SOCIAL MEDIA MARKETING AND ONLINE CUSTOMER ENGAGEMENT: THE MEDIATING ROLE OF ONLINE TRUST (CASE STUDY OF RENAN STORE IPHONE ONLINE RESELLER)

PEMASARAN MEDIA SOSIAL TERHADAP ONLINE CUSTOMER ENGAGEMENT: PERAN MEDIASI ONLINE TRUST (STUDI KASUS RENAN STORE PENJUAL IPHONE ONLINE)

By:

Irene Christy Potabuga¹
Willem J.F.A. Tumbuan²
Regina T. Saerang³

123International Business Administration, Management Department Faculty Economics and Business Sam Ratulangi University, Manado

Email:

118061102312@student.unsrat.ac.id 2alfatumbuan@unsrat.ac.id 3regina.saerang@unsrat.ac.id

Abstract: Today's businesses are operating in an environment where customers are well-versed in social media and have easy access to technology. Social Media has changed the way businesses engage with their customers or potential customers. However, buying electronics online is prone to e-commerce fraud (not original, poor quality, etc.). This study aims to determine the effect of Social Media Marketing (X) on Online Customer Engagement (Z) with Online Trust (Y) as mediating variables in Renan Store (iPhone reseller) customers. This study uses 100 samples collected through an online questionnaire with a purposive sampling technique. The researcher conducted the path analysis method to analyze the effect of the independent variable on the dependent variable with the mediating variable. The results of this study indicate that Social Media Marketing positively and significantly affects Online Customer Engagement. This study also proves that Online Trust has a positive and significant relationship with Social Media Marketing. The results of this study have also shown that Online Trust can be used as a mediating variable for the effects of Social Media Marketing on Online Customer Engagement in Renan Store with an indirect effect of 0.323 which is greater than the direct effect of 0.285.

Keyword: social media marketing, online customer engagement, online trust.

Abstrak: Bisnis saat ini beroperasi di linkungan di mana pelanggan berpengalaman dalam media sosial dan memiliki akses mudah ke teknologi. Media Sosial telah mengubah cara bisnis terlibat dengan pelanggan atau pelanggan potensial mereka. Namun, membeli barang elektronik secara online rentan terhadap penipuan e-commerce (tidak original, kualitas buruk, dll). Penelitian ini bertujuan untuk mengetahui pengaruh Pemasaran Media Sosial (X) terhadap Online Customer Engagement (Z) dengan Online Trust (Y) sebagai variabel mediasi pada pelanggan Renan Store (penjual iPhone). Penelitian ini menggunakan 100 sampel yang dikumpulkan melalui kuesioner online dengan teknik purposive sampling. Peneliti melakukan metode analisis jalur untuk menganalisis pengaruh variabel bebas terhadap variabel terikat dengan variabel mediasi. Hasil penelitian ini menunjukkan bahwa Pemasaran Media Sosial berpengaruh positif dan signifikan terhadap Online Customer Engagement. Penelitian ini juga membuktikan bahwa Online Trust memiliki hubungan yang positif dan signifikan dengan Pemasaran Media Sosial. Hasil penelitian ini juga menunjukkan bahwa Online Trust dapat digunakan sebagai variabel mediasi untuk pengaruh Pemasaran Media Sosial terhadap Online Customer Engagement di Renan Store dengan pengaruh tidak langsung 0,323 lebih besar dari pengaruh langsung 0,285.

Kata Kunci: pemasaran media sosial, online customer engagement, online trust.

INTRODUCTION

Research Background

Businesses are selling things online and find it more efficient compared to having an offline store. Indonesia's e-commerce sector is also one of the fastest-growing markets in the world. The growing importance of e-commerce or online shopping to the global economy especially in Indonesia means that a study of e-commerce or online shopping is necessary to find ways and means of assisting marketing practitioners in designing effective marketing strategies that will aid in achieving high levels of customer engagement.

In an online context Customer Engagement also called Online Customer Engagement (OCE) is an effort by a company to keep in good touch with its customers through digital platforms like social media by creating, building, and improving relationships with customers which is an important strategy in maintaining business performance in the future. To build a strong relationship with customers is by engaging with them in cooperative two-way communication.

Social media can be used to perform a good two-way communication flow, fast, and interactive communication between a business and its customers. Social media is now considered a new element of the company's marketing strategy. Social Media Marketing tracks and promotes customer contact, collaboration, and interaction with a company, its brands, and other customers, as well as propels their engagement. The widely used social media to approach customer engagement currently is Instagram.

Building trust between customers and retailers in an online context is a key factor for success in electronic business. Online Trust is formed between firms and customers when the latter develop positive views about their service provider's ability to satisfy their needs, their magnanimity, as well as their honesty in their dealings online (Brun, Rajaobelina, and Ricard, 2014; Urban, Amyx, and Lorenzo, 2009). As customers trust the brand by examining their social media and experiencing their service, customers will eventually engage with the brand by simply liking, commenting, or sharing the brand's post on their social media in this case on Instagram.

