceptual model for examining social media marketing effects on brand awareness and brand image. *International Journal of Economics and Business Research*, 17(3), 243–261. https://doi.org/10.1504/IJEBR.2019.098874
- Dissanayake, R., Siriwardana, A., & Ismail, N. (2019). Social media marketing and customer engagement: A review on concepts and empirical contributions. *Kelaniya Journal of Management*, 8(1), 71. https://doi.org/10.4038/kjm.v8i1.7592
- Djatmiko, T., & Novianto, A. (2016). The impact of brand image, brand trust towards brand loyalty of Indosat telecommunication operator customer in Bandung. 198–202. https://doi.org/10.2991/icse-15.2016.43
- Drury, G. (2008). Opinion piece: Social media: Should marketers engage, and how can it be done effectively? *Journal of Direct Data Digit Marketing and Practice*, 9(3), 274–277. https://doi.org/10.1057/palgrave.dddmp.4350096
- Durianto, D. (2004). Brand equity ten, strategi memimpin pasar (Brand equity ten, market leading strategy). PT Gramedia Pustaka Utama.
- Godey, B., Manthiou, A., Pederzoli, D., Rokka, J., Aiello, G., Donvito, R., & Singh, R. (2016). Social media marketing efforts of luxury brands: Influence on brand equity and consumer behavior. *Journal of Business Research*, 69(12), 5833–5841. https://doi.org/10.1016/j.jbusres.2016.04.181
- Goyette, I., Ricard, L., & Bergeron, J. (2010a). E-WOM scale: Word-of-mouth measurement scale for e-Services context. *Canadian Journal of Administrative Sciences/Revue Canadienne Des Sciences de l'Administration*, 27(1), 5–23. https://doi.org/10.1002/cjas.129
- Goyette, I., Ricard, L., & Bergeron, J. (2010b). E-WOM Scale: Word-of-Mouth Measurement Scale for e-Services Context \*. *Canadian Journal of Administrative Sciences/Revue Canadianne Des Sciences de l'Administration*, 23, 27(1), 5–23.
- Grab. (2020). *Grab Indonesia*. Www.Grab.Com. https://www.grab.com/id/en/blog/driver/grab-mau-tahu-seberapa-penting-rating-bintang-untuk-anda/
- Hapsari, R., Clemes, M. D., & Dean, D. (2017). The impact of service quality, customer engagement, and selected marketing constructs on airline passenger loyalty. *International Journal of Quality and Service Sciences*, 9(1), 21–40. https://doi.org/10.1108/IJQSS-07-2016-0048
- Hollebeek, L. D., Glynn, M. S., & Brodie, R. J. (2014). Consumer brand engagement in social media: Conceptualization, scale development, and validation. *Journal of Interactive Marketing*, 28(2), 149–165. https://doi.org/10.1016/j.intmar.2013.12.002
- Holmes-Smith. (2010). Structural equation modeling: From the fundamentals to advanced topics, school research, evaluation and measurement services, education & statistics consultancy, state line. Sage Publications Ltd.
- Hootsuite. (2020). Global digital reports 2020. Hootsuite Inc. All Rights Reserved. https://hootsuite.com/resources/digital-2020
- Ismail, A. R. (2017). The influence of perceived social media marketing activities on brand loyalty: The mediation effect of brand and value consciousness. *Asia Pacific Journal of Marketing and Logistics*, 29(1), 129–144. https://doi.org/10.1108/APJML-10-2015-0154
- Jalilian, H., Ebrahimi, E., & Mahmoudian, O. (2013). The effect of electronic word of mouth (eWOM) on consumer's purchase intention through customer-based brand equity (CBBE) (The case: Dell Laptop). *Journal of Business Management*, 4(14), 41–64. https://doi.org/10.22059/jibm.2013.54760
- Jalilvand, M. R., & Samiei, N. (2012). The impact of electronic word of mouth on a tourism destination choice: Testing the theory of planned behavior (TPB). *Internet Research*, 22(5), 591–612. https://doi.org/10.1108/10662241211271563
- Kim, Angella J., & Ko, E. (2012). Do social media marketing activities enhance customer equity? An empirical study of luxury fashion brands. *Journal of Business Research*, 65(10), 1480–1486. https://doi.org/10.1016/j.jbusres.2011.10.014



