Examination the Influence of Grab Indonesia Social Media Marketing toward User Purchased Intention

Astika Ulfah Izzati*1, Frianka Anindea2, Welan Mauli Anguna3, Andriansyah Bari4

1234 Business Administration Program, Politeknik Negeri Sriwijaya, Palembang
* Correspondence: astika.ulfah.izzati@polsri.ac.id

Abstract: Nowadays social media has revolutionized as the media that facilitate interaction and information using User Generated Content (UGC). Due to this thing many people especially marketer utilize social media as marketing tool that is why people named it social media marketing. In term of marketing field social media is used to do branding activities, increase website traffic, increase customer and brand loyalty, enhance conversion rate, and create other activities for business exposure. Some researched found that utilizing social media marketing brings significant effect to increase purchased intention. That’s why authors want to know more about social media marketing especially in entertainment (ENT), interaction (INT), and customization (CUST) that happened on social media itself. This study will examine the effect of social media marketing of one of online platform named Grab Indonesia with Instagram account @grabid. The author examined and analyzed ENT, INT, and CUST in their social media especially Instagram toward customer’s purchased intention. ENT, INT, and CUST on @grabid social media could influence purchased intention (PI) both simultaneously and partially. Hopefully the result of this study could contribute in developing social media marketing literature, and become references for brands in developing social marketing strategy.

Keywords: social media marketing; purchased intention; social media

JEL: M0, D8, D9

1. INTRODUCTION

In the current climate social media is not only a place for networking and blogging, it has revolutionized as the media to share information and interest. Commonly, social media can facilitate interaction and information using User Generated Contents (UGC) (Bashir et al., 2021). As the media that provide User Generated Contents (UGC), social media offered the easiest way to disseminate various information (Bocar & Jocson, 2022). No wonder social media became a media that highly increased. Based on the survey that held by Kepios Analysis, the number of social media user increased from 1.720 million in January 2013 to 4.760 million in January 2023 (Kemp, 2023a). This phenomenon become opportunity and way of new life for many people in the world to connect and maintain relationship, be creative to share information and values, and interact with people with diverse background (Bashir et al., 2021).

The opportunity of social media as a media to connect and maintain relationship is seen by the marketers who marketing a business. To achieve their goals, marketers used several tactics, one of them social media marketing (M.Matheena & K.Rasith Riswan, 2018). They use social media as a low-cost marketing tool to do branding activities, increase website traffic, increase customer and brand loyalty, enhance conversion rate, and create other activities for business exposure (Jeyamani, 2020). When talk about marketing events or marketing tools, Instagram become top of mind as social media to establish brand community channel and create interactive marketing tool. Many companies utilize Instagram as marketing strategy tools because it became bandwagon to make effective marketing tools (Chaudhary, 2021). According to the research that held by GWI, Instagram has more than 2,000 million global active users and most of their age is between 16 – 24 years old. More than 50% of Instagram’s users purchased intention increased by watching some videos on that platform while doing product research activities (Kemp, 2023b).

Various studies said that marketing using social media or hereinafter referred to social media
marketing allows user to do two way communication and enables organizations to increased brand awareness activities namely entertainment, interaction, customization, and electronic word of mouth (E-WOM) through social media for making engagement with the audiences (Cheung et al., 2020). In addition, the result of (Moslehpour et al., 2021)’s research found that entertainment and word of mouth as the dimensions of social media marketing brings the most significant effect to purchased intention. Furthermore, social media marketing provides opportunities to improve people attitudes toward the organizations, and at the end increasing purchased intention and actual purchased behavior (Vidyanata, 2022). That’s why it is very useful for organization that offered products or services to people to explore more the thing that effect purchased intention.

Some researched found that utilizing social media marketing brings significant effect to increase purchased intention (Aileen et al., 2021; Moslehpour et al., 2021; Umair Manzoor et al., 2020). In the other hand, other research found that social media marketing has not significant effect to purchase intention (Chan et al., 2020; Emini & Zeqiri, 2021; Vidyanata, 2022). Based on this research gap, the author would like to study more about the effect of social media marketing toward purchased intention.

Prior studies have been widely discussed the dimensions of social media marketing. (Kim & Ko, 2012) mentioned there are five dimensions of social media marketing namely e-WOM, entertainment, interaction, trendiness, and customization. This research is also supported by (Cheung et al., 2020) that said that entertainment, interaction, customization, and e-WOM are dimensions that form social media marketing. While (Zhafirah, 2019) only measured social media marketing using three dimensions namely entertainment, interaction, and personalization for e-commerce user. (Vidyanata, 2022) added that personalization for e-commerce could be define as customization, and other dimensions to measure social media marketing are entertainment and interaction. This study will adapt social media marketing dimensions used by (Vidyanata, 2022).