Renan Store successfully shifted from conventional marketing channels to Social Media Marketing by using Instagram to communicate with their customers. Renan Store is a 24 hours iPhone online reseller that sells iPhone (new or second-hand) since 2012. After Renan Store, several new competitors started to join the business in 2013, 2014, and 2016 which are Ekaseluler, BStore, and AHHA Gadget. Renan Store is using a website to sell iPhone online but also have their own offline store. In their Instagram posts and stories, they hold events as a promotional activity, to continue to attract customers' attention. Renan Store also builds a trustworthy image by reposting their customers' positive e-WOM. Renan Store also allows Virtual Quality Control for customers who buy online and that causes customers to be even more trusted in Renan Store. Renan Store has 1.403.194 followers on Instagram with the average likes of 7,757.38 and has 261.63 on average comments in every post they made. Renan Store Instagram Engagement rate is two times better in average comments or average likes compared to its competitor.

Research Objectives

Based on the research background above, the objectives of this research as follows:

- 1. To identify if there is a direct influence of Social Media Marketing on Online Trust in Renan Store.
- 2. To identify if there is a direct influence of Social Media Marketing on Online Customer Engagement in Renan Store.
- 3. To identify if there is a direct influence of Online Trust on Online Customer Engagement in Renan Store.
- 4. To identify if there is an indirect influence of Social Media Marketing to Online Customer Engagement through Online Trust in Renan Store.

THEORETICAL FRAMEWORK

Marketing

Marketing is a process of creating, communicating, and delivering value to the customer effectively and efficiently. Kotler and Armstrong (2004) —Marketing is a social and managerial process whereby individuals and groups obtain what they need and want through creating and exchanging products and value with others. Marketing can be described as the process of defining, anticipating, creating, and meeting the needs and desires of consumers for products and services (David, 2011).

Relationship Marketing

According to Lo and Campos (2018), Relationship marketing explores the marketing concept further, by focusing on the customer as an important representative figure, exploring a promising way to acquire competitive advantages through the exchange of information and closer to the customer, strengthening the bond to be truly advantageous to both parties, and committing both buyers and sellers to work toward achieving long-term benefits that offer greater chances for a successful relationship. Relationship marketing is more concerned about building customer relationships in order to achieve long-term mutual benefits for all parties involved in the exchanges (Koi-Akrofi, Koi-Akrofi and Welbeck, 2013).

Social Media Marketing

Social media is content that contains information made by people who use publishing technology, is highly accessible, and is meant to facilitate communication, influence, and interaction with others and the general public (Bernarto et al., 2020). Social Media Marketing can be used as part of a business strategy to build ongoing engagement and interaction continuously with customers. With social media, entrepreneurs have the opportunity to advertise their local products with low cost to consumers and get feedback from them (Hanna Rohm, and Crittenden, 2011). There are 5 elements of Social Media Marketing activities from previous research by Bilgin (2018) consisting of entertainment, interaction, trendiness, advertising, and advertising.

Online Customer Engagement

Customer engagement through social media is an effort by a company to keep in good touch with its customers through social media. When consumers enjoy emotionally bonding relationships with brands, they become engaged (Pansari and Kumar, 2017). Online Consumer engagement is a cognitive, emotional and behavioral dimension of a multidimensional construct (Brodie et al., 2011). There are 5 dimensions of Online Customer Engagement based on the previous constructs: Utilitarian, Affection, Attachment, Retention and Word of Mouth (WOM).

Online Trust

Trust is explained as the belief that the other party will act or perform in a socially responsible way and thus will meet the trusting party's expectations devoid of taking any advantage of its vulnerabilities (Gefen, 2000). Online trust reflects customers' perceptions and levels of trust in customers about how a company's online platform meets customer expectations and how trustworthy they are (Urban et al., 2009). There are 5 dimensions of Online Trust towards e-business which are integrity, benevolence, competence, reliability, intentionality.

Previous Research

Rachmadhaniyati (2021) examined the effect of social media marketing on customer engagement with brand loyalty and trust as mediating variables on online shop actors. This study uses 200 samples collected through an online questionnaire with a purposive sampling technique with criteria of at least 16 years of age, active social media users, and having shopped online. The research uses Partial Least Square (PLS) method to test the hypothesis. The results of this study indicate that social media marketing affects customer engagement. This study also proves that brand loyalty and trust have a significant relationship with social media marketing. However, it was found that trust did not affect customer engagement. That is, trust is not able to strengthen the influence of social media marketing on customer engagement.

Haudi et al. (2021) explored the effect of social media marketing activities on brand trust, brand equity and brand loyalty in social media. The study uses the Structural Equation Modeling (SEM) method with SPSS 3.3.3 software with a sample of 450 respondents determined by the simple random sampling method who had experience of using social media for at least six months. Data was obtained by distributing online questionnaires using google form. The results show that social media marketing has a positive effect on brand trust, social media marketing has a positive influence on brand loyalty. Brand trust has a positive influence on SMEs Performance, Brand equity has a positive influence on SMEs Performance.

Muchardie, Yudiana, and Gunawan (2016) explained the influence of social media marketing against customer engagement and its impact on brand loyalty. Methods applied is a quantitative method by distributing

questionnaire to 100 customers. Data analysis was applied path analysis. The results of this study shows that social media marketing has a positive and significant impact on customer engagement, on brand loyalty, and on customer engagement, and its impact on brand loyalty where customer engagement has a greater influence on brand loyalty than social media marketing.

