HOW MARKETING COMMUNICATION AFFECT CONSUMER PURCHASE INTENTION IN SOCIAL MEDIA CONTEXT (CASE STUDY: INDONESIAN MSMES BUSINESS)

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ABSTRACT
The rapid development of the internet has driven changes in marketing communication strategies, from communication through traditional mass media to using communication on the internet that utilizes social media. Marketing communication through social media can help micro, small and medium-sized businesses introduce their brands and products to consumers at a lower cost than through traditional media. The study aims to find out the influence of social media communication forms on brand equity, brand attitudes and consumer purchase intentions built from Consumer Decision Model. This study focus on selected UMKM (Micro, small and medium enterprises-MSMEs) brands in area of food and beverages which business are relatively new to the market and have lower than 5000 followers in social media Instagram. Total number of 102 respondents are selected for online survey by convenience sampling method and a structural equation model (PLS-SEM) with Smart PLS software use as an analysis tool for limited data. The results of this study showed that firm created communication had a positive and significant effect on brand equity but had no significant effect on brand attitudes. User generated communication has a positive and significant effect on brand equity and brand attitudes. Brand attitudes have a positive and significant influence on consumer purchase intention. Brand equity has a positive and significant effect on purchase intention. Implications and limitations are discussed further.

Keywords
Social Media Instagram; Firm Created Communication; User Generated Communication; Brand Equity; Brand Attitude; Purchase Intentions

INTRODUCTION
Advances in information technology have changed how people interact and communicate. The development of internet has created a change in the pattern of interaction where distance and time are no longer an obstacle. Internet users in Indonesia has reached 202.6 million people at the beginning of 2021. This number increased by 15.5% compared to the beginning of 2020. With a population of more than 274 million people, internet penetration in Indonesia reached 73.7% based on report from We Are Social in Digital 2021. Further, active internet users in Indonesia use an average of 8 hours 52 minutes compared to the time to watch television by an average of 2 hours 50 minutes. From the time of use on the internet, the average person spends 3 hours 14 minutes on social media. Social media Instagram has 99.1 million users in Indonesia which rank number 4 in the world (Statista, 2022). Therefore, social media becomes very important both for their users to interact with each other and also for business as a medium of corporate communication and a means of promotion. Marketers must know the characteristics of social media that has two forms of communication, namely firm created communication and user generated communication.
Schivinski and Dabrowski (2013, 2015) stated that firm created communication and user generated communication are fundamental in marketing communication through social media. Firm created communication is a form of communication created and controlled by marketer; while user generated communication is material that is freely conveyed by social media users, thus it cannot be fully controlled by a firm. In the age of social media, knowledge of both forms of communication is critical to shaping consumers’ perception of a brand (Berthon, Pitt and Campbell, 2008). Various companies have used social media sites to support the formation of a loyal customer community to the brand (Kozinets, 2002). Edosomwan et al (2011) states that social media helps companies to strengthen the consumer experience of a brand and as a means of communication of brand values and brand attributes. According to Stelzner (2014), there are various advantages of doing marketing through social media, namely increasing brand awareness, building a loyal consumer base, and increasing sales.

Furthermore, MSMEs in Indonesia have an important role with a total number of 64.2 million and have a contribution to gross domestic product of 61.07%. MSMEs also absorb a workforce of 119.6 million workers and more than 96.92% of the national workforce is absorbed by MSMEs (https://databoks.katadata.co.id). Given the importance of the role of MSMEs in the Indonesian economy, research is needed in this sector. The challenge today is to develop MSMEs in the digital era and be able to make good use of information technology. Social media has a relatively lower cost compared to traditional mass media such as television, radio, magazines, or newspapers. The low cost for marketing communication activities offered by social media provides an alternative option for MSMEs to utilize social media for their advantages. Therefore, this research is conducted to find out how social media can grow the brand and business of MSMEs and also how social media that has 2 forms of communication, namely firm created communication and user generated communication can strengthen the brand equity and brand attitude of MSMEs in Indonesia. With the strong perceived brand and positive brand attitude, consumers can be encouraged and persuaded to make a purchase (Schivinski & Dabrowski 2013). This research is limited to MSMEs in the food and beverage sector which does have a significant contribution in the total number of MSME in Indonesia and analyze their communication effort in the early phase of their life cycle.

This research is built on the notion of the consumer decision model (Howard, 1988; Howard, Shay, and Green 1988; Prasad and Jha, 2014). This model emphasizes the importance of various sources of information on consumer purchasing decisions (Richardson, Dick & Jain, 2004). Information may also provide a reference to consumer perception of the brand (brand equity and brand attitude) and then influence the consumer purchase intention (Prasad & Jha, 2014; Biehal & Chakravarti, 1983). The information in this study involves brand communication provided by the company (including advertising and promotion) and also user generated communication.