The definition of entertainment (or hereinafter referred to ENT) is something that make customer impress and enjoy their experiences while visiting content on social media, and it is expected to trigger customer’s participation in brand channel (Ashley & Tuten, 2015). Furthermore, ENT can create engagement between audience and brand that can influence audience’s purchased intention (Vidyanata, 2022). Interaction dimension (or hereinafter referred to INT) is dimension that motivates audience create two way communication with brand including sharing their ideas and opinion related to brand’s products or services. It also could give audiences information needed related to brand before customer decide to purchase (Moslehpour et al., 2021). Furthermore, customization (CUST) on social media is one of social media marketing service related to brand ability to personalized service of their customer so it could meet customer’s preferences (Vidyanata, 2022). It is designed when customers look for information about product and service that provided (Kim & Ko, 2012).

Currently online transportation in Indonesia become a business that grows like a bomb due to high speed pace of technological development progress (Riyadi Putra et al., 2022). The author thinks that online transportation business has become attractive due to the increasing of customer request related to eusiness in look for public transportation, and other services that provided. This study uses Grab Indonesia as the research subject because it became one of pioneer in online transportation in Indonesia and it grows at breakneck pace. According to study by Tempo Data Science, Grab Indonesia became a platform that excels in online transportation market share, digital payments, and daily needs among millennials and Gen Z. Grab is considered better than similar platforms in terms of tariffs and loyalty programs, ease of using the application, speed of getting drivers, and implementation of health protocols (Tempo.co, 2022). The implementation of Grab Indonesia social media marketing strategy could be observed from its Instagram account namely @grabid. Its social media uploaded various content frequently. In addition, @grabid also provides interaction through Instagram comment section, Instagram Stories, and also direct message.

Referring to the background above, a phenomenon, and research gap, this study will examine the effect of social media marketing of Grab Indonesia especially on their Instagram account @grabid. The author will examine the influence of entertainment (ENT), interaction (INT), and customization (CUST) that @grabid provide toward purchased intention both simultaneously.

https://equity.ubb.ac.id/index.php/equity
doi 10.33019/equity.v11i1
and partially. The result of the study is expected to contribute in developing social media marketing literature, and become references for brands in developing social marketing strategy.

2. LITERATURE REVIEW
2.1. Theory Related to Social Media

In this decade, social media became trending topic among researchers. Commonly researchers from multiple disciplines use social media to understand the usage of social media and behavior of social media users (Qi et al., 2018). There are three streams of social media theory according to (Pan & Crotts, 2012) which are micro-theories, macro-theories, and pseudo-theories. Those theories contribute people to understand social media, and it is composed of several theory that are closely to several disciplines.

Micro-theories are the theory that deal with the user contribution to share information and communicate through online media. Owing to this thing, (Pan & Crotts, 2012) said that word of mouth theory, social exchange theory, and social penetration are basic framework that compose micro theories. Basically, recommendation from friends and relatives are the most influenced and obtained information sourced used by people in their decision making stage (Crotts, 1999) because friends and relatives considered as trustworthy party, and they are not compensated to the company or referral (Dépêches, 2010). This basic thing develops the idea of using word of mouth technique to market a product because when people have sense of ownership after using the product or service people are motivated to offer positive word of mouth feedback to others. On one level when people use product or service several times indirectly they develop feelings and connection to brand and it will build sense of ownership between users and brand, and users are trigger to recommend a product or service to others without any compensation from brand. (Asatryan & Oh, 2008) said that it is because users apply psychological ownership theory and it will trigger people to do word of mouth marketing. In word of mouth concept there will be positive and negative perception. When user like the product or service they become loyal customers who will spread positive feedback about the product and service. Otherwise when people dislike and unsatisfied about the product or service they will share the negative feedback to others (Mattila, 2001). Because of those explanation marketers using social media to market their products or services so people could influence each other and trigger people to do word of mouth. Based on social exchange theory, social media could be potential place for people to engage each other because it is platform where people could do online communication (Pan & Crotts, 2012). Engagement through people is one of social exchange sample. According to (Homans, 1958) relationship, engagement, and bonding between humans are made from communication exchange which part of social exchange. The leverage of social exchange theory is social penetration theory that give an explanation how social exchange among people made relationship (Altman & Taylor, 1973).