Conceptual Framework

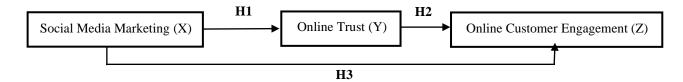


Figure 1. Conceptual Framework

Source: Literature Review

Research Hypothesis

H1: Social Media Marketing has a significant direct effect on Online Trust.

H2: Social Media Marketing has a significant direct effect on Online Customer Engagement.

H3: Online Trust has a significant direct effect on Online Customer Engagement.

H4: Social Media Marketing has an indirect effect on Online Customer Engagement through Online Trust.

RESEARCH METHOD

Research Approach

This research uses a quantitative method. Quantitative data is the data that is formed in numerical, the data can be calculated and measured. It seeks conclusive evidence based on large, representative samples and typically involves some form of statistical analysis (Maholtra, 2009).

Population, Sample Size, and Sampling Technique

The population in this study is the customers of Renan Store who follow Renan Store's Instagram account and have seen Renan Store Instagram Stories and Posts. Samples to be taken are as many as 75 people minimum. The sampling technique is purposive sampling since the respondent should be the people who followed Renan Store on Instagram, have seen Renan Store Social Media Marketing activities on Instagram, and have purchased online on Renan Store at least once.

Data Collection Method

Primary data is data that is collected by a researcher from first-hand sources, using methods like surveys, interviews, or experiments. It is collected with the research project in mind, directly from primary sources. Secondary data collected for some purpose other than the problem at hand is taken from books, journals, articles, and relevant literature from libraries and the internet.

Operational Definition of Research Variables

- 1. Social Media Marketing (X): a form of direct or indirect marketing that is used to build awareness, recognition, memory, and actions for brands, businesses, products, people, or others and is done using tools from the social web such as blogging, social networking, social bookmarking and content sharing. (Indicators: Entertainment, Interaction, Trendiness, Customization, Advertisement)
- 2. Online Customer Engagement (Z): The level of a customer's cognitive, emotional, and behavioral presence in connection with a particular online social platform. (Indicators: Utilitarian, Affection, Attachment, Retention, and Word of Mouth (WOM).)
- 3. Online Trust (Y): The belief that the other party will act or perform in a socially responsible way and thus will meet the trusting party's expectations devoid of taking any advantage of its vulnerabilities. (Indicators: Integrity, Benevolence, Competence, Reliability, Intentionality.)

Data Analysis Method

Validity and Reliability Test

Validity is a degree of accuracy/appropriateness of instruments used to measure what will be measured. An instrument measure is valid if the instrument measures what is in line with the research concept. Meanwhile, Reliability test is defined as an index that shows how far instrument items can be trusted or dependable (Cronbach Alpha value of > 0.60).

Path Analysis

Path analysis is a statistical analysis technique which is the development of multiple regression analysis. According to Ghozali (2013), Path analysis aims to explain the direct effects and indirectly a set variable, as a causal variable, against a set other variables which is an effect variable. The form of a structural equation, namely the regression equation shows the hypothesized relationship (Ghozali, 2013) as follows:

$$Y = P1X + e 1$$
 (1)
 $Z = P1X + P2Y + e 2$ (2)

Standardized coefficient for Social Media Marketing (X) in equation (1) will give the value P1. While the coefficient for Social Media Marketing (X) and Online Trust (Z) in equation (2) will give P2 and P3 values.

Direct effect of X to Y = P2

The indirect effect of X to Z to $Y = P1 \times P3$

Total Effect (correlation) X to $Y = P2 + (P1 \times P3)$

RESULT AND DISCUSSION

Result

Validity Test

Validity testing was carried out with the help of a computer using the IBM SPSS statistic 24 version. Validity testing was performed on 100 respondents in this study. Making a decision based on r_{count} (Corrected Item-Total Correlation) > r_{table} of 0.195. All the total values for each indicator for independent variables (Social Media Marketing), dependent variables (Online Customer Engagement) and mediating variable (Online Trust) the value of r_{count} obtained from each of these indicators, is greater than the critical value of 0,195. It means all the indicators are valid and can be used on this research.

Reliability Test
Table 1. Validity Test

No	Variable	N of Item	Alpha	Critical	Status
	\\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\	KINTP	Cronbach	Value	
1	Social Media Marketing	10-	0.815	0.195.	Reliable
2	Online Customer Engagement	M// -10 N/ B	0.908	0.195.	Reliable
3	Online Trust	10	0.817	0.195.	Reliable

Source: Data Processed, 2022

Table 1 shows the Cronbach's Alpha values of all indicators greater than 0,6 which means that the questionnaire is reliable and can be distributed to respondents for use as a research instrument.

Classical Assumption Test

Normality Test

The result of the test using Kolmogorov-Smirnov may determine by seeing the value of Monte Carlo Sig. (2-tailed) and Exact Sig. p-value. If the value of Monte Carlo (2-tailed) or Exact p-value generated is greater than 0.05 then the residual is normally distributed (sig. >0.05).

