e-ISSN 2581-0405
Asian Journal of Applied Research for Community Development and Empowerment
Journal home page: http://ajarcde-safe-network.org ISSN 2581-0405

Analysis of the Influence of Instagram Social Media on Brand Loyalty Through Brand Trust and Brand Equity on Bilka Supermarket Product Sales in Surabaya

S P Badriyyah[1], Mubarokah[2] and T Setyadi[1.]

[1,2,3]*Agribusiness Department, Faculty of Agriculture, Universitas Pembangunan Nasional Veteran Jawa Timur, Indonesia*

ARTICLE INFO

Article History:
Received: 30 December 2024
Final Revision: 6 February 2025
Accepted: 8 February 2025
Online Publication: 9 February 2025

KEYWORDS

Bilka Supermarket, Instagram social media, brand loyalty, brand trust, brand equity, management strategies.

CORRESPONDING AUTHOR

*E-mail: 19024010155@student.upnjatim.ac.id

A B S T R A C T

This research aims to analyze the impact of Instagram on sales through brand loyalty, trust, and equity, and examine the management strategies Bilka uses to maintain product purchases via social media. A quantitative approach with questionnaires was used, involving active Instagram users. Descriptive statistical analysis and SEMPLS were applied. The results show a diverse consumer age range, with most respondents aged 18-35. Instagram significantly influences brand loyalty, trust, and equity, which positively impacts sales. The management strategies include continuous promotions, active consumer interaction, and attractive offers. In conclusion, Instagram is an effective tool for strengthening consumer relationships and boosting sales when the right strategies are applied.

Contribution to Sustainable Development Goals (SDGs):
SDG 8: Decent Work and Economic Growth
SDG 9: Industry, Innovation, and Infrastructure
SDG 12: Responsible Consumption and Production
SDG 17: Partnerships for the Goals

INTRODUCTION

1.1. Research Background

The digital growth in Indonesia has been rapid, especially in the digital economy sector and internet usage. In 2022-2023, the number of internet users reached 215.63 million, an increase of 2.67% compared to the previous year. The COVID-19 pandemic was a major driver, while sectors like E-commerce and social media, such as Instagram, played a key role in product marketing, particularly for MSMEs [1,2]. In Surabaya, many supermarkets, including Bilka Supermarket, utilize Instagram to promote products and interact with their followers [3]. Retail competition is becoming increasingly fierce, both conventionally and digitally, requiring companies to develop innovative and effective marketing strategies.

One indicator of social media marketing success is the engagement rate, which reflects audience interaction with posted content. Bilka Supermarket, although stable, has a low engagement rate of 0.09%, indicating potential for improving interaction with followers [4]. Increasing this engagement is crucial for strengthening brand loyalty and driving sales. Brand trust and brand equity also play significant roles in fostering brand loyalty, which contributes to business sustainability [5].

1.2. Literature Review

1.2.1. Marketing

Marketing encompasses activities that create, communicate, and exchange valuable offerings to customers. This involves strategies such as advertising, promotions, and personal selling. Marketing can be divided into traditional marketing (print and broadcast media) and digital marketing (online platforms like social media and websites). Digital marketing is more cost-effective, allows for a broader audience reach, and enables two-way interaction with consumers [6].

1.2.2. Digital Marketing

Digital marketing utilizes internet media (Instagram, Facebook, Twitter, etc.) to attract consumers. Techniques include Content Marketing, SEO, SEM, SMM, PPC, Email Marketing, and Viral Marketing. These strategies rely on managing brand image to influence consumer purchasing decisions [7].

1.2.3. Social Media Marketing (SMM)

SMM leverages social media to promote products. It involves creating engaging content, direct interaction with the audience, and responding to trends. Instagram has become a popular platform for marketing through features like Stories and collaborations with influencers [8]. SMM strengthens brand trust and customer loyalty through interactions and relevant content.

