



# The Effect of Social Media Marketing Activity, Relationship Equity, and Customer Loyalty: Studies on Consumers Using Indonesian Beauty Products, Something

Naufal Mahardika Wibowo<sup>a\*</sup> and Arif Hartono<sup>a</sup>

<sup>a</sup> *Department of Management, Faculty of Business and Economics, Universitas Islam Indonesia, Sleman, Special Region of Yogyakarta, Indonesia.*

## **Authors' contributions**

*This work was carried out in collaboration between both authors. Both authors read and approved the final manuscript.*

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## **ABSTRACT**

**Aims:** The purpose of this study was to analyze the factors that influence SMMA such as Entertainment, Interactivity, Trendy, Customization, and E-WoM on Relationship Equity and Customer Loyalty on the @somethingofficial Instagram account.

**Study Design:** This study employs a quantitative approach.

**Place and Duration of Study:** This study was conducted in Indonesia between January and February 2023.

**Methodology:** The methodology used in this study uses a quantitative approach with a purposive sampling technique. The criteria for respondents in this study were active users of Instagram social

\*Corresponding author: E-mail: 19311533@students.uui.ac.id, naufalmahardika11@gmail.com;

media aged 21 years and over and who had previously purchased Somethinc products. The number of respondents taken in this study was 262 respondents. Data processing uses the PLS-SEM method. The variables used in this research are Entertainment, Interactivity, Trendy, Customization, E-WoM, Relationship Equity, and Customer Loyalty.

**Results:** The results of this study indicate that entertainment has no positive effect on relationship equity. Interactivity has a positive effect on Relationship Equity. Trendy has a positive effect on Relationship Equity. Customization has no positive effect on Relationship Equity. E-WoM has a positive effect on Relationship Equity. While Relationship Equity has a positive effect on Customer Loyalty. The results of this research are expected to help related companies in developing strong relationships with customers based on the brand's social media activity.

*Keywords: Entertainment; interactivity; trendy; customization; electronic word-of-mouth (E-WoM), relationship equity; customer loyalty.*

## 1. INTRODUCTION

Social media is a collection of internet-based applications that are built on Web 2.0 frameworks and technologies that allow interaction to be created within them [1]. We Are Social (2022), also reports that some working-age internet users actively visit social media platforms only to obtain information about a brand which will then be taken into consideration when buying products or services from that brand [2]. Social media provides an opportunity for brands to be able to connect with their customers so as to strengthen communication. By creating or building relationships with customers, brands not only make customers buy the products being sold. Brands strive to build relationships that are more than just purchases, namely customer loyalty to the brand. The development of social media has introduced a digital marketing form or approach that has added a new dimension to the modern marketing arena, namely social media marketing activities.

Chen & Lin (2019), define Social Media Marketing Activities (SMMA) as a process of positively influencing consumer buying behavior, through marketing on social media [3]. Social media marketing describes aspects of customer relations [4]. SMMA makes brands more coverage and is more effective than conventional marketing but at a lower cost [5]. One of the social media platforms that have the most active users worldwide is Instagram. According to We Are Social, in October 2022 [2], Instagram has a total of 1.386 million users. This number puts Instagram in fourth place after Facebook, YouTube, and Whatsapp. These active users will very likely increase in number along with the convenience of the features in it and the increase in the number of people around the world.

Based on Malarvizhi et al., (2022), this study divides the SMMA into 5 dimensions, namely

entertainment, interactivity, trendiness, customization, and electronic word-of-mouth [6]. Entertainment is the way that brands entertain customers by providing funny or interesting content on social media. Interactivity refers to the interaction that makes customers talking each other about the brand. Trendiness is fresh content provided by the brand. Customization refers to the personalization content on social media that make their customer feels like this is the product that they needed. While electronic word-of-mouth is the way that customers share their experiences using the product through social media.

There are several previous studies that discuss the relationship between social media marketing activities and customer loyalty mediated by relationship equity. However, some of these studies often generalize the existing dimensions of social media marketing activities. Based on Yadav & Rahman (2018) [4], which tested the effect of SMMA on the drivers of consumer equity, showed that all the components of SMMA has a positive impact on various consumer-based drivers, such as value equity, brand equity, and relationship equity. Meanwhile, Nawi et al., (2022), in their research showed that some of the dimensions of the SMMA didn't have a positive impact on relationship equity [7]. Thus, the differences in the findings and the inability of the result to represent the brand in most of the previous studies prompted the authors to further examine the dimensions of SMMA separately and their usage in increasing relationship equity and customer loyalty.