Table 2. Online Trust (Y)

One-Sample Kolmog	gorov-Smirnov Test	Unstandardized Residual	Status
Monte Carlo Sig. (2-tailed)	99% Confidence Interval	0.110	Normal
Exact Sig. (2-tailed)		0.102	Normal

Source: Data Processed, 2022

Table 3. Online Customer Engagement (Z)

One-Sample Kolmog	gorov-Smirnov Test	Unstandardized Residual	Status
Monte Carlo Sig. (2-tailed)	99% Confidence Interval	0.440	Normal
Exact Sig. (2-tailed)		0.485	Normal

Source: Data Processed, 2022

From the Table 2 and Table 3 it can be seen that the value of Sig. in Monte Carlo and the Exact p-value of dependent variable I (Online Trust) and dependent variable II (Online Customer Engagement are respectively greater than the critical value 0.05 (Sig. >0.05). This shows that the data in this study have normally distributed and can be used in research.

Multicollinearity Test Table 4. Multicollinearity

Variable		Collinear	ity Statistics
v arrable		Tolerance	VIF
Social Media Marke	ting	.587	1.705
Online Trust		.587	1.705

Source: Data Processed, 2022

Table 4. shows the value of the Variance Influence Factor (VIF) of the test results that has been carried out on the Social Media Marketing and Online Trust variables less than 10, and the Tolerance value is more than 0,100. This result indicates that there is no correlation between the two variables. Thus, it can be concluded that the two independent variables are free from Multicollinearity.

Heteroscedasticity Test

A good regression model is one with homoscedasticity or no heteroscedasticity. The heteroscedasticity test in this research is carried out using Glejser Method.

Table 5. Heteroscedasticity Test Result I

Variable	ABS_RES1		
у аглаше	Sig.	Critical Value	
Social Media Marketing	.587	1.705	

a. Dependent Variable: ABS_RES1 (Social Media Marketing on Online Trust)

Source: Data Processed, 2022

Table 6. Heteroscedasticity Test Result II

Variable	ABS_RES1		
у аглаше	Sig.	Critical Value	
Social Media Marketing	.587	1.705	
Online Trust	.587	1.705	

a. Dependent Variable: ABS_RES1 (Social Media Marketing on Online Trust)

Source: Data Processed, 2022

Based on the table above, it can be seen that the results of the test have significant values is not less than 0.05 and even more than 0.05 which are clarified as heteroscedasticity free. This also means that there is no inequality of variance from the residuals of one observation to another observation in the regression model.

Table 7. Linear Regression Model II: Dependent Variable: Online Trust

Model		Unstandar	dized Coefficients	Standardized Coefficients	t	Sig.
		В	Std. Error	Beta		
1	(Constant)	7.883	5.644		1.397	.166
	Social Media Marketing	.843	.101	.643	8.311	.000

Source: Data Processed, 2022

Based on Table 7, the equation of Model 1 is obtained as follows: Y = 7.883 + 0.843 (X) + e. Based on the regression equation model I, it can then be interpreted as follows:

- a. The constant (a) is the regression line intercept with Y if X = 0, which indicates that the size of the dependent variable used in the research model is equal to that constant. The value of constant (a) is 7.883, indicating that if the independent variable of Social Media Marketing is 0 or there is no change, then the confidence will be 7.883.
- b. The results of the tests that have been carried out have obtained the Social Media Marketing regression coefficient value of 0.843 means it is positive and significant. These results show that there is a unidirectional relationship between the Social Media Marketing variable and Online Trust. This condition shows that the better Social Media Marketing is carried out, the greater the Online Trust of customers in Renan Store.

Table 7 shows the significant level obtained from the Social Media Marketing variable of $0.000 < \alpha = 0.05$ (level of significance) with standardized beta (P1) values of 0.643. From these results it can be stated that the variable Social Media Marketing (X) has a positive and significant effect on Online Trust (Y).

Table 8. Multiple Linear Regression Model II: Dependent Variable: Online Customer Engagement.

Model	Unstandar	dized Coefficients	Standardized Coefficients	t	Sig.
	В	Std. Error	Beta		
(Constant)	5.122	5.104		1.004	.318
Social Media Marketing	.367	.119	.285	3.092	.003
Online Trust	.494	.090	.503	5.461	.000

Source: Data Processed, 2022

Based on Table 8, the equation of Model II is obtained as follows:

$$Z = 5.122 + 0.367 (X) + 0.494 (Y) + e$$

Based on the Regression Equation Model II, it can then be interpreted as follows:

- a. The value of the constant (α) is 5.122 indicating that if the independent variable Social Media Marketing (X) and Online Trust (Y) is 0 or there is no change, then Online Customer Engagement.at Renan Store will be 5.122.
- b. Social Media Marketing Variable Regression Coefficient. The results of the tests that have been carried out have obtained the Social Media Marketing regression coefficient value of 0.367 shows a positive and significant. These results show that there is a unidirectional relationship between the Social Media Marketing variable and the Online Customer Engagement at Renan Store. This condition shows that the better Social Media Marketing is carried out, the higher the Online Customer Engagement at Renan Store

c. Online Trust Variable Regression Coefficient. The results of the tests that have been carried out have obtained the Online Trust regression coefficient value of 0.494 shows a positive. These results show that there is a unidirectional relationship between Online Trust and Online Customer Engagement variables at Renan Store. This condition shows that the higher the Online Trust will increase the Online Customer Engagement at Renan Store. It can be stated that the variables Social Media Marketing (X) and Online Trust (Y) have a positive and significant effect on Online Customer Engagement (Z) at Renan Store.