1.2.4. Brand Trust

Brand trust measures the extent to which consumers trust a brand. This trust is influenced by the consistency of the brand's quality and communication. Trusted brands tend to have loyal customers and are more likely to be chosen again [9].

1.2.5. Brand Equity

Brand equity includes the value of the brand, which involves recognition, positive associations, and customer loyalty. Strong brand equity enhances loyalty and creates a competitive advantage. Brands with high equity are more likely to be chosen by consumers, even when similar products are offered by competitors [10].

1.2.6. Brand Loyalty

Brand loyalty refers to consumer loyalty to a brand. Factors influencing loyalty include product quality, consumer experience, and marketing strategies. Brand loyalty is crucial for business sustainability as it creates a base of loyal customers [11].

1.3. Research Objective

This study aims to analyze the impact of Instagram social media on sales through brand loyalty, brand trust, and brand equity.

2. MATERIALS AND METHODS

This study was conducted at Bilka Supermarket, Surabaya, from September to December 2024. The research population consists of all individuals who have purchased products from Bilka Supermarket, with a sample taken using purposive sampling and the Cochran formula, resulting in 100 respondents. Primary data was collected through consumer questionnaires, while secondary data was obtained from pre-existing sources. Data analysis methods include descriptive analysis and Partial Least Square (PLS) techniques to test the relationships between variables, involving stages of measuring model testing (outer model) and structural model testing (inner model). This analysis also includes hypothesis testing, coefficient of determination, and mediation tests to determine the role of intermediary variables. All variables used in this study were measured using a 1-5 Likert scale, and the instruments were tested for validity and reliability

3. RESULT AND DISCUSSION

3.1 Measurement Model Evaluation (Outer Model)

The evaluation of the measurement model aims to test the validity of the constructs (indicators).

1. Convergent Validity
   Convergent validity is evaluated using the loading factor and average variance extracted (AVE). Based on the test, all indicators have a loading factor > 0.7 and p-value < 0.001, indicating that the indicators meet the criteria for convergent validity.
2. Discriminant Validity
   Discriminant validity tests whether reflective indicators are more correlated with the construct they measure compared to other constructs. The test shows that the loading factor values of the indicators with their respective latent constructs are higher than with other constructs, indicating that discriminant validity is met.
3. Reliability
   Reliability is tested using Cronbach's alpha and composite reliability. All Cronbach's alpha and composite reliability values are above 0.70, indicating that the indicators in this study are reliable.

3.2. Structural Model Evaluation (Inner Model)

3.2.1. R-Square

R-Square shows the influence of exogenous variables on endogenous variables. Table 4.16 shows that the R-Square for Brand Equity (z2) = 0.829, Brand Loyalty (y) = 0.783, and Brand Trust (z1) = 0.758, indicating that the model has good explanatory power.

3.2.2. Variance Inflation Factor (VIF)

VIF is used to test for collinearity. All VIF values, indicate no significant collinearity issues.

3.2.3. Cross-Validity Redundancy (Q-Square)

The Q-Square values for Brand Equity (z2) = 0.251, Brand Trust (z1) = 0.415, and Brand Loyalty (y) = 0.104 indicate good predictive relevance for most variables.

3.2.4. Path Coefficients

Path coefficients indicate the relationships between variables.
The results of the path coefficients test.

- Brand Equity (z2) → Instagram Social Media (x) = 0.540
- Brand Loyalty (y) → Instagram Social Media (x) = 0.419
- Brand Trust (z1) → Instagram Social Media (x) = 0.677
- Interaction x*z1*y = 0.346
- Interaction x*z2*y = 0.421

These numbers indicate the strength and significance of the relationships between variables in the model. Based on the hypothesis testing results, the model of relationships between variables can be described as follows:

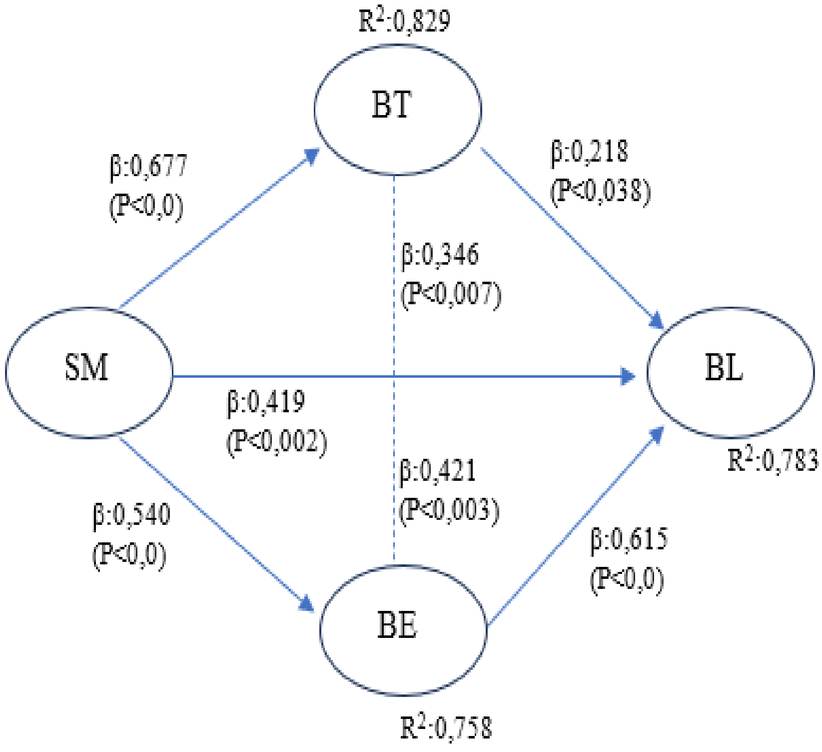

Fig. 1. Path Diagram for Research Results: R^2 indicates the variance explained by the previous variables, β (Path Coefficient) indicates the strength of the relationships between variables, $P < 0.05$ indicates a significant relationship.

3.3. Relationships between variables

Below is a brief discussion of the hypothesis testing results:

3.3.1. Effect of Instagram Social Media on Brand Trust

Instagram has a significant positive effect on Brand Trust (Z1) with a path coefficient of 0.677 and a p-value < 0.001, supporting the hypothesis that the use of Instagram enhances consumer trust in Bilka Supermarket.

3.3.2. Effect of Instagram Social Media on Brand Equity

Instagram has a significant positive effect on Brand Equity (Z2) with a path coefficient of 0.540 and a p-value < 0.001, strengthening brand equity through greater exposure.

3.3.3. Effect of Instagram Social Media on Brand Loyalty

Instagram has a positive effect on Brand Loyalty (Y) with a path coefficient of 0.161 and a p-value = 0.002, although its influence is smaller compared to Brand Trust and Brand Equity.

3.3.4. Effect of Brand Trust on Brand Loyalty

Brand Trust (Z1) has a significant effect on Brand Loyalty (Y) with a path coefficient of 0.218 and a p-value = 0.038, showing that consumer trust enhances loyalty.

3.3.5. Effect of Brand Equity on Brand Loyalty

Brand Equity (Z2) has a significant effect on Brand Loyalty (Y) with a path coefficient of 0.615 and a p-value < 0.001, increasing consumer loyalty through positive brand perceptions.

3.3.6. Effect of Instagram Social Media on Brand Loyalty through Brand Trust

The effect of Instagram on Brand Loyalty (Y) through Brand Trust (Z1) is significant, with a path coefficient of 0.346 and a p-value = 0.007, showing that stronger engagement on Instagram increases loyalty.

3.3.7. Effect of Instagram Social Media on Brand Loyalty through Brand Equity

Instagram affects Brand Loyalty (Y) through Brand Equity (Z2) with a path coefficient of 0.421 and a p-value < 0.05, strengthening consumer loyalty through increased brand equity.

