

**SOCIAL NETWORK MARKETING,
ATTITUDES TOWARD SOCIAL NETWORK MARKETING,
AND CONSUMER ENGAGEMENT ON
PURCHASE INTENTION OF
BATIK COMPANY
IN SURABAYA**

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Abstract - This research aims to examine the effect of social network marketing, attitudes toward social network marketing, and consumer engagement to consumer purchase intention. This quantitative and causal type of research used questionnaires to obtain the data. Non-probability and purposive sampling method were used. 210 samples were taken whose are consumers of batik in Surabaya which an active users of social networking sites and know any sellers or brands of batik that perform a social network marketing and have ever commented on those social networking sites. The result analyzed by using SPSS 22.0 and AMOS 22.0. The result found that there is no direct effect between social network marketing and consumer purchase intention. However, consumer engagement fully mediates the relationship between social network marketing and consumer purchase intention. There is also an indirect effect from attitudes toward social network marketing between the relationship of social network marketing and consumer purchase intention.

Keywords : Social Network Marketing, Consumer Engagement, Attitudes Toward Social Network Marketing, Consumer Purchase Intention

1. INTRODUCTION

Digital era has been slowly shifting many things in this world from traditional into digital including marketing, rapid internet growth plays a very important role in this context. Traditional marketing is perceived as an intrusive manner where in order to interact with a product, people have to be interrupted first. However, this old way of doing business is unsustainable for marketers (Opreana & Vinerean, 2015).

Users of the internet in Indonesia kept growing every year, 50% growth indicated from 2010 to 2012, 39.8% from 2012 to 2014 (Asosiasi

Penyelenggara Jasa Internet Indonesia, 2014), 50.6% from 2014 to 2016 (Asosiasi Penyelenggara Jasa Internet Indonesia, 2016), and 7,9% from 2016 to 2017 (Asosiasi Penyelenggara Jasa Internet Indonesia, 2017).

Social media was the most accessed contents in 2016 (129.2 millions of users), followed by entertainment (128.4 million), news (127.9 million), education (124.4 million), commercial (123.5 million), and public services (121.5 million). Social media can be seen as a good platform for digital marketing since it has the highest rank of most accessed contents (Asosiasi Penyelenggara Jasa Internet Indonesia, 2016).

Batik is one of the handcrafted products that need to be preserved in Indonesia, batik in Indonesia was recognized into a Representative List of the Intangible Cultural Heritage of Humanity by UNESCO in 2009. Batik in Indonesia has a very diverse pattern and style depend on which region it comes from. The export value of batik and batik products until October 2017 reached US\$ 51.15 million which is increasing from US\$ 39.4 million during the first semester of 2017.

The main market destinations for batik company are Japan, the United States of America, and Europe. Big opportunity for batik company can be seen from the trade of apparel product in the world which amounted US\$ 442 billion since batik is on of raw material for apparel products.

However, the current batik SMEs are still traditional because it has not managed really well (Farida, Naryoso, & Yuniawan, 2017). The government targeted 6 million micro, small and medium enterprises (MSMEs) in Indonesia to start using digital technology this year. In the roadmap of the national movement of MSMEs' digitalization, government targets as much as 8 million MSMEs have been using digital technology by 2020. Which is 14% out of 56 million from total MSMEs in Indonesia (Source: <http://industri.bisnis.com>, retrieved on March 19, 2018).

Several facts mentioned above are supporting the need of digital marketing development when doing business in this digital era, especially social network marketing since it was the most accessed content in Indonesia in 2016. It is very important for people in that area to keep adapting the

marketing strategy with the development of technology. It clearly shows that there is an opportunity to improve company's performance by developing a good social network marketing in Indonesia. From the interview conducted by the researcher, there is no specific brand selected as the interest of this study since the answers were diverse for each person. Therefore, batik company selected to be the interest of this study because it is very important to know the impact of its social network marketing on purchase intention.

This research conducted based on previous data mentioned above about the internet users' behavior in Indonesia and study by Toor, Husnain, and Hussain (2017) and Akar and Topçu (2011) about the relationship between social network marketing, attitudes toward social network marketing, and consumer engagement on consumer purchase intention.

2. THEORETICAL FRAMEWORK

2.1. Social Network Marketing

The term "social media" refers to the wide range of Internet-based and mobile services that allow users to participate in online exchanges, contribute user-created content, or join online communities (Dewing, 2010). Social network marketing is used by strategic marketers as a marketing tool because these social networks are hugely popular among individual and thus become visible sites for advertising. Other than its expedient access, the environments can be customized to accommodate the profiles of the consumers (Toor, Husnain, & Hussain, 2017). Social Network Marketing variable measured with some instruments from the previous study conducted by Kim and Ko (2012) and Ahmed and Zahid (2014).