In another hand, macro-theory using social network concept and McLuhan’s media theory (Pan & Crotts, 2012). This theory took social media network and communication point of view. Social network theory sees the importance of individual as connected actor where communication among individuals from many levels and frequencies (Wasserman & Faust, 1994). While McLuhan’s media theory said that media could become a message (McLuhan, 1995). Based on this theory, user used social media not due to the content itself but due to communication mode that entails (Pan & Crotts, 2012).

We all knew that in this open-source movement era, social media has fast-changing landscape due to low cost of innovation. As a result, there are two different perspectives on social media landscape, the first perspective believes that brand should separate customers engagement into some stages in their social media platform which are curating stage, producing stage, commenting stage, sharing stage, and watching stage, and this this perceptive separate customers payment funnel (Owyang, 2010). While other perspective combines customers payment funnel with social media. According to (Pan & Crotts, 2012) those difference perspective is the term of pseudo-theory.
2.2. Social Media Marketing

Basically social media refer to a platform that can share user generated content and allow their user to exchange content created (Sinclaire & Vogus, 2011). According to (Rameshkumar, 2022) recently social media has become the most frequently used tools by company or even brand to reach their customers because it enables them to engage with their customers on the internet, and to add value for the community (Kaplan & Haenlein, 2010). Besides that, during the change of digital transformation tremendously, social media become useful platform that used by customer and can influence their buying decision (Rameshkumar, 2022). Customer not just observe the brand but being proactive collaborators especially in social media interaction (Hewett et al., 2016). Due to this thing, there is a shifting of marketing approaches from traditional marketing become social media marketing (Wang & Kim, 2017). Through social media marketing, there will be mutual value creation among brand and customers (Ramaswamy & Ozcan, 2018). Customers more active in becoming co-value creator through various activities such as UGC and word of mouth (WoM) (Rashid et al., 2019).

According to (Phusalux et al., 2020) WoM is one of dimension in social media marketing, and became most significant factor that affect customer behavior. (Mbura & Kagoya, 2020) added that content especially content with good quality (Varghese & Agrawal, 2021) and awareness of brand social media also significant effective in purchasing behavior especially on youth. As the result, social media marketing become essential thing for brand in promoting and influence customer buying decision (Rameshkumar, 2022).

2.3. Influence of Social Media Marketing Toward Purchased Intention

Prior literatures have widely discussed the element that support social media marketing activities. Based on (Kim & Ko, 2012)’s research entertainment (ENT), interaction (INT), trendiness (TREND), customization (CUST), and e-WOM are the element of social media marketing that have influenced customer purchased intention especially in brand that categorize as luxury. This is also supported by the research held by (Cheung et al., 2020) and (Chen & Lin, 2019). Those elements also used in airline industry to measured their social media marketing with adding perceived value (Seo & Park, 2018) where those elements give specific impact to brand image and brand equity. As we know brand with excellent image indirectly will stimulate an increase in customer’s purchased intention (Benhardy et al., 2020). (Zhafirah, 2019) found that ENT, INT, and personalization bring impact to purchased intention. This is also supported by research that conducted by (Aileen et al., 2021; Moslehpour et al., 2021; Umair Manzoor et al., 2020) Otherwise (Vidyantarika, 2022) said that ENT, INT, and CUST has no direct effect to influence purchased intention, likewise with the research conducted by (Chan et al., 2020; Emini & Zeqiri, 2021).

3. METHOD

This is quantitative non-experimental study that use primary data. Survey method is used in this study using questionnaire with Likert scale that used 146 respondents that has been using Grab Application as the sample. The objective of this study is to examine the influence of entertainment (ENT), interaction (INT), and customization (CUST) that @grabid provide toward purchased intention both simultaneously and partially.

The preliminary study that was carried out was the measuring instrument used, where the validity of each item was tested on all indicators of the research variables and the reliability test on the research variables. If the measuring instrument is declared valid and reliable, it will be continued in the next step. The next step of data analysis is using regression analysis with F test and t test to examine influence of predictor variable (ENT, INT, and CUST) toward variable respond (PI) simultaneously and partially. At the end, the result of the study is expected to give insight whether ENT, INT, and CUST has influence Purchase Intension (PI) both partially and simultaneously. Figure 1 shows the research model.
4. RESULTS AND DISCUSSION