According to Aaker (2000), brand equity is a brand asset or liability associated with a brand name and a symbol that is able to increase or decrease the value of a given product or service. Previous literature has documented the positive relationship between marketing communication and brand equity (Eysenck (1984) in Schivinski & Dabrowski, 2013, 2015). The positive relationship means that with all effort to communicate the brand to consumer, it will increase brand equity. The positive relationship between marketing communication and brand equity applies both in traditional media and on social media (Li & Bernoff, 2011). Li and Bernoff’s study (2011) concluded that communication materials provided by companies (firm created communication) on social media, both in the form of information, advertising and promotion, are expected to attract attention from social media users and can build brand awareness. According to Schivinski and Dabrowski (2013), user generated communication that contains brand-related information will have a positive effect on brand equity. User generated communication on social media is a reflection of consumer engagement with brands (Christodoulides, Jevons, & Bonhomme, 2012). In research conducted by Yoo, Donthu and Lee (2000) it was concluded that the high level of brand equity will encourage the purchase of a brand on a regular basis.

Based on theory of reasoned action (TRA), individual attitude has positive impact on his/her behavioral intention (Ajzen and Fishbein, 1980). Attitude has been an important concept in marketing research in decades (Brown and Stayman, 1992), due to the nature of attitude to predict consumer behavior (Mitchell & Olson, 1981; Petty & Cacioppo, 1981). Howard, Shay and Green (1988) defined attitude as consumer’s evaluation
and preference for the brand, thus acknowledged its role in consumer decision making process (Murphy & Zajonc, 1993). Attitude is conceptualized as “a person’s consistently favorable or unfavorable evaluation, feelings, and tendencies toward an object or idea” (Kotler and Keller, 2012). Through communication made by marketers on social media, it is expected that consumers who conduct a thorough evaluation of a brand will give a positive response to the brand. Social media communication cannot be separated from the elements of firm communication and user-generated communication which both can positively affect brand attitudes. Brand equity is also influenced by brand attitudes, since positive evaluation of the brand will increase its equity (Schivinski & Dabrowski, 2015; Faircloth et al., 2001; Farquhar, 1989), thus will increase the intention to buy the product brand (Aaker, 1991,1996; Keller & Lehman 2003). There is abundant stream of theoretical and empirical research exploring the link between consumer attitude to purchase intention across various products and services (Page & Luding, 2003; Summers, Belleau & Xu, 2006; Wu & Chen-Lien, 2009; Son, Jin & George, 2013). Based on the notion of Consumer Decision Model above, the proposed hypotheses and model are as follows:

H1a: Marketing communication through Firm Created communication positively affects Brand Equity of MSME’s product or brand.
H1b: Marketing Communication through Firm Created Communication positively affect Brand Attitude of MSME’s product or brand.
H2a: Marketing communication through User Generated communication positively affects Brand Equity of MSME’s product or brand.
H2b: Marketing Communication through User Generated Communication positively affect Brand Attitude of MSME’s product or brand.
H3: Brand Attitude positively affect Brand Equity of MSME’s product or brand.
H4: Brand Attitude positively affect Purchase Intention of MSME’s product or brand.
H5: Brand Equity positively affect Purchase Intention of MSME’s product or brand.

The proposed conceptual model in this study can be seen in Figure 1:

**Figure 1. The Proposed Conceptual Model**

**METHODS**

**A. Data Collection**

This study is quantitative using questionnaire with Likert scale. We selected various MSME’s product or brand in Food & Beverages sector in the early stage of their product life cycle (eq. @rondeondol). Respondents derived from followers in various selected MSMEs social media using convenient sampling technique. The total of 102 respondents sent back the questionnaires and their profiles are as follows:
Table 1
Characteristics of Respondents