Model Testing

Table 9. F-Test Model I

	Model	Sum of Squares	df	Mean Square	F	Sig.
	Regression	1012.758	1	1012.758	69.068	.000b
1	Residual	1437.002	98	14.663		
	Total	2449.760	99			

Source: Data Processed, 2022

Table 9 shows the calculated F value of 69.068 while the F-table is 3.938 with df1 = 1 and df2 = 100 - 1 - 1 = 98. Since the calculated F value is greater than the F table, thus the regression model between Social Media Marketing (X) on Online Trust (Y) is declared fit or feasible. It can be stated that the variable Social Media Marketing (X) has a positive and significant effect on Online Trust (Y).

Table 10. F-Test Model II

ANOVA:

	Model	Sum of Squares	df	Mean Square	F	Sig.
	Regression	1224.669	2	612.335	С	.000 ^b
1	Residual	1140.321	97	11.756		
	Total	2364.990	99	73		

Source: Data Processed, 2022

Table 10 shows the calculated F value of Online Trust while the F-table is 3.939 with df1 = 1 and df2 = 100 - 2 - 1 = 97. F-table. Since the calculated F value is greater than the F table, thus the regression model between Social Media Marketing (X) and Online Trust (Y) on Online Customer Engagement (Z) is declared fit or feasible. It can be stated that the variables Social Media Marketing (X) and Online Trust (Y) have a positive and significant effect on Online Customer Engagement (Z).

Table 11. Correlation Coefficient and Coefficient of Determination (R²) of Linear Regression Model I Model Summarv^b

Model	R	R Square	Adjusted R Square	F
1	.643a	.413	.407	3.829

Source: Data Processed, 2022

Table 11 shows the resulting R Square (R2) value of 0,413 and R-value is 0.643, which means that the correlation coefficient between the variables has a strong relationship. These results show the contribution of the Social Media Marketing variables given to the Online Trust at Renan Store at 41,3%. While the rest (100% - 41.3% = 58,7%) was contributed by other factors outside this research.

Table 12. Correlation Coefficient and Coefficient of Determination (R²) of Linear Regression Model II Model Summary

Model	R	R Square	Adjusted R Square	F
1	.720a	.518	.508	3.429

Source: Data Processed, 2022

Table 12 shows the resulting R Square (R2) value of 0,518 and R-value is 0.720, which means that the correlation coefficient between the variables has a strong relationship. These results show the contribution of the

Social Media Marketing variables given to the Online Trust at Renan Store 51,8%. While the rest (100% - 51,8% = 48,2%) was contributed by other factors outside this research.

Hypothesis Testing Table 13. T-Test

Model Summary^b

Variables	t	Sig.
Social Media Marketing	8.311	.000

Source: Data Processed, 2022

Based on the table above by observing t-value, t-table and sig., it can be explained as follows:

- H1: There is a positive and significant effect of Social Media Marketing (X) on Online Trust (Y) Renan Store. The effect of Social Media Marketing on Online Trust got t-value= 8.311 which is greater than the t-table is 1.984 and the significant value was 0.000 which is less than 0.05. Then can be concluded that of Social Media Marketing (X) has a positive and significant effect on Online Trust (Y) in Renan Store.

Table 14. T-Test

Model Summaryb

Variables	S SAM SPEN	Sig.
Social Media Marketing	3.092	.003
Online Trust	5.461	.000

Source: Data Processed, 2022

Based on the table above by observing t-value, t-table and sig., it can be explained as follows:

- H2: There is a significant effect of Social Media Marketing (X) on Online Customer Engagement (Z) in Renan Store. The effect of Social Media Marketing on Online Customer Engagement got a t-value= 3.092 which is greater than the t-table is 1.985 and the significant value was 0.003 which is less than 0.050. Then can be concluded that of Social Media Marketing (X) has a positive and significant effect on Online Customer Engagement (Z) in Renan Store.
- H3: There is a significant effect of Online Trust (Y) on Online Customer Engagement (Z) in Renan Store. The effect of Online Trust on Online Customer Engagement got a t-value= 5.461 which is greater than the t-table is 1.985 and the significant value was 0.000 which is less than 0.050. Then can be concluded that of Online Trust (Y) has a positive and significant effect on Online Customer Engagement (Z) in Renan Store.

Mediation Test

Table 15. Path Analysis

10010 1001 111101,515				
	Variable	Standardized Coefficients Beta	Sig.	Status
	Social Media Marketing → Online Trust	0. 643 (P1)	0,000	Significant
	Social Media Marketing → Online Customer Engagement	0, 285 (P2)	0,003	Significant
	Online Trust → Online Customer Engagement	0,503 (P3)	0,000	Significant

Source: Data Processed, 2022

Table 15 above shows the influence of Social Media Marketing showing the significant influence of Online Trust and Online Customer Engagement in Renan Store. The test results also show that Online Trust has a significant effect on Online Customer Engagement of Renan Store. This condition it can be concluded that Social Media Marketing may have a direct or indirect effect on Online Customer Engagement in Renan Store through Online Trust.

