



The dynamics of Indonesia's local beauty market: An analysis of the impact of social media engagement on purchase intention

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Accepted Date: January, 2024

ABSTRACT

Introduction: The research aims to analyze the impact of customer engagement on brand social media on purchase intention, as well as the mediating variable of attitudes towards the brand's social media. The subjects of this study are Instagram and/or TikTok users aged 18-34 years who are familiar with and have interacted with social media content from local beauty brands on Instagram or TikTok. **Methods:** Data analysis was conducted using the Partial Least Squares - Structural Equation Modeling (SEM PLS) method. **Finding:** The results indicate that customer engagement on brand social media has a positive impact on purchase intention, which is greatly influenced by the quality of the content information presented. Brand familiarity does not have a significant influence on customer engagement. **Conclusion:** Furthermore, engagement on the brand's social media pages results in a positive attitude towards the brand's social media pages, which affects future purchase intentions from the brand.

KEYWORDS: social media engagement, purchase intention, local beauty brands.

1. Introduction

Social media is an internet-based communication medium that enables its users to share information by facilitating user perceptions of interactions, with value derived primarily from user-generated content (Carr and Hayes, 2015). Forms of social media vary and can be divided into social networking sites, blogs, communities, virtual gaming worlds, virtual social worlds, and collaborative projects (Gavino et al., 2018). Through social media, exchanging information becomes easy and seamless, creating an opportunity for an environment conducive to communication and collaboration within various levels, involving professional, personal, marketing, business, societal and political (Kapoor et al., 2018). The emergence of technology has allowed the number of social media platforms and the number of active social media users to increase significantly over the years, making it one of the most critical aspects of the Internet. Based on a dataset published by Statista in 2023, worldwide social media users in 2022 were approximately 4.59 billion users. It is forecasted to increase in 2023, reaching 4.89 billion users worldwide, making the global social media usage rate stand at 62% of the world's population (Statista, 2023).

Cite This Article:

Vaharani, A. A. (2024). The dynamics of Indonesia's local beauty market: an analysis of the impact of social media engagement on purchase intention, *Journal of Entrepreneurial Economic* 1(1), 39-44. <https://doi.org/10.61511/jane.v1i1.2024.706>

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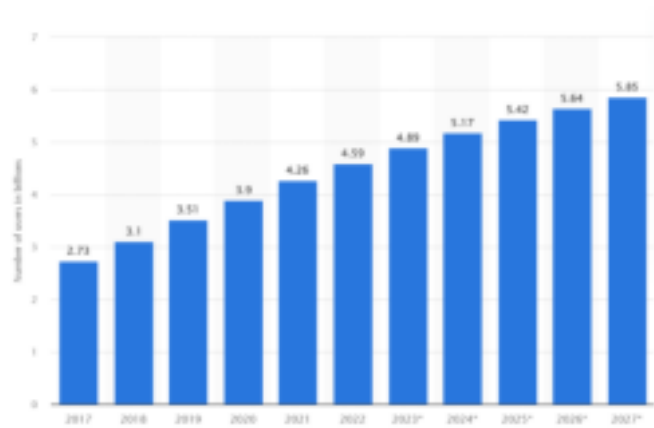


Figure 1.1 Number of social media users worldwide from 2017 to 2027 Source: Statista, 2023

Brands' communication techniques with customers may have a significant impact on customers' willingness to participate in the discussion, and it is becoming increasingly important for brands to understand how customers' involvement on social media platforms may influence consumer attitudes and purchase intention towards the brand (McClure and Seock, 2020). Involvement includes, but is not limited to, participation with a brand on that brand's social media pages stimulated by interests, values and needs, especially brand familiarity (Huang et al., 2010). Previous research has found that personal factors (such as prior use of social media), stimulus factors, and situational factors (such as brand familiarity) are the strongest determinants of customer involvement in a brand's social media (Zaichkowsky, 1986). A study about social media communication by Wang et al. (2012) shows that communications on social media that are consumption-related have a positive impact on customers' attitudes toward the product, and this type of communication can increase involvement with products (Wang et al., 2012). According to Hutter et al (2013), customers' engagement on social media plays a crucial role in the decision-making process, which can be divided into three distinct stages. Firstly, in the cognitive phase, customers become acquainted with various products or services and seek out information about them. Social media involvement facilitates access to a wide array of options, empowering customers to acquire knowledge and awareness. Secondly, during the affective phase, customers develop preferences and inclinations towards specific brands or products. Social media platforms act as a conduit for customers to openly express their preferences, exerting a profound influence on their overall conviction. Lastly, in the conative phase, active participation on social media platforms can significantly impact customers' purchasing behavior and brand loyalty. Through engaging customers on social media, companies have the ability to shape their perceptions, ultimately influencing their purchasing decisions and fostering long-term loyalty.

