

The Effect of Social Media Marketing and Word of Mouth on Customer Loyalty in Moderation by Brand Image at Lenggang Monas Jakarta

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Abstract

This research is about the influence of social media marketing and word of mouth on customer loyalty moderated by the brand at Lenggang Monas Jakarta. The total population is the traders who are in the Lenggang Monas Jakarta. The method in this research is a side-by-side by randomly distributing it. This research was conducted to find out how the influence between the variables studied is how the influence of social media marketing on customer loyalty, the influence of word of mouth on customer loyalty, brand image on customer loyalty and to find out whether brand image moderation is able to strengthen or weaken the influence of social media marketing. and to find out how brand image is able to strengthen or weaken the influence of word of mouth on customer loyalty. This research was carried out in several stages, namely the first taken from the bibliography, statistics and collecting the object being researched. Second, to test the feasibility of data and data collection. The third hypothesis testing using SEM PLS. The results of the study are social media marketing has an insignificant effect on customer loyalty, word of mouth has no significant effect on customer loyalty, brand image has a significant effect on customer loyalty, moderation of brand image can weaken the influence of social media marketing on customer loyalty, moderation of brand image can weaken the effect of word of mouth on customer loyalty.

Keywords

customer loyalty;
brand image; social
media marketing;
word of mouth



I. Introduction

Indonesia is part of the largest internet users in the world. The survey results of the Indonesian Internet Service Providers Association (APJII) in 2020 noted that the number of internet users reached 196.7 million, while in 2021 it rose to 202.6 million. It can be seen that internet users can become a very large market share for small and medium enterprises (MSMEs) in various internet media. Business competition in Indonesia is increasing day by day, business actors are demanded to be able to follow the developments of globalization that have existed until now. Generally, MSME actors who do not follow developments to date will be left behind unless they are in a really easy and strategic position in running their business.

Social media marketing is one of the media that is widely used by anyone at this time, until now not a few business actors use social media to gain profits by selling products and services. In today's life, the internet is very easy to use to find the information needed, purchase products, sell products, find information, etc. The internet has now become a very important medium for business actors in exchanging offers.

Word of mouth is a marketing activity in providing information on a product or service from one consumer to another to discuss, promote and sell a brand to others (Priansa 2017). This means that the Lenggang Monas Jakarta still exists today because the places and services provided are quite good, so that visitors indirectly tell one another about their experiences, conditions and situations when they were or visited the place.

Brand image is a reference to how the scheme of consumer thinking about a consumer's perception and how consumers feel about the image of the brand influences how consumers want to choose a product. Lenggang Monas Jakarta is the most unique place, opened from 2015 until now, it still exists every day, even during the pandemic that hit the capital city of Jakarta, Lenggang Monas Jakarta remains an option for visitors, both from nearby areas and from other areas. .

Lenggang Monas Jakarta was established in 2015 which was inaugurated by the mayor of Jakarta as an icon of Indonesia, besides that this place is also a tourist destination for travelers from all over the world, friends, it should be arranged in such a way that it can be a beautiful, neat and tasteful area. The place is located in the culinary area, various shopping and cultural parks on the outskirts of the National Monument or Monas. Until now, the Lenggang Monas Jakarta still exists as a crowded place to visit.

From the explanation above, the researcher chose the title of the influence of social media marketing and word of mouth on customer loyalty moderated by brand image at Lenggang Monas Jakarta. With the formulation of the problem as follows;

II. Review of Literature

According to (Muljono 2018) is a company activity in creating, communicating, delivering and exchanging products or services offered that have value for consumers and society. While the internet is a medium created digitally.

From the explanation above, it can be concluded that today's companies cannot ignore the current digital use, internet users are increasing day by day in the digital world, it can be said that there is no limit to market share.

2.1 Brand Image

Brand image is a situation where a brand can influence a consumer towards a product in a purchase decision so that the better the image of a brand, the greater the opportunity for purchasing decisions. This is because the Lenggang Monas Jakarta is part of the Indonesian icon, the atmosphere in that place is very lively, even though the tents are starting to get dull, but they still exist today.

2.2 Word of Mouth

Word of mouth is referred to as word of mouth communication which is also known as "getok tular". According to (Pratiwi 2017) communication by word of mouth is a promotional activity carried out by consumers who offer products voluntarily, where they will tell about our products and suggest to others to consume or also use the product.