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>%</th>
<th>Last education</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-22</td>
<td>8</td>
<td>8</td>
<td>High school / equal</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>23-30</td>
<td>73</td>
<td>71</td>
<td>Diploma</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>31-40</td>
<td>18</td>
<td>18</td>
<td>Undergraduate</td>
<td>79</td>
<td>77</td>
</tr>
<tr>
<td>&gt;40</td>
<td>3</td>
<td>3</td>
<td>Graduate</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Postgraduate</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>TOTAL</td>
<td>102</td>
<td>100</td>
<td></td>
<td>TOTAL</td>
<td>102</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Monthly Expense (in Rp 000)</th>
<th>Frequency</th>
<th>%</th>
<th>Work</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;3000</td>
<td>27</td>
<td>26</td>
<td>Student</td>
<td>7</td>
<td>6.9</td>
</tr>
<tr>
<td>3000-7000</td>
<td>62</td>
<td>61</td>
<td>Entrepreneur</td>
<td>6</td>
<td>5.9</td>
</tr>
<tr>
<td>7000-11000</td>
<td>9</td>
<td>9</td>
<td>Employees</td>
<td>75</td>
<td>73.5</td>
</tr>
<tr>
<td>11000-15000</td>
<td>3</td>
<td>3</td>
<td>House Maker</td>
<td>8</td>
<td>7.8</td>
</tr>
<tr>
<td>&gt;15000</td>
<td>1</td>
<td>1</td>
<td>Other</td>
<td>6</td>
<td>5.9</td>
</tr>
<tr>
<td>TOTAL</td>
<td>102</td>
<td>100</td>
<td></td>
<td>TOTAL</td>
<td>102</td>
</tr>
</tbody>
</table>

Sources: Primary data

B. Measures

All constructs in this study were measured using Likert scale drawn and modified from previous study. Variable Firm Created Communication (FCC) and User Generated Communication (UGC) were adapted and modified from Tsiros, Mittal, and Ross (2004) and Schivinski and Dabrowski (2013). Five valid item measurement for FCC in selected MSME’s, namely (1) MSME’s product information can be found in their Instagram, (2) MSME’s brand promotion in Instagram very interesting, (3) MSME’s posted photos very interesting, (4) MSME’s posted photos are satisfying, (5) MSME photos quality as my expectation. Four item measurements for UGC are (1) Content communication from user are interesting, (2) Know product quality from the user comments on Instagram, (3) Comments on Instagram as my expectation, (4) Like the MSME’s product after reading the comments. Variable Brand Equity were modified and adapted from Yoo, Donthu and Lee (2000, 2001) and twelve valid items were applied to measure three dimension of brand equity, namely (1) brand awareness, (2) brand association, (3) perceived quality), (4) brand loyalty, with slight changes in wording in loyalty dimension. Moreover, eight item measures dimension of variable Brand Attitude (SM) which comprises of affective, cognitive and conative aspects. Finally, Purchase Intention Variable (MB) were adapted and modified from Shukla (2011) and Yoo and Donthu (2001).

RESULTS

A. Validity and Reliability

This study has confirmatory in nature, therefore item measurements that have loading factor above 0.70 are considered valid. All item measurements from five variables used in this study in accordance with these criteria and considered as valid instruments. Based on the reliability test using Composite Reliability (CR) and Cronbach’s Alpha can be concluded that all variables in this study, namely FCC, UGC, Brand Equity (EM), Brand Attitude (SM) and Purchase Intention (MB) are reliable. This can be seen by the whole Composite Reliability and Cronbach’s Alpha ≥ 0.70.
B. Structural Model Evaluation (Inner Model)

R-square indicates the magnitude influence of the exogenous variable on endogenous variable. Table 2 shows the structural equation test result. Brand Equity as endogenous variable has R-square value of 0.812, which means that Firm Created Communication (FC), User Generated Communication (UG) and Brand Attitude (SM) impact on Brand Equity is 81.2%. Meanwhile, Firm Created and User Generated communication have 49.5% impact on Brand Attitude (SM). Purchase Intention has the R-square value of 0.680. Brand Equity (EM) and Brand Attitude (SM) have 68% impact of the consumer buying intention in this study.

<table>
<thead>
<tr>
<th>Endogenous Variables</th>
<th>Structural Equation Model</th>
<th>R-Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Equity</td>
<td>$\beta_1$ FC + $\beta_2$ UG + $\beta_3$ SM + $z_1$</td>
<td>0.812</td>
</tr>
<tr>
<td>Brand Attitude</td>
<td>$\beta_1$ FC + $\beta_2$ UG + $z_2$</td>
<td>0.495</td>
</tr>
<tr>
<td>Purchase Intention</td>
<td>$\beta_1$ EM + $\beta_2$ SM + $z_3$</td>
<td>0.680</td>
</tr>
</tbody>
</table>

Source: Smart PLS Output

C. Hypothesis Testing

From the result of Structural Equation Model (SEM), we can test the hypotheses in Table 3. FCC has significant effect on Brand Equity ($t= 2.65; p= 0.008$), therefore Hypothesis 1a is accepted. FCC has no significant impact on Brand Attitude ($t=1.37; p=0.070$). Hypothesis 1b is not supported by data and has to be rejected. Meanwhile, UGC has significant effect on Brand Equity ($t= 3.27; p=0.001$) and Brand Attitude ($t= 4.99; p= 0.000$). Hypothesis 2a and 2b are supported in this study.