Vol: 2, Issue: 2 February/2021

https://ijbssrnet.com/index.php/ijbssr

DOI: http://dx.doi.org/10.47742/ijbssr.v2n2p3

#### ©The Institute of Academic Research and Publication

http://iarpnet.org/

- Kotler, P., Keller, K. L., Hoon, A. S., Meng, L. S., & Tiong, T. C. (2018). *Marketing management: An Asian perspective*. Pearson Education Limited.
- Kozak, M. (2008). Finite and infinite populations in biological statistics: Should we distinguish them? *The Journal of American Science*, 4(1), 59–62.
  - $https://www.researchgate.net/publication/268049012\_Finite\_and\_Infinite\_Populations\_in\_Biological\_Statistics\_Should\_We\_Distinguish\_Them$
- Kozinets, R. V., Valck, K. de, Wojnicki, A., & Wilner, S. J. S. (2010). Networked narratives: Understanding word-of-mouth marketing in online communities. Journal of Marketing, 74(2), 71–89. https://doi.org/10.1509/jmkg.74.2.71
- Kumparan. (2019, August). *Survei KKI: Masyarakat lebih pilih pakai Gojek daripada Grab*. Kumparan.Com. https://kumparan.com/kumparanbisnis/survei-kki-masyarakat-lebih-pilih-pakai-gojek-daripada-grab-1raMrFhP1GL#:~:text=%22Survei menunjukkan layanan Go-Ride,Jumat (2%2F8).
- Kumparan. (2020). *Riset: 64% penduduk indonesia sudah pakai internet*. Kumparan. https://kumparan.com/kumparantech/riset-64-penduduk-indonesia-sudah-pakai-internet-1ssUCDbKILp#:~:text=Menurut riset platform manajemen media,sudah terkoneksi dengan jaringan internet.
- Kunz, W. H., Aksoy, L., Bart, Y., & Heinonen, K. (2017). Customer engagement in a big data world. *Journal of Services Marketing*, 31(2), 161–171. https://doi.org/10.1108/JSM-10-2016-0352
- Lidwina, A. (2020). *Rata-rata setiap orang indonesia Punya 10-11 akun media sosial*. Databox.Katadata.Co.Id. https://databoks.katadata.co.id/datapublish/2020/09/25/rata-rata-setiap-orang-indonesia-punya-10-11-akun-media-sosial
- López, M., & Sicilia, M. (2014). Determinants of E-WOM influence: The role of consumers' internet experience. *Journal of Theoretical and Applied Electronic Commerce Research*, 9(1), 28–43. https://doi.org/10.4067/S0718-18762014000100004
- Mollen, A., & Wilson, H. (2010). Engagement, telepresence, and interactivity in online consumer experience: Reconciling scholastic and managerial perspectives. *Journal of Business Research*, 63(9/10), 919–925. https://doi.org/10.1016/j.jbusres.2009.05.014
- Muntinga, D. G., Moorman, M., & Smit, E. G. (2011). Introducing COBRAs: Exploring motivations for brand-related social media use. *International Journal of Advertising*, *30*(1), 13–46. https://doi.org/10.2501/IJA-30-1-013-046
- Rangkuti, F. (2002). The power of brands: Teknik mengelola brand equity dan strategy pengembangan merk plus analis kasus dengan SPSS (The power of brands: Techniques for managing brand equity and brand development strategy plus case analysis with SPSS). Gramedia Pustaka Utama.
- Rather, R. A., & Sharma, J. (2017). Customer engagement for evaluating customer relationships in the hotel industry. *European Journal of Tourism*, 8(1), 1–13. https://doi.org/10.1515/ejthr-2017-0001
- Richter, A., & Koch, M. (2007). Social software status quo und Zukunft. *Technischer Bericht, Fakultät Für Informatik. Universität Der Bundeswehr München*. https://www.researchgate.net/publication/200772748\_Social\_Software-Status\_Quo\_und\_Zukunft
- Rizan, M., Handayani, K. L., & Kresnamurti, A. (2015). Pengaruh citra merek dan kualitas produk terhadap keputusan pembelian. *Jurnal Riset Manajemen Sains Indonesia*, 6(1), 457. https://doi.org/10.21009/JRMSI.006.1.07
- Safko, L., & Brake, D. K. (2009). The social media bible: tactics Tools & for business success. John Wiley & Sons.
- Savitri, A., & Suhud, U. (2018). Investigasi niat belanja ulang ke toko pakaian: Peran CRM, kepuasan Dan loyalitas pelanggan. LONTAR Jurnal Ilmu Komunikasi, 6(2), 76. https://doi.org/10.30656/lontar.v6i2.947
- Savitri, C. (2017). E-wom for online bussines. *Jurnal Manajemen Dan Bisnis Kreatif*, *5*(1), 74–82. https://doi.org/10.36805/manajemen.v5i1.846
- Schiffman, L., & Kanuk, L. (2005). Consumer behavior. In New York: McGraw Hill. Pearson Prentice Hall.
- Semuel, H., & Putra, R. S. (2018). Brand experience, brand commitment, dan brand loyalty pengguna Apple Iphone di Surabaya (brand experience, brand commitment, and brand loyalty for Apple Iphone users in Surabaya). *Jurnal Manajemen Pemasaran*, 12(2), 69–76. https://doi.org/10.9744/pemasaran.12.2.69
- Seo, E. J., Park, J. W., & Choi, Y. J. (2020). The effect of social media usage characteristics on e-WOM, trust, and brand equity: Focusing on airline social media users. *Sustainability*, *12*(4), 1–18. https://doi.org/10.3390/su12041691
- So, K. K. F., King, C., & Sparks, B. (2014a). Customer engagement with tourism brands: Scale development and validation. *Journal of Hospitality and Tourism Research*, 38(3), 304–329. https://doi.org/10.1177/1096348012451456
- So, K. K. F., King, C., & Sparks, B. (2014b). Customer Engagement With Tourism Brands: Scale Development and Validation. *Journal of Hospitality and Tourism Research*, 38(3), 304–329. https://doi.org/10.1177/1096348012451456
- Soares, A., Pinho, josé carlos, & Nobre, H. (2012). From social to marketing interactions: The role of social networks. Journal of