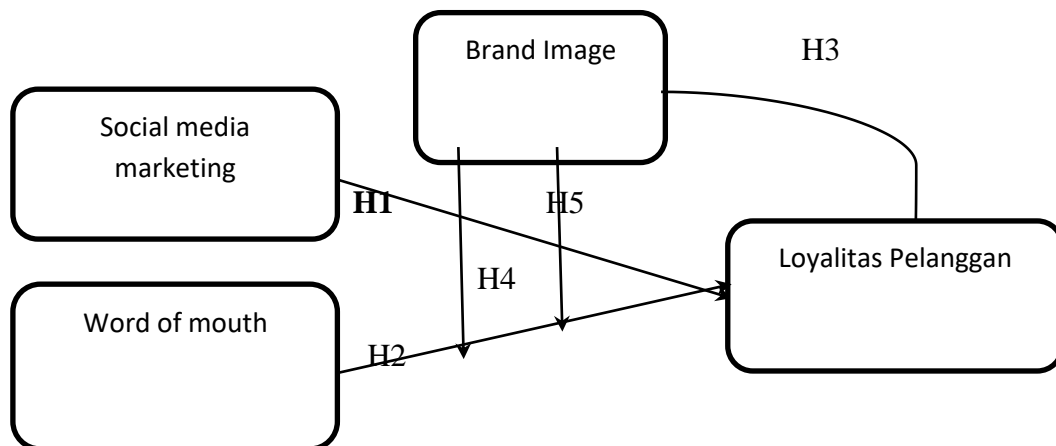
2.3 Social Media

Marketing in social media is a series of interactive marketing communication activities from companies to consumers, and vice versa to be able to create sales of a product or service produced by the company. According to (Zulfikar and Mikhriani 2017) defining social media marketing is a marketing strategy carried out by people in online form in running their business.

Media marketing is a marketing that is done through a digital media in offering a brand owned by a company. Internet media has now become an important medium for companies or business people in exchanging an offer.

From some of the theories above, it is concluded that the current media is very important to study for anyone, because in this case the media is able to spread news, knowledge, culture and others, then word of mouth is able to attract other visitors based on the experiences experienced by the visitors starting from places, tours, and how to experience being at the Lenggang Monas in Jakarta. Until now, the Lenggang Monas Jakarta has become a good icon for the city of Jakarta.

2.4 Research Model



III. Research Method

Data collection techniques were carried out in the implementation of this research through interviews, questionnaires and field observations. Then the location of this research was carried out on MSME actors in the Lenggang Monas area, Jakarta. This research was conducted using a casual quantitative design and the subjects in this study were the MSME actors at Lenggang Monas Jakarta.

The total population of this study is the perpetrators of the Lenggang Monas Jakarta MSMEs. The sample is a small part of the population based on certain procedures, the number of samples obtained in this study with a total population of 339. Then the sample is obtained using the Slovin formula as follows;

$$\begin{aligned}
 n &= N / (1 + e^2) \\
 n &= 339 / (1 + 339 \times 5\%^2) \\
 &= 339 / (1 + (339 \times 0.0025)) \\
 &= 339 / (1 + 5) \\
 &= 339 / 6 \\
 &= 56.5 \text{ Rounding (57)}
 \end{aligned}$$

3.1 Operational Variable

a. Customer

Loyalty is a positive attitude of consumers towards a product or service as well as to the company itself which is accompanied by a commitment to buy the company's products or services and recommend it to other parties. Indicators of customer loyalty according to (Yulianti 2018) make consistent purchases, recommend, consumers do not switch to other

products. Meanwhile, according to (Istiqomah 2019) is customer trust, customer commitment.

b. Brand Image

A well-known brand image because they feel more comfortable with things that are already known, with the assumption that a known brand is more reliable, always available and easy to find and has undoubted quality, so that a brand that is better known more often consumers choose over brands that are not recognized by consumers. According to Tanady and Fuad 2020, brand image indicators are direct evidence, empathy, conscientiousness, responsiveness and assurance.

c. Word of Mouth

According to (Sitompul and Hariyanto 2020) that customers will talk to other customers or other people about their experiences using the products they buy, so advertising through word of mouth is a reference from other people, this reference is done by word of mouth and advertising activities This is very simple but a surefire way to sell products. The word of mouth indicator according to (Muliadi 2015) discusses, recommends, encourages, promotes and sells.

d. Social Media Marketing

Social media marketing is an online marketing strategy that utilizes social media to market products or services by utilizing the people who participate in that social media, the indicator of social media marketing according to (Zulfikar and Mikhriani 2017) in this study is online commitment, interaction, sharing off content, accessibility, credibility. Meanwhile, according to (Silviana 2020) are entertainment, irritation, and informativeness.