In Indonesia itself, after the COVID-19 phase, many brands carry out marketing activities on social media. Many have moved from conventional marketing activities to social media. One of them is Somethinc. Somethinc is a local skincare and make-up brand that offers quality

so that it suits the skin of Indonesian people and the weather in Indonesia. But, after all, so many brand is tend to produce a viral content that doesn't match their brand. They tend to reach out for interactions without knowing what their customers really want. This activities may reduce the customers attention towards the brand as long as the trend comes down. The previous studies shows that every dimensions of SMMA can lead the brand to the response that brands want to know, but none of them discussed about an Indonesian local skincare.

Based on this analysis, this study firstly aims to examine the relationship of entertainment, interactivity, trendiness, customization, and electronic word-of-mouth variables to cosmetic products in order to increase their relationship equity and customer loyalty. So this study is expected to be able to answer the following research questions regarding the dimensions of SMMA separately and its relationship with customer loyalty. Second, this study is expected to be a consideration for marketing manager regarding what strategy that fit on their brand to build a customers loyalty through relationship that they had before.

## 2. LITERATURE REVIEW

### 2.1 The S-O-R Model

This research is built on the theory of the Stimulus-Organism-Response (S-O-R) model proposed by Mehrabian and Russell (1974) which was later updated by Jacoby (2002) [8,9]. According to Donovan and Rossiter (1982), this model supports that certain stimuli will evoke a customer's cognitive and emotional state, which results in some of the customer's behavioral responses [10]. In this study, the stimulus is manifested by SMMA dimensions that are felt by customers. Furthermore, the cognitive and emotional states in this study are manifested by customer equity, in this case, Relationship Equity. Meanwhile, customer behavior responses are realized through customer loyalty as a result or consequence of the influence of these stimuli.

### 2.2 Social Media Marketing Activities

#### 2.2.1 Entertainment

Entertainment is one aspect that provides pleasure derived from using social media [11]. According to Muntinga (2011), customers use the brand to have interesting entertainment,

including taking a rest, relieving stress, or just killing time [11]. Entertaining content on social media has become an important component in creating brand relationships with customers.

According to Cheung et al., (2020) entertainment provide a playful experience via games and video on the social media to attract customers perception [12]. This experience can build a relation between the brand and the customers [13]. Ibrahim et al., (2021) and Sikandar & Ahmed (2019), stated that an entertaining content can stimulates brand loyalty to their customers [14,15].

#### 2.2.2 Interactivity

Interactivity has become an important concept in online marketing communication. According to McMillan (2002) [16], Interaction refers to communication between customers and producers, and between customers and advertisers. A constant and continuous interaction through social media can build long-term relationships (Taylor et al., 2001), enhancing and strengthening brand relationships with customers [17,18].

According to Cheung et al., (2020) these two way communication can facilitate customers to understading the brand's value and lead the bonding between brands and customers [12,19].

#### 2.2.3 Trendiness

Godey et al., (2016) define a trend as providing the latest information about a product or service offered by a company through social media [20]. According to Naaman et al., (2011), social media is the primary search platform that leads to the latest information [21]. Consumers tend to seeks a brand information through the social media since they have believe on this platform more than the traditional one [22]. This is could encourage the brand to share the information on social media to gain a relation and trust to their customers [14].

#### 2.2.4 Customization

A brand uses its social media to give information about customers' favorite products that can build value and trust [12]. According to Yadav & Rahman (2018), customization can fulfill customer preferences, so they feel they have a very close relationship with the brand [4]. Seo & Park (2018) stated that customization measures

how far a product can meet customer needs and preferences [23].

### 2.2.5 Electronic Word-of-Mouth

Buttle (1998), stated that Electronic Word-of-Mouth is a major influence on customer knowledge, feelings, and behavior [24]. E-WoM takes many forms including online reviews, ratings, and comments on social media or review websites. Therefore, customers can have a certain relationship with a product or brand when they provide an online review on social media.