Furthermore, Brand Attitude has significant effect on Brand Equity ($t= 6.63; p= 0.000$) and Purchase Intention ($t= 1.99; p= 0.047$), so hypothesis 3 and 4 are accepted in this study. The influence of Brand Equity on Purchase Intention is significant ($t= 4.62; p=0.000$). Hypothesis 5 is supported with the data in this study.

<table>
<thead>
<tr>
<th>Hypotheses Test Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Sample (O)</td>
</tr>
<tr>
<td>H1a : FCC $\rightarrow$ Brand Equity</td>
</tr>
</tbody>
</table>
DISCUSSION

Firm Created Communication has a positive effect on Brand Equity. The results of this study showed that MSME's has been quite good at creating promotional materials via Instagram, such as photos, video, and product information. Communication made by MSME firm can create awareness and attention from consumers, although some of them are relatively new to the market and just recently join social media to promote their products. The results of this study are in accordance with Bruhn, Schoenmueller and Schafer (2012) and Soewandi (2015) which found that firm created communication have positive effect on the dimension of brand equity, namely brand awareness and perceived quality. Interesting to note that firm communication has no significant effect on Brand Attitude. This might be the result of the newness of the firm in establishing interaction with consumers in social media, so that aspects of consumer's feeling and beliefs have not been significantly formed.

Further, this research shows that User Generated Communication has a positive effect on Brand Equity and Brand Attitude. The results of this study are in line with Schivinski and Dabrowski (2013, 2015) study. They found that UGC containing brand-related information will have a positive effect on brand equity. Although the communication made and shared by consumers, they are able to meet the expectation and attract the attention of other consumers in social media by displaying message and product review. This finding showed that information related to MSME products made by consumers has been able to significantly affect brand equity of MSME. In the aspect of Brand Attitude, other consumer’s action, such as comments, review, testimonial, like and share the information in the platform social media can significantly arouse consumer’s feeling and form their belief toward MSME's products. UGC is in fact communication material that is freely delivered by social media users and cannot be controlled by the firms. UGC can be positive or negative content which conveys information about a brand that is useful for consumer in making purchase decision (Bruhn et al., 2012). Companies should emphasize the important of user generated communication in this era of social media to make benefit of this form of communication to shape consumer perception of their brand (Berthon, Pitt and Campbell, 2008). Thus, companies should encourage their followers or consumers to talk or discuss positively about the product and their experience consuming MSME's product.

This study shows that brand attitude has positive and significant effect on brand equity. A thorough evaluation of MSME's product or brand can increase the equity of the MSME's brand. This is in accordance with the findings of previous literature about the impact of brand attitude toward brand equity (Schivinski and Dabrowski, 2013; Chang et al., 2008). Moreover, the finding shows that attitude toward the MSME's product or brand positively affect Purchase Intention and in line with previous literature (Page and Luding, 2003; Summers, Belleau and Xu, 2006; Wu and Chen-Lien, 2009; Son, Jin and George, 2013). Aaker (1991, 1996) stated that the more positive the consumer's evaluation and perception of a brand the more it will strengthen the desire of the consumer to purchase a product or brand.

Finally, this study shows that Brand Equity has a positive effect on Purchase Intention. The findings are in line with previous research (Yoo, Donthu, and Lee 2000; Chang et al., 2008) which all stated that the high level of brand equity will encourage consumers to make purchases. All marketing communication efforts, in...
fact, are aim to increase brand equity that can lead to greater intention to buy the product. The greater brand equity can also lead to consumer loyalty to patronize a particular brand over time (Allaway et al., 2011).

CONCLUSION
This research was carryout out to examine the impact of marketing communication in social media on consumer purchase intention of MSME’s product or brand. Thus, we conclude: (1) firm Created Communication significantly influence Brand Equity of MSME’s product or brand, (2) firm Created Communication does not significantly influence Brand Attitude of MSME’s product or brand, (3) user Generated Communication significantly influence Brand Equity of MSME’s product or brand, (4) user Generated Communication significantly influence Brand Attitude of MSME’s product or brand, (5) brand Attitude significantly influence Brand Equity of MSME’s product or brand, (6) brand Attitude significantly influence Purchase Intention of MSME’s product or brand, and (7) brand Equity significantly influence Purchase Intention of MSME’s product or brand.

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