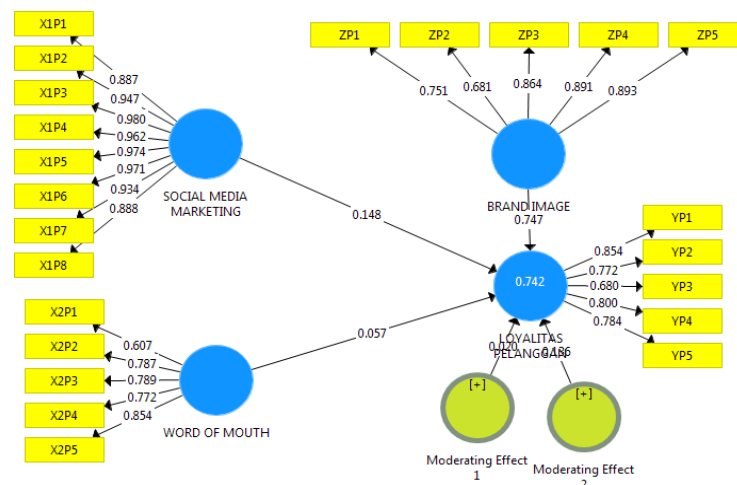
IV. Results and Discussion

The discussion of the research results is as follows.

The results of distributing questionnaires conducted by researchers to sellers at that location are obtained and can be seen below.

4.1 Outer Model

a. Validity



Source: Data processed SEMPLS 2022

Figure 1. Validity Test Results

b. Reliability

Table 1. Reliability Test Processing Results

Description	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
<i>Social Media Marketing</i>	0.982	0.985	0.890
<i>Word Of Mouth</i>	0.821	0.876	0.587
<i>Brand Image</i>	0.875	0.910	0.673
Customer Loyalty	0.845	0.886	0.609

Source: Data processed SEMPLS 2022

4.2 Inner Model

a. Hypothesis

Table 2. Path Coefficient

Description	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
<i>Social Media Marketing</i> -> Customer Loyalty	0.148	0.158	0.091	1.623	0.105
<i>Word Of Mouth</i> -> Customer Loyalty	0.057	0.067	0.147	0.388	0.698
Brand Image-> Customer Loyalty	0.747	0.739	0.124	6.028	0.000
Moderating Effect 1	0.120	Moderating	0.698	0.0	0.840
Effect Customer Loyalty	0.136	0.127	0.102	1.332	0.183

Source: Data processed SEMPLS 2022

From the table above, it is hereby explain the hypothesis as follows;

1. The first hypothesis found evidence that the original sample value = 0.148, T statistic = 1.623 and v value = 0.105. These results prove that social media marketing has no significant effect on customer loyalty.
2. The second hypothesis found evidence that the original sample value = 0.057, T statistic = 0.338 and v value = 0.698. These results prove that word of mouth has no significant effect on customer loyalty.
3. The third hypothesis found evidence that the original sample value = 0.747, T statistic = 6.028 and v value = 0.000. These results prove that brand image has a significant effect on customer loyalty.
4. The fourth hypothesis found evidence that the original sample value = 0.020, T statistic = 0.018 and v value = 0.840. These results prove that brand image is able to weaken the influence of social media marketing on customer loyalty.
5. The fifth hypothesis found evidence that the original sample value = 0.136, T statistic = 1.332 and v value = 0.183. These results prove that brand image is able to weaken the influence of social media marketing on customer loyalty.

b. Coefficient of Determination

Table 3. Coefficient of Determination

Description	R Square
Customer Loyalty	0.742

Source: Data processed SEMPLS 2022

Based on the results of data processing, it can be explained that the value of the customer loyalty variable (Y) is 0.742. This means that the influence of social media marketing and word of mouth on customer loyalty is 74.2% while the remaining 25.8% is influenced by other variables not examined in this study.

V. Conclusion

From the explanations above, it can be concluded as follows;

1. The results of testing the first hypothesis found evidence that the influence of social media marketing had no significant effect on customer loyalty.
2. The results of testing the second hypothesis found evidence that the effect of word of mouth had no significant effect on customer loyalty.
3. The third hypothesis found evidence that brand image had a significant effect on customer loyalty.
4. Testing the fourth hypothesis found evidence that brand image moderation was able to weaken the influence of social media marketing on customer loyalty.
5. The results of testing the fifth hypothesis found evidence that brand image moderation was able to weaken the influence of word of mouth on customer loyalty.

The suggestions given by the researcher are as follows;

1. To be able to maximize social media marketing so that it can reach tourists from anywhere
2. . To be able to recommend between visitors and other visitors.
3. To be able to maximize returns, both from brand image, social media marketing so as to achieve full customer loyalty.
4. To be able to maximize returns both from brand image, word of mouth so as to achieve full customer loyalty.

Limitations of Research The

1. Time that is divided - for doing this research
2. Limitations in this study are only limited to social media marketing variables, word of mouth, brand image and customer loyalty.

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