Electronic Word-of-Mouth refers to the opinions and experiences shared by customers about products or services available online [25]. These opinions and experiences can influence the trust and buying behavior of other customers. E-WoM takes many forms including online reviews, ratings, and comments on social media or website reviews. Therefore, customers can have a certain relationship with a product or brand when customers provide online reviews on social media.

### 2.3 Relationship Equity

Relationship equity refers to a strong relationship between a brand and a customer that ensures

customer loyalty to the brand. This is in line with Yadav & Rahman's (2018) research which states that companies must develop their relationships with customers so that they can create a positive association between relationship equity and customer loyalty [4].

### 2.4 Customer Loyalty

Customer loyalty is defined by Alghesheimer et al., (2005) as a customer's willingness to buy a product repeatedly which shows how committed the customer is to the brand [26]. According to Wollan et al., (2017), recent industry research shows that around 57% of 25,426 customers in 33 countries will buy more of a product from a brand they are loyal to. Customers will also voluntarily review the products they like on social media [27].

### 2.5 Conceptual Framework

Customer loyalty and the relationship between the customers and brand can be measured by SMMA dimensions. Based on the presentation of the literature that has been stated, the conceptual framework in the study is described as follows:

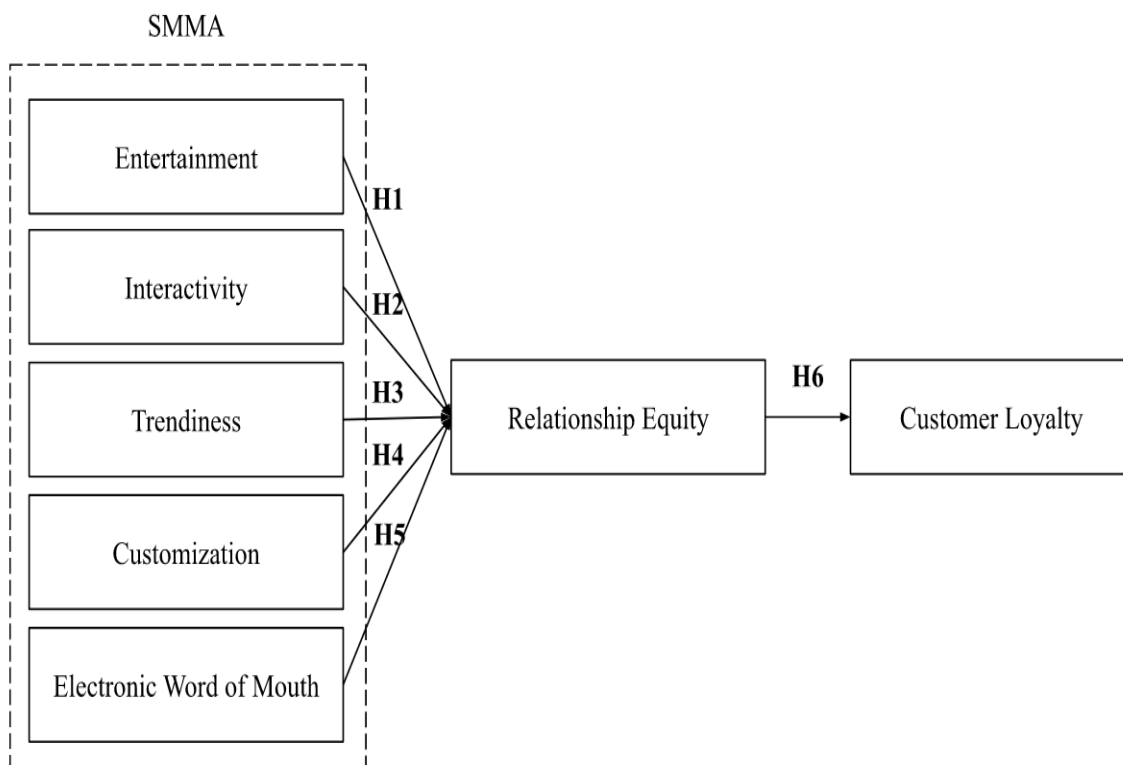


Fig. 1. Conceptual framework

## 2.6 Hypothesis Development

Several previous studies has identified that entertainment has a positive impact on relationship equity. First, the results of a study by Kim & Ko (2012) on consumers of luxury clothing brands show that entertainment as part of social media marketing activities can influence and optimize the existence of relationship equity [17]. Second, the results of a study by Kurnia & Rachmawati (2020) on Shopee application customers, show that there is a direct influence between entertainment and customer equity [28]. Third, the results of Aggarwal & Mittal's (2022) study on mobile phone brand customers show that there is an influence on entertainment as part of social media marketing activities which can further optimize customer loyalty to the brand [29]. Customers will be more interested in buying a brand's products because there is interesting content produced by brands on social media, especially Instagram. The existence of Instagram Reels makes it easier for customers to search for the product they want. In addition, Instagram Feeds and Stories can be used by several brands to create a brand image that is tailored to customers. Even so, the three results of this study are inversely proportional to research by Nawi et al., (2022) on consumers of mobile phone brands in Malaysia with an age range of 18-40 years [7]. As they stated that entertainment has no significant effect on relationship equity [7]. Based on this, the first hypothesis is formulated as follows:

H1: Entertainment has a positive impact on relationship equity.