Purchase intention is a person's awareness of the desire to purchase from a specific brand (Shabbir et al., 2009). It also illustrates a desire to repurchase a specific product or service from a brand. Researchers define purchase intention as individual behavioral inclinations specific to a brand. They also determined that intention differs from attitude. While attitude refers to product evaluation, intention refers to a person's motivation in terms of his or her intention to perform a behavior, which in this case is purchasing (Rezvani et al., 2012). A person's purchase intention can be influenced by many factors, and a brand's marketing activities play a big role in this area. Social media marketing allows businesses to engage with their customers on a more personal level, allowing them to build trust, credibility, and relationships with their target audience, furthermore, influence the purchase intention. Several past research such as those by Hutter et al. (2013), Adil et al. (2018), Choubtarash et al. (2013) indicate customer involvement has a significant impact on purchase intention. However, research by McClure and Seock (2020) and Arora et al. (2019) show inconsistency by stating that involvement with a brand's social media does not directly influence future purchase intention but is rather mediated

by other variables such as the attitude toward the brand's social media. Therefore, this study wants to analyze whether customer involvement directly influences purchase intention.

Although many studies support a link between involvement and purchase intention (Hollebeek et al., 2007; Mou et al., 2020; Ma et al., 2020), there are only a few studies that explore the driver of social media involvement from the customer's perspective. Most of the research about social media involvement and its influence on purchase intention was more focused on the brand's marketing activities as the main driver of involvement (Huang, H. C., 2018; Dessart et al., 2015; Enginkaya & Yilmaz, 2014). Past research by McClure and Seock (2020) has studied the role of customer involvement toward purchase intention with customers' personal motivation as the main driver of involvement.

The purpose of conducting this research is to answer the proposed research question above, which are as follows (1) to understand whether consumers' involvement with a brand on social media influences their attitude towards a brand's social media presence, and (2) understand whether consumers' involvement with a brand on social media influences their future purchase intention from the brand.

2. Methods

The method used in this research is Partial Least Squares - Structural Equation Modeling (SEM PLS). This method is a suitable approach for analyzing the relationships between variables involved in the research concerning the influence of consumer engagement on social media on their purchase intentions towards local beauty brands.

3. Result and Discussion

3.1 The influence of consumer engagement with brands on social media on attitudes towards the brand's social media presence

The research findings indicate that consumer engagement with brands on social media has a positive influence on their attitudes towards the brand's social media presence. With an average value of 3.997 on the descriptive analysis indicator, this suggests that consumer engagement with brands on social media is moderate, meaning consumers tend to engage with the brand's social media. This indicates that interactive social media content can lead to positive attitudes. Therefore, local beauty brands can create content that encourages people to interact and engage with their social media, which will ensure that as consumer engagement increases, their attitudes will improve.

3.2 The influence of consumer engagement with brands on social media on future purchase intentions from the brand

The study also found that consumer engagement with brands on social media has a negative impact on future purchase intentions from the brand. This may be due to the fact that engagement with a brand's social media does not always trigger customers to purchase products because of the effect of the interaction itself, whether with the social media admin or with other customers. If brands fail to create a good experience for customers on their social media, this can deter them from having future purchase intentions. With original sample and sample mean values of -0.290 and -0.305 respectively, and a T-value of 3.995, it can be concluded that consumer engagement has an influence on future purchase intentions. However, this impact is negative.

3.3 Analysis

The results of this study offer valuable insights for practitioners and brand managers in the local beauty industry. First, brands should strive to enhance consumer engagement on social media through interactive and engaging content, which in turn can improve positive attitudes towards the brand's social media presence. However, it is important to remember that this engagement must be managed carefully to ensure that it contributes positively to the overall customer experience, as ineffective engagement can negatively impact purchase intentions.

Therefore, brands must ensure that interactions on social media are not only engaging but also provide added value to consumers, such as useful product information, responsive customer service, and a pleasant user experience. This highlights the importance of effective brand communication strategies and careful social media management to not only attract engagement but also to encourage positive purchase intentions.

4. Conclusion

Consumers' engagement with brands on social media positively influences their attitude towards the brand's social media presence. Engaged consumers are more likely to have a favorable perception of the brand's social media activities, which include content, interactions with customers, and the way the brand communicates with its audience. This engagement can be enhanced through engaging and interactive content, which in turn can strengthen the relationship between consumers and brands.

Consumer engagement with brands on social media also has an influence on their future purchase intentions. However, this relationship is not always linear and positive. While high engagement may indicate greater interest in the brand, it does not automatically mean that it will increase purchase intentions. Other factors such as the quality of information presented on social media, trust in the brand, and overall user experience also play an important role in shaping consumer purchase intentions.

From these two conclusions, it can be concluded that local beauty brands in Indonesia should pay careful attention to consumer engagement strategies on social media. Brands should create content that not only attracts attention but also provides added value and quality information. This will help in building a positive attitude towards the brand's social media presence and may ultimately drive future purchase intentions. However, brands should also realize that high consumer engagement does not necessarily guarantee increased sales, so marketing strategies should be comprehensive and consider various aspects of the consumer experience.

Author Contribution

All authors contributed to the research.

Funding

This research received no external funding.

Ethical Review Board Statement

Not applicable.

Informed Consent Statement

Not applicable.

Data Availability Statement

Not applicable.

Conflicts of Interest

The authors declare no conflict of interest.

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