This study is conducted to 146 respondents that have been using Grab Application where 58.20% respondents are female, the rest is male. Mostly the respondents are Z Generation (<28 years old) with percentage 62.30%, and mostly student (53.40%). Table 1 shows detail demography of the respondent.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Category</th>
<th>Total</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Female</td>
<td>85</td>
<td>58.20%</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>61</td>
<td>41.80%</td>
</tr>
<tr>
<td>Age</td>
<td>Gen Z (&lt;28 years old)</td>
<td>91</td>
<td>62.30%</td>
</tr>
<tr>
<td></td>
<td>Gen Y (28-43 years old)</td>
<td>28</td>
<td>19.20%</td>
</tr>
<tr>
<td></td>
<td>Gen X (&gt;43 years old)</td>
<td>27</td>
<td>18.50%</td>
</tr>
<tr>
<td>Occupation</td>
<td>PNS/TNI/POLRI</td>
<td>51</td>
<td>34.9%</td>
</tr>
<tr>
<td></td>
<td>Student</td>
<td>78</td>
<td>53.40%</td>
</tr>
<tr>
<td></td>
<td>Housewife</td>
<td>5</td>
<td>3.40%</td>
</tr>
<tr>
<td></td>
<td>Private sector employee</td>
<td>8</td>
<td>5.50%</td>
</tr>
<tr>
<td></td>
<td>BUMN/BUMD employees</td>
<td>1</td>
<td>0.70%</td>
</tr>
<tr>
<td></td>
<td>Freelancer</td>
<td>2</td>
<td>1.40%</td>
</tr>
<tr>
<td></td>
<td>Entrepreneur</td>
<td>1</td>
<td>0.70%</td>
</tr>
</tbody>
</table>

Source: Author data

The validity and reliability test was tested to the instrument used, where all items in each variable were valid \( (r_{count} > r_{table}) \) and all research variables were reliable (cronbach’s alpha value > 0.6).

After that, author examined and analyzed ENT, INT, CUST, and Purchased Intention using multiple linear regression with F test and t test to check the influence of ENT, INT, and CUST toward purchased intention partially and simultaneously.

Based on the results of the F test in Table 2, the calculated F results were 50.484 with a significance level 0.000 or less than 0.05. it can be concluded that entertainment (ENT), Interaction (INT), and customization (CUST) have a positive and significant influence effect on purchased intention (PI) simultaneously.

Table 2. F Test Result
Examination the Influence of Grab Indonesia Social Media Marketing toward User Purchased Intention

Furthermore, author also analyzed coefficient determination ($R^2$) to explain how much predictor variable (X) influence respond variable (Y) simultaneously. From analysis using SPSS coefficient determination is 51.60% that means ENT, INT, and CUST simultaneously can explain 51.60% influence on PI (Purchased Intention), while 48.40% is explained by other variables that is not researched.

To determine the influence of each variable ENT (X1), INT (X2), and CUST (X3) on PI (Y) partially, the results of the t test were used which were obtained from data processing using SPSS. Table 3 shows the results of the t test of ENT, INT, and CUST on PI.

Table 3. t Test Result

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized B</th>
<th>Coefficients Std. Error</th>
<th>Standardized Coefficients Beta</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>3.635</td>
<td>0.633</td>
<td>5.764</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>ENT</td>
<td>0.210</td>
<td>0.097</td>
<td>0.230</td>
<td>2.164</td>
</tr>
<tr>
<td></td>
<td>INT</td>
<td>0.212</td>
<td>0.082</td>
<td>0.262</td>
<td>2.596</td>
</tr>
<tr>
<td></td>
<td>CUST</td>
<td>0.260</td>
<td>0.094</td>
<td>0.287</td>
<td>2.780</td>
</tr>
</tbody>
</table>

Source: Analyzed data using SPSS

Based on Table 3, it is found that the calculated $t$ value for all X variables is greater than $t$ table with a significance level of less than 0.05. This shows that each variable X has a significant positive effect to influence purchased intention (Y) partially.

The author also analyzed coefficient determination of each variable X partially on purchased intention. Based on the analysis of ENT and PI, ENT and INT could explain its influence partially to PI in amount 43.60%, while CUST could explain its influence partially to PI in amount 44.60%.

Based on the result of the study it can be concluded that social media marketing in Instagram @grabid brings significant and positive impact to purchased intention on entertainment (ENT), interaction (INT), and customization (CUST) element both partially and simultaneously. This result is in accordance with research held by (Aileen et al., 2021; Moslehpour et al., 2021; Umair Manzoor et al., 2020) which stated utilizing social media marketing brings significant effect to increase purchased intention. However it is opposite with studies which stated social media marketing has not significant effect to purchase intention (Chan et al., 2020; Emini & Zeqiri, 2021; Vidyanata, 2022).