Previous studies have stated that there is a significant relationship between interactivity and relationship equity. First, the findings by Yadav & Rahman (2018), shows that there is a significant influence between interactivity and all customers equity drivers (including the relationship equity) in the e-commerce industry [4]. Second, the results of Aggarwal & Mittal's (2022) study, shows that one of the SMMA dimensions, namely interactivity, has a positive effect on relationship equity among cellphone brand customers [29]. Third, the results of the study by Kurnia & Rachmawati (2020), stated the same way to previous studies above [28]. However, the Nawi et al., (2022) studies were reversed for consumers of mobile phone brands in Malaysia aged 18-40 years [7]. They found that interactivity has not a significant effect on relationship they had [7]. Based on this, the second hypothesis is formulated as follows:

H2: Interactivity has a positive impact on relationship equity.

Previous studies have identified a relationship between trend and relationship equity. The results of the study by Yadav & Rahman (2018) state that the trend variable as part of social media marketing activities has a significant effect on relationship equity in the e-commerce industry [4]. Customers will find it easier to form relationships with brands. These results are in line with the results of studies by Kim & Ko., (2012), that social media marketing activities increase and optimize all decreases in customer sales [17]. Brands interact with customers through new trends so brands can increase relationship equity directly. This is in line with the results of a study by Nawi et al., (2022) on consumers of mobile phone brands in Malaysia which showed that trends have a significant effect on relationship equity [7]. Based on this, the third hypothesis is formulated as follows:

H3: Trendiness has a positive impact on relationship equity.

Previous research by Yadav & Rahman (2018), showed that there was a positive influence on the customization variables included in the dimensions of social media marketing activities, on relationship equity [4]. Customization can meet customer preferences, so they feel they have a very close relationship with them. This is in line with the opinion of Seo & Park (2018), which states that customization measures how far a product can meet customer needs and preferences [23]. In addition, the results of Aggarwal & Mittal's (2022) study also show that personalization, commonly called customization, has a significant influence on driving consumer equity in mobile phone brands [29]. Even so, the results of a study by Nawi et al., (2022) show that customization does not have a significant effect on relationship equity for mobile phone brand consumers aged 18-40 years in Malaysia [7]. Based on this, the fourth hypothesis is formulated as follows:

H4: Customization has a positive impact on relationship equity.

Research conducted by Augusto, M., et al., (2018) states that there is a positive relationship between e-WoM and the dimensions of a recognized relationship, namely brands owned by consumers [30]. This research says that brands must create positive e-WoM to strengthen

relationship equity. This is in line with research by Farzin, M., et al., (2021) which states that e-WoM has a positive effect on relationship equity because e-WoM can sell consumer-owned brands and can influence buying behavior [31]. Godey, B., et al., (2016) in their research on social media marketing activities for luxury clothing brands stated that social media marketing activities including e-WoM can improve relationships with consumers even though they will be more relevant in terms of loyalty [20]. Nonetheless, the results of research conducted by Yunita, O.V.N, et al., (2022) and Nawi et al., (2022) are inversely proportional. The results stated that e-WoM had no positive effect on the dimension of relationship equity, namely brand equity [7,32]. Based on this, the fifth hypothesis is formulated as follows:

H5: Electronic Word-of-Mouth has a positive impact on relationship equity.