The amount of direct influence between Social Media Marketing on Online Customer Engagement in Renan Store is P2 = 0.285. While the indirect effect is calculated by multiplying $P1 \times P3 = 0.643 \times 0.503 = 0.000$

0.323. The total influence of Social Media Marketing directly or when mediated by Online Trust.on Online Customer Engagement is as follows:

The total influence of Social Media Marketing = $(P2) + [(P1) \times (P3)]$

- Direct Influence = 0.285. - Indirect Influence (0.643 x 0.503) = 0.323 Total influence of Social Media Marketing = 0.608

From the calculations above, the influence of Social Media Marketing either directly or indirectly on Online Customer Engagement in Renan Store mediated by Online Trust, can be seen in the following figure:

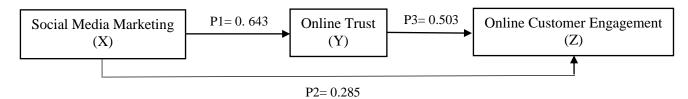


Figure 2. Path Analysis
Source: Data Processed, 2022

Figure 2 shows that Social Media Marketing can have a direct or indirect effect on Online Customer Engagement in Renan Store. Its shows the direct influence of Social Media Marketing on Online Customer Engagement 0.285. While indirect influence through Online Trust is $0.643 \times 0.503 = 0.323$.

- *H*4: Social Media Marketing has an indirect effect on Online Customer Engagement through Online Trust. From the calculation results, it indicates that the value of the indirect influence through Online Trust is greater than the value of the direct influence of Social Media Marketing on Online Customer Engagement. With these results, it can be concluded that Online Trust is able to be a variable that mediates the influence of Social Media Marketing on Online Customer Engagement, and the total influence of Social Media Marketing on Online Customer Engagement in Renan Store mediating by Online Trust is 0.608.

Discussion

The Effects of Social Media Marketing on Online Trust

From the results of the questionnaire, it can be seen that the most of respondents shows attitude agrees (five score) or even strongly agree (six score) that Social Media Marketing activity perform by Renan Store fulfilling crucial dimensions of Social Media Marketing. The test result of this research shows that Social Media Marketing has a positive and significant effect on Online Trust. This condition shows that the better Social Media Marketing activity performed by Renan Store, the greater the Online Trust they will gain from customers. Through Social Media Marketing, Renan Store may repost positive reviews of customers so the potential customer will trust Renan Store and their promotional claims, themselves. This result is agreeable and similar to the previous research by Rachmadhaniyati (2021) indicate that social media marketing has a positive and significant influence on trust in online shopping. Recent research by Tatar and Erdogmus (2016) also argue that social media is an important driver of brand trust. In the research of Zulfikar and Mikhriani (2017) on Instagram followers of Dompet Dhuafa Yogyakarta Branch results also showed that social media marketing had a positive and significant effect on brand trust.

The Effects of Social Media Marketing (SMM) on Online Customer Engagement

From the results of the questionnaire, it can be seen that the most of respondents shows that they have engaged with Renan Store Social Media activity by stating strongly agree and agree to ten questions related to Online Customer Engagement. The results obtained in this study indicate Social Media Marketing as a variable that positively and significantly affects Online Customer Engagement. This means that the greater the Social Media Marketing penetration to customers, the higher Online Customer Engagement Renan Store receives. This result is in line with the previous research by Muchardie, Yudiana, and Gunawan (2016) stated that Social Media Marketing has a positive contribution to Customer Engagement on Caring Colors Martha Tilaar Facebook Page with strong influence. The research from Farook and Abeysekara (2016) on a Facebook brand page also emphasized that the higher the influence of social media marketing, higher would be the customer engagement.

The Effects of Online Trust and Online Customer Engagement

From the results of the questionnaire, it can be seen that the most of respondents shows that they have trusted Renan Store and by then engage with Renan Store online by stating strongly agree and agree to ten questions related to Online Trust. Thus, the higher the level of consumer trust, the higher the level of customer engagement of the consumer. In the research of de Olivera, Ladeira, and Pinto (2018) Customer Engagement is driven by satisfaction, positive emotions, and trust. Sipayung and Heryjanto(2021) in their research on Region Housing Occupants Consumer Paramount Land also prove that trust positively affects customer engagement. The company's actions to increase consumer trust will ensure that consumers will be increasingly attached to the company and generate maximum profits.

The Indirect Effect of Social Media Marketing on Online Customer Engagement mediated with Online Trust.