This study defines social media marketing with three elements, i.e ENT, INT, and CUST. ENT or entertainment in term of social media marketing can build pleasant feeling experienced by audience while engage with brand (Cheung et al., 2020). ENT is often associated with making brand engagement (Vidyanata, 2022), and it is influenced customer perception and can contribute to customer purchased intention (Moslehpour et al., 2021). Entertainment can be defined as fun and attractive content shared by brand on their social media (Liu et al., 2021). This research found that entertainment on Instagram @grabid play important role in influencing purchased intention, and its finding is supported prior study (Hanaysha, 2018; Yang et al., 2020; Cheung et al., 2020; Dewi et al., 2022) that said entertainment could give significant effect to customer buying behavior including purchased intention. According to this finding, authors expected brand or company can now use social media create more engaging and attractive visual content i.e photo, videos, or GIFs to keep customer hooked to them and interested in buying their products or services because entertainment has positive significant effect to purchased intention.

In other hand, INT or interaction in social media that refers to ability of brand or company to facilitate the exchange of content sharing and information to their audience through social media.
(Kim & Ko, 2012). Prior study also found that interaction in brand social media could play important role to customer purchased intention. According to (Anas et al., 2023) finding, interaction through social media successfully become an effective tool for restaurant to increase engagement among customers and sales. That is why interaction built on social media has significant positive effect on purchased intention especially brand social media’s follower. (Hanaysha, 2018; Yang et al., 2020) added that interaction on social media also has significant positive effect to customer purchased intention. Therefore, the finding of this study supports those prior findings. Related to the finding, Authors hope brand or company could use social media as media to interact to their targeted audiences through comments or direct messages section because interaction on brand social media could give significant positive effect to purchased intention.

Customization in term of marketing related to brand’s ability to provide service for customer based on their preferences (Zhafirah, 2019). (Anas et al., 2023) added customizations on social media includes content and ad campaigns tailoring that meet audience needs and preferences. Based on this study customization in @grabid Instagram has significant positive effect to purchased intention. It is supported prior study held by (Zhafirah, 2019; Aileen et al., 2021; Moslehpour et al., 2021; Umair Manzoor et al., 2020; Anas et al., 2023). According to this finding, brand or company is expected to personalized audience experience through its social media in many forms, such as personalized social media content that specifically speaks to audience preferences, customized their promotion that meet audience preferences, and planning ad campaigns that meet targeted audience needs and preferences.

Overall this study investigates the impact of social media marketing elements namely entertainment, interaction, and customization toward purchased intention partially and simultaneously, and expected to contribute on marketing literature development. Furthermore, brand or company can now more customize audience experiences through their social media, make more attractive and valuable social media content, and also more engage and build long term relationship to their audiences. Hopefully in a long run brand or company could use the power of social media to influence their social media audience purchased decision. In addition, by using social media marketing brand or company can connect with their targeted customers, increase their visibility in market, reach potential customers, generate more incomes, and at the end improve their sustainability and competitive advantage in market.

5. CONCLUSION AND SUGGESTION

CONCLUSION

This research aims to examine the effect of social media marketing of Grab Indonesia especially on their Instagram account @grabid in term of content entertaining on their social media (ENT), interaction that happened between Grab Indonesia and their customer in @grabid Instagram (INT), and how Grab Indonesia could provide service for customer based on their preferences in Instagram (CUST). Based on the analysis, all predictor variables (Variable X) namely ENT, INT, and CUST could simultaneously and partially influence PI. ENT, INT, and CUST in @grabid Instagram account simultaneously can explain 51,60% positive influence on purchased intention while 48,40% is explained by other variable that is not be researched. In other hand, partially ENT and INT that happened on @grabid Instagram account could explain its influence to PI in amount 43,60%, while CUST could explain its influence partially to PI in amount 44.60%. It is in accordance with research prior study by (Aileen et al., 2021; Moslehpour et al., 2021; Umair Manzoor et al., 2020) which stated utilizing social media marketing brings significant effect to increase purchased intention. This result is expected to give contribution on marketing literature development.

SUGGESTION

Hopefully the result of this study is expected to contribute in developing social media marketing literature, and become references for brands in developing social marketing strategy because the power of social media in a long run could give significant effect to their business sustainability. Author suggests to the one who interest in doing research with same field maybe could study other variable that can explain its influence to purchased intention, and also could make comparison the influence of ENT, INT, and CUST to PI on other platform such as Gojek, Maxim, or InDrive.

https://equity.ubb.ac.id/index.php/equity
doi 10.33019/equity.v11i1
REFERENCE


Dépêches. (2010). TripAdvisor Becomes the First Travel Brand to Break the 40 Million Unique Monthly Visitors Barrier.


https://doi.org/10.1086/222355


https://equity.ubb.ac.id/index.php/equity
doi 10.33019/equity.v11i1
Examination the Influence of Grab Indonesia Social Media Marketing toward User Purchased Intention