Research of Yadav & Rahman's, (2018) stated that there is a positive relationship between the relationship held and customer loyalty [4]. This study says companies must develop and improve relationships with customers to give rise to a positive association between relationship equity and customer loyalty. Research conducted by Rais, A. A. R., et al., (2022) also states that there is a positive relationship between obtaining a relationship with consumer loyalty in the used clothing industry in Yogyakarta [33]. These results state that to increase relationship equity it is necessary to pay attention to several aspects such as creating a good impression on consumers, adjusting products and consumer needs, and increasing friendliness and service quality. Rais, A. A. R., et al., (2022) state that the stronger the brand relationship with customers, the more customer loyalty will increase [33]. Furthermore, research by Ramaseshan, B., et al., (2013) states that consumers will become loyal after receiving a perceived relationship [34]. Therefore, brands need to build long-term relationships so that consumers make repurchases as a sense of loyalty. Based on this, the sixth hypothesis is formulated as follows:

H6: Relationship equity has a positive impact on customers loyalty.

### 3. METHODS

#### 3.1 Variables and Variable Measurement

The data collection technique in this study was carried out using a questionnaire and distributing it directly via Google Forms.

Furthermore, this study uses the Summated Scale technique using a Likert Scale. Summated Scale is a scale that utilizes an item analysis approach that is evaluated based on how well these items distinguish between high scores and low scores [35]. Some of the previous studies that used this scaling technique used a Likert Scale, so this study used a Likert Scale in its collection technique. The Likert Scale consists of six degrees, namely strongly disagree (1), disagree (2), slightly disagree (3), slightly agree (4), agree (5), and strongly agree (6).

#### 3.2 Sampling and Data Collection

The type of data in this study uses primary data. Primary data can be obtained directly from certain sources for specific purposes [36].

The sample to be used in this study is Instagram social media users who are actively and understand the brand's products. Samples in this study have a minimum number of 5 to 10 times the number of indicators [37]. He formula for determining the number of samples is as follows:

$$\text{Minimum/Maximum} = (\text{Indicators} + \text{Variables}) \times 5/10$$

So authors can conclude that the samples this study need is 190 as a minimum samples, and 380 as a maximum samples. For avoid the mistakes, this study retrieves data from several 262 respondents who actively use social media and have made a purchases of brand's products, using google form.

#### 3.3 Data Analysis Techniques

The analysis technique used in this study is PLS-SEM, considering that this technique can perform statistical calculations more quickly. PLS-SEM specifically overcomes the dichotomy in confirmatory and predictive research, so research should have high prediction accuracy [38].

### 4. RESULTS AND DISCUSSION

#### 4.1 Respondent Characteristics

The respondents' profile analysis, classified by gender, age, occupation, the average income in a month, and education can be seen in the following demographic data (Table 1).

Based on Table 1, the respondents of this research were dominated by female respondents

(53%). In addition, questionnaire fillers were dominated by respondents with an age range of 21-25 years old with a total of 166 people (64%) working as students/college students (49%) and had an average income of less than IDR 2,000,000 per month (39%).

## 4.2 Measurement Model: Validity and Reliability

### 4.2.1 Convergent validity testing

Convergent validity can be used to measure a construct correlation between variables. According to Wong (2013), validity is indicated as positive if all constructs get an Average Variance Extracted (AVE) value of greater than 0.5. However, some experts still tolerate a value of 0.4 [39].

Based on Table 2, it can be seen that all loading factors are above 0.5. Therefore, all indicators on the variables RE, ENT, INT, TRE, CST, E-WOM, and CLT, can be declared valid.

### 4.2.2 Discriminant validity testing

According to Fornell & Larcker (1981), to assess discriminant validity it is sufficient to simply measure the square root of each AVE per variable [40]. According to Shiu et al., (2011) stated that Fornell & Larcker's (1981) procedure assessed discriminant validity not based on the

highest value of unity in the correlation, so the authors could take a random sample from a correlation population [41]. In addition, Fornell & Larcker (1981) provides an assessment of a specific sample that does not allow judgments to be made based on constructs at the population level [40,41]. This facilitates research using random samples in a population.

Based on Table 3, it can be seen that the related  $\sqrt{AVE}$  construct has a greater correlation with the latent construct. Therefore, all items in this study have good variable structure discriminantly and can be declared valid.