Overall, the study results indicate that Instagram Social Media plays a key role in enhancing Brand Trust, Brand Equity, and Brand Loyalty, both directly and through mediation.

4. CONCLUSION

The study shows that the effect of Instagram on Brand Loyalty is primarily mediated through the enhancement of Brand Trust, and also through Brand Equity, which builds a strong brand image Furthermore, strong Brand Equity is built through Instagram, also. increases consumer loyalty. Bilka Supermarket can improve trust, brand equity, and customer loyalty through Instagram by implementing several management strategies. These strategies include optimizing Instagram usage, increasing active interactions with followers through responsive comments, Q&A sessions, and exclusive offers, and focusing on building Brand Trust by maintaining product quality and information

https://doi.org/10.29165/ajarcde.v9i1.569

transparency. Additionally, strengthening Brand Equity by highlighting the values and advantages of Bilka Supermarket and developing a customer loyalty program will further boost consumer loyalty.

REFERENCE

[1] Alexander, N. (2021). Pengaruh komunikasi merek terhadap kepercayaan merek dan loyalitas merek dengan citra merek sebagai variabel mediasi (Studi pada smartphone Xiaomi). Skripsi. Universitas Atma Jaya Yogyakarta.

[2] Anonim. (2023). Brand Loyalty: Pengertian, Fungsi, dan Cara Meningkatkannya. Ivosight. https://ivosights.com/read/artikel/brand-loyalty- pengertian-fungsi-dan-cara-meningkatkannya

[3] Fadhil. (2023). Strategi Pemasaran Hypermart Bersaing Dengan Transmart Untuk Menarik Lebih Banyak Konsumen. Bithour Production. https://bithourproduction.com/blog/strategi-pemasaran-hypermart/

[4] Irfani, H., Yeni, F., & Wahyuni, R. (2020). Pemanfaatan Digital Marketing sebagai Strategi Pemasaran pada UKM dalam Menghadapi Era Industri 4.0. JCES (Journal of Character Education Society), 3(3), 651–659.

[5] Idris, M. (2021). Apa Itu Pemasaran: Definisi, Jenis, Fungsi, dan Contohnya. Kompas.com.https://money.kompas.com/read/2021/10/08/160741926/ apa-itu-pemasaran-definisi-jenis-fungsi-dan-contohnya?page=all

[6] Irawan, A. D., & Hadisumarto, A. (2020). Pengaruh Aktivitas Social Media Marketing Terhadap Brand Trust, Brand Equity, dan Brand Loyalty Pada Platform Social Media Instagram. Jurnal Manajemen dan Usahawan Indonesia, 43(1).

[7] Lombok, E. V. V., & Samadi, R. L. (2022). Pengaruh Brand Image, Brand Trust, dan Digital Marketing Terhadap Keputusan Pembelian Konsumen pada Produk Emina (Studi Kasus pada Mahasiswa Universitas Sam Ratulangi). Jurnal EMBA, 10(3), 953-964.

[8] Nur Jannah, A. (2023). 8 Swalayan Murah dan Paling Lengkap di Surabaya. Idntimes.com. https://jatim.idntimes.com/travel/destination/alvi-nur-jannah/swalayan-murah-dan-paling-lengkap-di- surabaya-c1c2

[9] Priyanto, J. (2023). Pentingnya Engagement Rate dalam Strategi Media Sosial Anda. LinkedIn.https://www.linkedin.com/pulse/pentingnya-engagement-rate-dalam-strategi-media-sosial-jefri-priyanto/?originalSubdomain=id

[10] Suryani, N., & Widiati, E. (2023). Strategi Pemasaran Media Sosial Instagram dalam Meningkatkan Pembelian melalui Optimasi Brand Awareness. Manajerial: Jurnal Manajemen dan Sistem Informasi, 22(2), 177-186.