This is the final discussion on this research. Path analysis was included in testing H4 and it also shows that Online Trust can be used as an intervening variable for the influence of Social Media Marketing on Online Customer Engagement in Renan Store. The result using path analysis shows that the indirect effect of Social Media Marketing on Online Customer Engagement through Online Trust is greater than the direct effect of Social Media Marketing on Online Customer Engagement. It can be concluded that in order to achieve higher level Online Customer Engagement, brands have to use Social Media Marketing properly to also build Online Trust between customers. This result turns out to be different from the findings of Rachmadhaniyati (2021) when examining 200 online shoppers. The research also indicates that social media marketing affects customer engagement. However, trust is not able to strengthen the influence of social media marketing on customer engagement. The different result might be caused by different research objects, in this research the research object was the customers of one particular brand, however in the research of Rachmadhaniyati (2021) that the 200 online shoppers is not limited to one particular company/brand.

CONCLUSION AND RECOMMENDATION

Conclusion

Based on the result of analyzing and discussion, the conclusions are:

- 1. The results of this study have shown that Social Media Marketing has a positive and significant effect on Online Trust in Renan Store, meaning that an increase of Social Media Marketing will potentially boost Online Trust. It can be stated that Social Media Marketing has an important role in influencing the Online Trust in Renan Store.
- 2. The results of this study have shown that Social Media Marketing has a positive and significant effect on Online Customer Engagement in Renan Store. It can be concluded that Social Media Marketing has an important role in influencing the Online Customer Engagement in Renan Store and an increase of Social Media Marketing effort will potentially generate more Online Customer Engagement.
- 3. The results of this study have shown that Online Trust has a positive and significant effect on Online Customer Engagement in Renan Store. It can be concluded that Online Trust has an important role in influencing the Online Customer Engagement in Renan Store.
- 4. The results of this study have also shown that Online Trust can be used as a mediating variable for the effects of Social Media Marketing on Online Customer Engagement in Renan Store, where the Indirect effect of Social Media Marketing on Online Customer Engagement is greater than the direct effect.

Recommendation

Based on the conclusions obtained in this study, suggestions made as a complement to the research results that can be given are as follows:

1. Renan Store may maintain its Social Media Marketing performance or even continuously develop entertaining, interactive, trendy, and customized content to keep its followers engaged. Renan Store also needs to observe which social media content that gains more views or likes or positive comments and try to make more content alike. Attractive advertisements are also crucial for their followers, especially customers who followed Renan Store on Instagram to keep up with the content posted.

- 2. For all businesses in e-commerce (including Renan Store) should build Online Trust with the use of Social Media Marketing in order to achieve Online Customer Engagement since Social Media Marketing not only has a direct effect on Online Customer Engagement but has an even greater indirect effect through Online Trust. Thus, Renan Store and businesses in e-commerce have to fulfill the promises and stay true to their potential and existing customers.
- 3. For further research, the topic of this study is very interesting since social media will remain powerful at least in the upcoming 10 years and really worth exploring since it is proven to help businesses engage with its customers and make them trust in a brand. The indicators may change due to the upcoming condition however the general topic of Social Media Marketing will still be relevant in the long term, even though perhaps it is not on Instagram anymore.
- 4. For students, especially those who are majoring in marketing management, this study may be a great reference in your assignments on related topics or creating some models or fresh ideas in marketing studies.

REFERENCES

- Bernarto, I., Berlianto, M. P., Palupi, Y. F. C., Meilani, M., Masman, R. R., & Suryawan, I. N. (2020). The Influence of Brand Awareness, Brand Image, and Brand Trust on Brand Loyalty. *Jurnal Manajemen*, 3(2),23-28. Available at: https://ecojoin.org/index.php/EJM/article/view/676. Retrieved on: May 24, 2022
- Bilgin, Y. (2018). The Effect of Social Media Marketing activities on Brand Awareness, Brand Image and Brand Loyalty. *Business & Management Studies: An International Journal 6.1 (2018):* 128-148. Available at: https://www.bmij.org/index.php/1/article/view/839.1 Retrieved on: May 24, 2022
- Brodie, R. J., Ilic, A., Juric, B., & Hollebeek, L. (2013). Consumer Engagement in a Virtual Brand Community: An Exploratory Analysis. *Journal of Business Research*, 66(1), 105-114. Available at: https://www.sciencedirect.com/science/article/abs/pii/S0148296311002657. Retrieved on: May 24, 2022
- Brun, I., Rajaobelina, L. & Ricard, L. (2014). Online Relationship Quality: Scale Development and Initial Testing. *International Journal of Bank Marketing*, Vol. 32 No. 1, pp. 5-27. Available at: https://www.emerald.com/insight/content/doi/10.1108/IJBM-02-2013-0022/full/html. Retrieved on: April 28, 2022
- David, F. R. (2011). Strategic Management. Buku 1. Edisi 12 Jakarta
- de Oliveira Santini, F., Ladeira, W. J., Pinto, D. C., Herter, M. M., Sampaio, C. H., & Babin, B. J. (2020). Customer Engagement in Social Media: A Framework and Meta-Analysis. *Journal of the Academy of Marketing Science*, 48(6), 1211-1228. Available at: https://link.springer.com/article/10.1007/s11747-020-00731-5. Retrieved on: May 22, 2022.
- Farook, F. S., & Abeysekara, N. (2016). Influence of Social Media Marketing on Customer Engagement. International Journal of Business and Management Invention, 5(12), 115-125. Available at: https://www.researchgate.net/publication/311901110 Influence of Social Media Marketing on Cust omer Engagement Retrieved on: May 24, 2022.