### 4.2.3 Composite reliability testing

Composite Reliability is a form or index that reflects the impact of errors on a scale [42]. Composite Reliability and Cronbach's Alpha interpretations are declared reliable if the values of the two components are  $\geq 0.7$ . According to Utomo (2022), the greater the diversity in the variables contained in the latent construct, the greater the representation of the latent construct [43].

Based on Table 2, Cronbach's Alpha and Composite Reliability values for all variables are  $> 0.70$ . So it can be concluded that all variables are declared reliable so that they can proceed to the next step.

## 4.3 Structural Equation Model Analysis

Table 1. Respondents' demographic characteristics

Category	Frequency	%
<b>Gender</b>		
Male	122	47
Female	140	53
<b>Age group</b>		
21-25 years	166	64
25-30 years	64	24
31-35 years	27	10
36-40 years	0	0
$\geq 41$ years	6	2
<b>Average monthly outcomes</b>		
< 2.000.000 IDR	101	39
2.000.000 IDR - 4.000.000 IDR	90	34
4.000.000 IDR - 6.000.000 IDR	55	21
6.000.000 IDR - 8.000.000 IDR	13	5
> 8.000.000 IDR	3	1
<b>Education</b>		
Students/College students	129	49
Diploma/Bachelor Degree	124	47
Master's Degree	9	4
Doctoral Degree	0	0

Category	Frequency	%
<b>Last purchase of Somethinc Products</b>		
< 1 month ago	95	36
1 month ago	72	28
2 months ago	51	19
> 3 months ago	44	17

Source: Primary data processed (2023)

**Table 2. The validity convergent and reliability test results**

Construct	Item scale	loadings	CA	CR	AVE
Entertainment	ENT1	0,870	0.897	0.924	0.711
	ENT2	0,850			
	ENT3	0,909			
	ENT4	0,824			
	ENT5	0,754			
Interactivity	INT1	0.850	0.920	0.939	0.756
	INT2	0.854			
	INT3	0.892			
	INT4	0.877			
	INT5	0.874			
Trendiness	TRE1	0.846	0.906	0.930	0.726
	TRE2	0.807			
	TRE3	0.862			
	TRE4	0.871			
	TRE5	0.872			
Customization	CST1	0.865	0.935	0.951	0.794
	CST2	0.870			
	CST3	0.914			
	CST4	0.912			
	CST5	0.893			
Electronic Word-of-Mouth	E-WOM1	0.790	0.846	0.890	0.618
	E-WOM2	0.751			
	E-WOM3	0.796			
	E-WOM4	0.792			
	E-WOM5	0.802			
Relationship Equity	RE1	0.893	0.828	0.897	0.745
	RE2	0.901			
	RE3	0.792			
Customer Loyalty	CLT1	0.854	0.837	0.902	0.754
	CLT2	0.876			
	CLT3	0.874			

Source: Primary data processed (2023)

**Table 3. Fornell-Larcker criterion**

	ENT	INT	TRE	CST	E-WOM	RE	CLT
ENT	0,843						
INT	0,635	0,870					
TRE	0,566	0,723	0,852				
CST	0,343	0,416	0,298	0,891			
E-WOM	0,569	0,484	0,493	0,463	0,786		
RE	0,469	0,488	0,427	0,787	0,512	0,863	
CLT	0,445	0,500	0,418	0,716	0,535	0,718	0,868

\*Notes: ENT: Entertainment, INT: Interactivity, TRE: Trendiness, CST: Customization, E-WOM: Electronic Word-of-Mouth, RE: Relationship Equity, CLT: Customer Loyalty

Source: Primary data processed (2023)

**Table 4. The results of R-square and Q-square**

Variable	R-square	R-square Adjusted	Q-square
Customer Loyalty	0.516	0.514	0.378
Relationship Equity	0.678	0.672	0.493

Source: Primary data processed (2023)



**Table 5. Estimation results in SEM**

Variable Relation	Hypothesis	$\beta$	P Values	T Statistics	Conclusion
ENT → RE	H1	0,129	.014	2.201	Supported
INT → RE	H2	0,013	.421	0.200	Rejected
TRE → RE	H3	0,111	.029	1.903	Supported
CST → RE	H4	0,674	.000	15.099	Supported
E-WOM → RE	H5	0,065	.118	1.188	Rejected
RE → CLT	H6	0,718	.000	20.374	Supported