Vol: 2, Issue: 2 February/2021

https://ijbssrnet.com/index.php/ijbssr

DOI: http://dx.doi.org/10.47742/ijbssr.v2n2p3

#### ©The Institute of Academic Research and Publication

http://iarpnet.org/

Transnational Management, 17(1), 45-62. https://doi.org/10.1080/15475778.2012.650085

- Sorenson, S., & Adkins, A. (2014). *Why customer engagement matters So much now*. News.Gallup.Com. https://news.gallup.com/businessjournal/172637/why-customer-engagement-matters.aspx
- Suhud, U., Puter, C. D., & Wibowo, S. F. (2017). Measuring brand loyalty of coffee shop visitors in Jakarta. *ASEAN Marketing Journal*, *9*(1), 28–39. https://doi.org/10.21002/amj.v9i1.8903
- Sun, Y., Gonzalez-Jimenez, H., & Wang, S. (2020). Examining the relationships between e-WOM, consumer ethnocentrism, and brand equity. *Journal of Business Research*, *November* 2018, 1–10. https://doi.org/10.1016/j.jbusres.2019.09.040
- Van Doorn, J., Lemon, K. N., Mittal, V., Nass, S., Pick, D., Pirner, P., & Verhoef, P. C. (2010). Customer engagement behavior: theoretical foundations and research directions. *Journal of Service Research*, 13(3), 253–266.
- Vivek, S. D., Beatty, S. E., & Morgan, R. (2012). Customer engagement: Exploring customer relationships beyond the purchase. *Journal of Marketing Theory and Practice*, 20(2), 122–146. https://doi.org/10.2753/MTP1069-6679200201
- Wang, Y., & Yu, C. (2017). Social interaction-based consumer decision-making model in social commerce: The role of word of mouth and observational learning. *International Journal of Information Management*, 37(3), 179–189. https://doi.org/10.1016/j.ijinfomgt.2015.11.005
- Yadav, M., & Rahman, Z. (2017). Measuring consumer perception of social media marketing activities in e-commerce industry: Scale development & validation. *Telematics and Informatics*, *34*(7), 1294–1307. https://doi.org/10.1016/j.tele.2017.06.001
- Zheng, X., Cheung, C. M. K., Lee, M. K. O., & Liang, L. (2015). Building Brand Loyalty through User Engagement in Online Brand. *Information Technology & People*, 28(1), 280–299.