- Gefen, D. (2000). E-commerce: The Role of Familiarity and Trust. *Omega*, 28(6), 725–737. Available at: https://www.sciencedirect.com/science/article/abs/pii/S0305048300000219. Retrieved on: May 26, 2022.
- Ghozali, I. (2013). Application of Multivariate Analysis with IBM SPSS 25 Program. Semarang: Diponegoro University Publisher.
- Hanna, R., Rohm, A., & Crittenden, V. L. (2011). We're all connected: The Power of the Social Media Ecosystem. *Business Horizons*, 54(3), 265-273. Available at: https://www.sciencedirect.com/science/article/abs/pii/S0007681311000243. Retrieved on: May 28, 2022.
- Haudi, H., Handayani, W., Musnaini, M., Suyoto, Y., Prasetio, T., Pitaloka, E., ... & Cahyon, Y. (2022). The Effect of Social Media Marketing on Brand Trust, Brand Equity and Brand Loyalty. *International Journal of Data and Network Science*, 6(3), 961-972. Available at: https://www.researchgate.net/publication/358347366 The effect of social media marketing on brand trust brand equity and brand loyalty. Retrieved on: May 24, 2022.
- Koi-Akrofi, G. Y., Koi-Akrofi, J., & Welbeck, J. N. (2013). Relationship Marketing tactics and Customer Loyalty: A Case of the Mobile Telecommunication industry in Ghana. *Asian Journal of Business Management*, 5(1), 77-92. Available at: https://maxwellsci.com/jp/mspabstract.php?jid=AJBM&doi=ajbm.5.5815. Retrieved on: April 28, 2022.
- Kotler, P. & Armstrong, G., (2004). Marketing Principles. 10th International Edition.
- Lo F. & Campos N., (2018). Blending Internet-of-Things (IoT) Solutions into Relationship Marketing Strategies. *Technological Forecasting and Social Change*, 137, (C), 10-18. Available at: https://www.sciencedirect.com/science/article/abs/pii/S0040162518306334. Retrieved on: April 28, 2022.
- Maholtra N. K. (2009). Riset Pemasaran; Edisi Keempat Jilid 1, PT. Indeks, Jakarta.
- Muchardie, B.G., Yudiana, N. H., & Gunawan, A. (2016). Effect of Social Media Marketing on Customer Engagement and its Impact on Brand Loyalty in Caring Colours Cosmetics, Martha Tilaar. *Binus Business Review*, 7(1), 83-87. Available at: https://journal.binus.ac.id/index.php/BBR/article/view/1458. Retrieved on: May 23, 2022.
- Pansari, A., & Kumar, V. (2017). Customer Engagement: The Construct, Antecedents, and Consequences. *Journal of the Academy of Marketing Science*, 45(3), 294–311. Available at: https://link.springer.com/article/10.1007/s11747-016-0485-6. Retrieved on: May 26, 2022.
- Rachmadhaniyati, (2021). Pengaruh Social Media Marketing terhadap Customer Engagement dengan Loyalitas Merek dan Kepercayaan sebagai Variabel Mediasi. *Jurnal Ilmu Manajemen* Vol. 9 No. 3. Available at: https://journal.unesa.ac.id/index.php/jim/article/view/13967. Retrieved on: May 24, 2022.
- Sipayung, H. L., & Heryjanto, A. (2021). Pengaruh Customer Satisfaction, Trust, Commitment, Dan Customer Value Terhadap Loyalty Intentions Dimediasi Customer Engagement (Studi Empiris: Pembeli Dan

Penghuni Paramount Land). *Jurnal Indonesia Sosial Teknologi*, 2(9), 1599-1626. Available at: https://garuda.kemdikbud.go.id/documents/detail/2300983. Retrieved on: May 23, 2022.

- Tatar, S., & Erdogmus, I.E. (2016). The Effect of Social Media Marketing on Brand Trust and Brand Loyalty for Hotels. *Information Technology & Tourism*, 16(3), 250-260. Available at: https://www.researchgate.net/publication/301332637 The effect of social media marketing on brand trust and brand loyalty for hotels Retrieved on: May 22, 2022.
- Urban, L.G., Amyx, C. & Lorenzo, A. (2009). Online Trust: State of the Art, New Frontiers, and Research Potential. *Journal of Interactive Marketing*, Vol. 23 No. 1, 179-190. Available at: https://www.researchgate.net/publication/229312333 Online Trust State of the Art New Frontiers and Research Potential Retrieved on: June 3, 2022
- Zulfikar, A. R., & Mikhriani, M. (2017). Pengaruh Social Media Marketing terhadap Brand Trust pada Followers Instagram Dompet Dhuafa Cabang Yogyakarta. *Al-Idarah: Jurnal Manajemen Dan Administrasi Islam*, *I*(2), 279-294. Available at: https://www.researchgate.net/publication/329367923 PENGARUH SOCIAL MEDIA MARKETING TERHADAP BRAND TRUST PADA FOLLOWERS INSTAGRAM DOMPET DHUAFA CAB ANG YOGYAKARTA, Retrieved on: May 25, 2022