\*Notes: ENT: Entertainment, INT: Interactivity, TRE: Trendiness, CST: Customization, E-WOM: Electronic Word-of-Mouth, RE: Relationship Equity, CLT: Customer Loyalty  
 Source: Primary data processed (2023)

**4.3.1 Effect of entertainment on relationship equity**

The Effect of Entertainment (ENT) on Relationship Equity (RE) obtained a path coefficient value of 0.129 and a T Statistics of 2.201 ( $t > 1.96$ ) and a probability of 0.014 ( $p < 0.05$ ). So it can be concluded that Entertainment (ENT) has a significant effect on Relationship Equity (RE). This indicates that entertainment content on brand social media accounts has a role in increasing customer relationship equity. The results of this study are corroborated by the research of Natiqa et al., (2022) which states that attributes in SMMA (in this case entertainment) have a positive influence on increasing customer relationship equity in luxury clothing brands [43]. The results of previous research that included entertainment as a variable in one dimension of SMMA also had a positive effect on relationship equity [17,28,29]. Based on the analysis, this is because customers feel that they need entertaining content to improve their relationship with the brand. Cosmetic brands will focus their social media on interesting entertainment content so as to build positive customer emotions.

On the other hand, these findings are refuted by previous research conducted by Nawi et al., (2022), which states that the entertainment variable has no significant effect on relationship equity [8].

**4.3.2 Effect of interactivity on relationship equity**

The influence of Interactivity (INT) on Relationship Equity (RE) obtained a path coefficient value of 0.014 and a T Statistics of 0.200 ( $t < 1.96$ ) and a probability of 0.421 ( $p > 0.05$ ). So it can be concluded that Interactivity (INT) has no significant effect on Relationship Equity (RE). This indicates that interactions such as discussing and sharing opinions that occur

on-brand social media accounts have not been able to form brand relationships with their customers. This finding is in line with the research of Nawi et al., (2022) which states that brand interactions such as commenting and liking on-brand social media cannot help improve their relationships with customers [7]. Based on the analysis, this is because customers do not have a tendency to build relationships with brands only based on their intensity in interacting on social media.

Nonetheless, these findings are inversely proportional to the results of the study by Yadav & Rahman (2018), which shows that interactivity as a dimension of SMMA has a positive and significant effect on relationship equity in the e-commerce industry [4]. The differences in these findings indicate that the interactivity relationship with relationship equity has different effects with different research objects and places.

**4.3.3 Effect of trendiness on relationship equity**

Trendy Effect (TRE) on Relationship Equity (RE) obtained a path coefficient value of 0.111 and a T Statistics of 1.903 ( $t > 1.96$ ) and a probability of 0.029 ( $p < 0.05$ ). So it can be concluded that Trendy (TRE) has a significant influence on Relationship Equity (RE). This indicates that the latest content or information on social media accounts can form brand relationships with customers. This finding is reinforced by previous research by Nawi et al., (2022) which stated that the trendy variable has a relatively high influence on relationship equity among young mobile phone brand customers in Malaysia [7]. Yadav & Rahman's research (2018) shows that trendy variables included in one of the SMMA dimensions have a positive and significant effect on relationship equity [4]. The findings of Aggarwal & Mittal, (2022) also say that SMMA (trendy in it) has a significant influence on all

drivers of customer equity such as value equity, brand equity, and relationship equity [29]. Based on the analysis, this happens because customers tend to build bonds directly with the latest trends on social media.

#### 4.3.4 Effect of customization on relationship equity

The Effect of Customization (CST) on Relationship Equity (RE) obtained a path coefficient value of 0.674 and a T Statistics of 15.099 ( $t > 1.96$ ) and a probability of 0.000 ( $p < 0.05$ ). So it can be concluded that Customization (CST) has a significant effect on Relationship Equity (RE). This indicates that customized content on brand social media accounts has an influence on improving customer relationships. This finding is reinforced by previous research which states that the customization variable has a strong and significant influence on relationship equity in purchases on e-commerce channels [4]. The results of Aggarwal & Mittal's study, (2022) show that customization (in this finding it is called personalization) has a positive influence on driving consumer equity in cellphone brands [29]. Based on the analysis, this is because cosmetic brand customers tend to choose a product that suits their skin type. Content that contains customization, will make it easier for customers to build relationships with brands [44-46].