2.2. Consumer Purchase Intention

Intention to buy is the prediction of buyer regarding which brand he will choose to buy. Intention to buy can be described as response short of actual purchase behavior (Mehmood & Khan, 2011). Intent to purchase is a type of decision that studied why a brand is particularly chosen by a customer (Syed, et al., 2012). Consumer Purchase Intention variable measured with

some instruments from the previous study conducted by McKnight and Chervany (2002), Wang and Chang (2013), and Yoo and Donthu (2001).

2.3. Consumer Engagement

Schaufeli, et al. (2002) define Engagement as a positive, fulfilling, and work-related state of mind that is characterized by vigor, dedication, and absorption. Rather than a momentary and specific state, engagement refers to a more persistent and pervasive affective-cognitive state that is not focused on any particular object, event, individual, or behavior. Customer engagement becomes defined as the intensity of customer participation with both representatives of the organization and with other customers in a collaborative knowledge exchange process (Wagner & Majchrzak, 2006). Consumer Engagement variable measured with some instruments from the previous study conducted by Weman (2011) and Gummerus, Liljander, Weman, and Pura (2012)

2.4. Attitudes Toward Social Network Marketing

Attitudes defined as a person's enduring whether or not the evaluations are favorable, emotional feelings, and action tendencies toward some object or idea (Krech, Crutchfield, & Ballachey, 1962). Eagly & Chaiken (1993) proposed three dimensions of attitudes, which are cognitive, affective, and behavioral. Cognitive refers to a stage when a person collects information about the object of an attitude and believe it. Affective dimension can be seen based on emotional experiences or choices. While behavioral is linked clear pretentse with the object of an attitude. Attitudes toward social network marketing variable measured with some instruments from a previous study conducted by Akar and Topçu (2011).

2.5. Development of Hypotheses

2.5.1. Social Network Marketing and Consumer Purchase Intention

Quick and viral delivery offers can be obtained by performing social network marketing and it fairly as well as quickly grabs customers' attention which can generate an increased purchase intention (Baird & Parasnis, 2011). A study by Dehghani and Tumer (2015) found that Facebook advertising can significantly affect the brand image and equity by offering better interactivity,

personalization and feedback. This process can in turn, affect consumer purchase intentions. Information products and services offered in the virtual world can positively impact the purchase intentions of consumers. People may be influenced by eWOM (electronic word-of-mouth) by other users (Pjero & Kërcini, 2015). Based on these findings, the hypotheses is formulated as follow:

H₁: Social network marketing has a positive impact on consumer purchase intention.

2.5.2. Social Network Marketing and Consumer Engagement

It has been recognized that today's companies need to utilize the influence of social media to engage consumers instead of using it only as a platform for intensifying products and brand promotions (Maguire, 2015). Social media can be used to engage consumers by creating value for them. In other words, strengthening social network marketing as a medium for business promotion is necessary (Toor, Husnain, & Hussain, 2017). Harris and Rae (2009) argue that social network marketing will be a significant ingredient of marketing in the future and this has been proven correct today, social network marketing can act as a medium that can transform the traditional focus on control to one that embraces virtual collaboration and interaction. Based on these arguments, the hypotheses is formulated as follow:

H₂: Social network marketing has a positive impact on consumer engagement.

2.5.3. Consumer Engagement and Consumer Purchase Intention

The existence of emotional ties between buyers and companies (i.e. by engaging the consumers) offer companies immense prospects to achieve relationship marketing objectives. It helps to persuade consumers into buying the products or services offered by respective companies and considered as a major concern for online retailers (Barhemmati & Ahmad, 2015). Based on the previous findings, the hypotheses is formulated as follow:

H₃: Consumer engagement has a positive impact on consumer purchase intention.

2.5.4. Consumer Engagement as a Mediator

According to Toor, Husnain, and Hussain (2017), Consumer engagement indicated as a partial mediator between social network marketing and consumer purchase intention by using Baron and Kenny's (1986) method. In that regard, the hypotheses is formulated as follows:

H4: Consumer engagement mediates the relationship between social network marketing and consumer purchase intention.

2.5.5. Social Network Marketing and Attitudes Toward Social Network Marketing

In order to seek product information, consumers tend to keep an eye on and track Social Media. With the extensiveness of social media, consumers manage products and services purchase by doing monitor. Consumers' attitude and use of social media will significantly be affected by monitoring social media (Powers, et al. 2012; Akar and Topçu 2011). Information and engaged contents on social media are provided by firms, which in return will affect consumers' attitude towards social media or social media usage (Sohail & Al-Jabri, 2017). Based on these arguments, the hypotheses is formulated as follows:

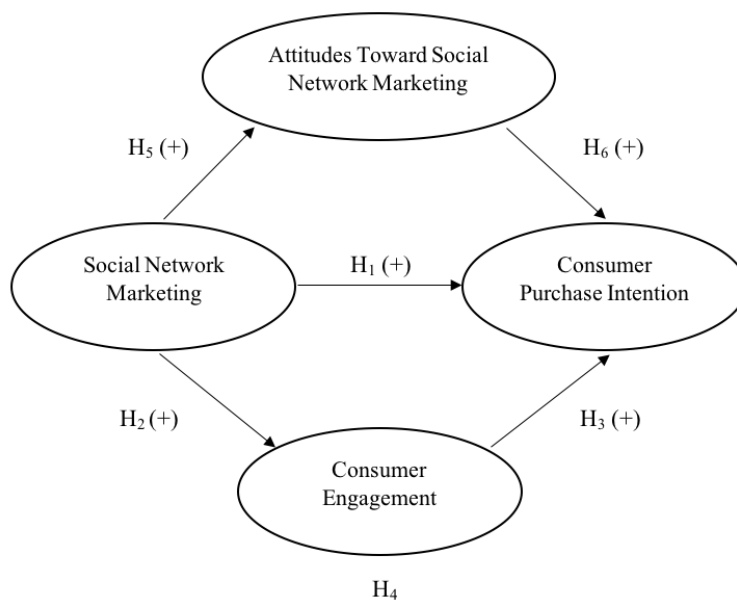
H5: Social network marketing has a positive impact on attitudes toward social network marketing.

2.5.6. Attitudes Toward Social Network Marketing and Social Network Marketing

Positive attitudes of a consumer toward online advertising will have a result in a high likelihood that the consumer will use the product. Nevertheless, negative attitudes of a consumer will have a result in a low possibility that the consumer will use the product (Wang & Sun, 2010). Furthermore, a study conducted by Arli (2017) and Stevenson, Bruner II, and Kumar (2000) shows that consumer purchase intention is positively affected by consumer's attitudes toward social network marketing. In addition, a favorable attitudes toward social media advertising influenced consumers' ad clicking behavior which also affects the behavior of buying online in return. Based on these findings, the hypotheses is formulated as follow:

H₆: Attitudes toward social network marketing has a positive impact on social network marketing.

Figure 1. Research Model



3. Research Methodology

This study uses the primary data, collected directly through personal questionnaire. The questionnaires consisted of general questions regarding personal information and questions on 4 measurement variables: social network marketing, consumer purchase intention, consumer engagement, and attitudes toward social network marketing. Social network marketing variable had nine questions, consumer engagement variable had six questions, consumer purchase intention had seven questions, attitudes toward social network marketing had ten questions, and each question used a five-point Likert scale. This study adopts the non-probability and purposive sampling where the probability sample in a targeted population is unknown and in order to obtain specific criterias sample from respondents. However, the unit sampling selection is based on the researcher's personal judgment (Zikmund, 2003:380). The population in this study is consumers of batik in Surabaya who are also active users of social networking sites and know any sellers or brands of batik which use social networking sites as a marketing tool, as well

as have ever commented on those social networking sites and 210 questionnaires were collected.

Validity and reliability test were first conducted before further analysis, the first thirty results of the questionnaire were processed by using IBM SPSS Statistics 22 software for windows. The measurement of each item is considered valid if the result of Pearson correlation shows sign ** (significant at level 0.01) or sign * (significant at level 0.05). Furthermore, Confirmatory Factor Analysis (CFA) model has used on AMOS 22.0 software to test the validity of this research. The purpose of using CFA model is to test how well the measured variable represents the construct. In other words, the model is used to test the items' validity used in the study. The validity indicator used in this study is standardized loading (λ) values; and variable validity test uses the Average Variance Extracted (AVE) calculation. According to Hair et al. (2010: 709), the Average Variance Extracted (AVE) value must be greater than 0.5 ($AVE \geq 0.5$), where the standardized loading value must be greater than 0.5 ($std\ load \geq 0.5$). Homogeneity was used to test the reliability of the items. This is a measure of the internal consistency of the scales. Cronbach's Alpha is used to measure the reliability of a tool, the required Cronbach's Alpha value is more than 0.6 ($\alpha > 0.6$).

Data processing model that used for this research to analyze the data is Structural Equation Model (SEM) by using SPSS Amos version 22.0. Evaluation of the sustainability of the model will be proven by The Root Mean Square Error of Approximation (RMSEA), CMIN/DF, Goodness-of-Fit Index (GFI), Tucker Lewis Index (TLI), and Comparative Fit Index (CFI). While the testing of hypotheses again each parameter can be done by analyzing p-value approach, and C.R. value. In order to do the testing SEM AMOS approach applied for this research. Hypotheses can be accepted if the value of p is lower than 5% ($p < 0.05$) and the critical ratio is more than 1.96 ($C.R. > 1.96$).

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