Nonetheless, the findings of Nawi et al., (2022) show that customization has no significant effect on relationship equity for mobile phone brand consumers aged 18-40 years in Malaysia [7]. This indicates that there are differences in results for different types of objects and research sites.

#### 4.3.5 Effect of electronic word-of-mouth on relationship equity

The effect of Electronic Word-of-Mouth (E-WoM) on Relationship Equity (RE) obtained a path coefficient value of 0.065 and T Statistics of 1.188 ( $t < 1.96$ ) and a probability of 0.118 ( $p > 0.05$ ). So it can be concluded that Electronic Word-of-Mouth (E-WoM) has no significant effect on Relationship Equity (RE). This indicates that word-of-mouth marketing has not been able to assist brands in forming relationships with customers. The results of these findings are in line with previous research which states that Electronic Word-of-Mouth has a weak and not significant effect on relationship equity in online cell phone purchases [7,32]. Based on the analysis, this is because customers tend not to

pay attention to other people's online reviews on social media. Online reviews on social media are a person's experience, so they cannot be used as a basis for making customer decisions because everyone has different facial skin.

Nonetheless, these findings are inversely proportional to the findings of Godey, B., et al., (2016) which state that social media marketing activities including e-WoM have a positive effect on relationship equity among consumers of luxury clothing brands [20]. This indicates that there are differences in results for different types of objects and research sites.

#### 4.3.6 Effect of relationship equity on customer loyalty

The effect of Relationship Equity (RE) on Customer Loyalty (CLT) obtained a path coefficient value of 0.718 and T Statistics of 20.374 ( $t > 1.96$ ) and a probability of 0.000 ( $p < 0.05$ ). So it can be concluded that Relationship Equity (RE) has a significant influence on Customer Loyalty (CLT). The results of this finding were also reinforced by previous research conducted by Yadav & Rahman (2018) which tested customer loyalty in e-commerce. The results of this study state that the relationship equity variable positively supports customer loyalty in e-commerce [4]. This indicates that if the brand builds a good relationship with the customer, then the customer will be loyal to the brand. Research by Ramaseshan, B., et al., (2013) states that the stronger the brand relationship that is built with customers in the long term, the more customer loyalty will increase [34].

## 5. CONCLUSION AND IMPLICATION

### 5.1 Respondent Characteristics

Based on this analysis, with over 262 respondents, the author can conclude that:

1. Entertaining content on Instagram has a positive impact on relationship equity. This means that entertainment can increase the customer relation towards the brand.
2. Interactivity on Instagram has no significant effect on relationship equity. The brand doesn't have to improve their interaction with their customers.
3. Trendiness on Instagram has a positive impact on relationship equity. This means that customers really wants to see a trendy

content on Instagram to show their relation towards the brand.

4. Customization on Instagram has a positive impact on relationship equity. This means that customers believed to build a relation with the brand as long as the brand could afford their personal needs.
5. Electronic Word-of-Mouth has no significant effect on relationship equity. The brand doesn't have to build the word-of-mouth activities to improve their relation with customers.
6. Relationship equity has a positive impact on customers loyalty. This means that relation can improve customers loyalty towards the brand.

## 5.2 Implication

Various brand activities on brand social media accounts are part of the brand strategy in increasing company sales, especially for Something. Brands should pay attention to how customers can repeatedly involve in activities on Instagram social media such as producing entertainment content to engage customers and increase sales. Entertaining content will certainly encourage customers to get a variety of interesting entertainment, including diverting their minds from daily routines, relieving stress, or just spending time [11].

Furthermore, social media marketing management Something to promote increases the production of personalized content so that customers have a bond with the brand. This content makes customers believe that the products in the cosmetic brand match the customer's facial skin.

## 6. RECOMMENDATION

Based on the limitations of the research described earlier, the following are suggestions for improvement that can be used in future research:

1. It is better if the research is conducted with more diverse mediating variables while remaining within the scope of consumer-based equity drivers (CED) so that the dependent variable can be perfectly mediated behind customer loyalty.
2. Further research should be carried out on different objects that have many research references such as research on cellphone brands, e-commerce, luxury

clothing brands, or other cosmetic brands besides the Something brand.

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## COMPETING INTERESTS

Authors have declared that they have no known competing financial interests or non-financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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