

ICEBSS

international conference on
economic business and
social science

The Influence of Social Media Marketing Activities Instagram on The Purchase Intention of Ultra Milk Products

Vania Amelia¹, Riski Taufik Hidayah²

ameliavaniaa@student.telkomuniversity.ac.id¹, riskitaufik@telkomuniversity.ac.id²

School of Economics and Business Telkom University, Bandung^{1,2}

ABSTRAK

Packaged beverages, including liquid milk, are widely favored among Indonesians for their convenience and accessibility, with Ultra Milk being a notable brand. Despite a sales surge in the third quarter of 2023, Ultra Milk's standing in the Top Brand Award has declined over the past two years. To explore this trend, the author examines the impact of Instagram's Social Media Marketing Activities (SMMA) on Ultra Milk's purchase intention. This quantitative study employs structural equation modeling (SEM-PLS) analysis using SmartPLS 4.0, with 100 respondents chosen through purposive sampling based on specific criteria. Questionnaires were distributed via Google Forms. The findings reveal a positive association between SMMA and brand equity. Moreover, brand equity positively influences electronic word-of-mouth (e-WOM), which subsequently affects customer purchase intention. Additionally, SMMA has a direct impact on customers' purchase intentions. These insights shed light on the role of social media marketing in shaping consumer behavior towards Ultra Milk.

Keywords: Social Media Marketing; Brand Equity; E-WOM; Purchase Intention

INTRODUCTION

The sales of Packaged food and beverages in Indonesia are growing rapidly. According to Euromonitor International in United States Department of Agriculture (USDA) reports sales of packaged food and drinks in Indonesia have increased every year since 2018 (Nurjuman, Marie, & Priana, 2023; Waliuddin, 2023). In 2022, the growth rate reached 11.9% (year-on-year/yoy). The increase of packaged beverages in Indonesia is because besides being practical, packaged beverages are easy to obtain and do not require long process preparation or brewing of ingredients.

Liquid milk is one of the packaged beverages most frequently consumed in Indonesia (Sanjaya & Sadono, 2022; Tseng, Sujanto, Iranmanesh, Tan, & Chiu, 2020; Willcox et al., 2021). The results of a survey by Jajak Pendapat (JakPat) on trendy drinks show that milk is the most preferred form of packaged beverage in Indonesia. The transactional for drinking milk products in Indonesia increased to 7.1% in 2022 (Euromonitor International, USDA report, 2023). According to *Badan Pusat Statistik (BPS)* reports fresh milk production in Indonesia will reach 968,980 tonnes in 2022. This number is up 2.38% compared to the previous year (year-on-year/yoy) of 946,388 tonnes (Aisyah & Handriyotopo, 2024).

Ultrajaya Milk is a local brand that was founded in 1950 and pioneered the use of Ultra High Temperature (UHT) processing technology in Indonesia. Ultra Milk utilizes

social media for marketing purposes. Social media marketing is the strategic use of social media platforms by enterprises or corporations to accomplish marketing objectives (Maria et al., 2022; Oscarius Yudhi Ari Wijaya et al., 2021). Social media marketing strategies can be implemented across various social media platforms, one of which is Instagram (Ares et al., 2023; da Silva et al., 2021).

Social media marketing is a rapidly growing channel with the potential to enhance brand recognition (Zarei, Farjoo, & Bagheri Garabollagh, 2022). Social media marketing is conducted to enhance brand awareness and brand image (Adriana & Widodo, 2019) In research conducted by (Rabianti & Rachmawati, 2021) it is known that marketing activities through social media marketing have a positive effect on brand equity. Brand equity becomes increasingly crucial in a market with strong competition, particularly for comparable items, making it difficult for companies to survive (Zia, Younus, & Mirza, 2021) Social media marketing utilizing captivating and distinctive content can impact brand equity by making it memorable to consumers as a distinct attribute that sets the brand apart from others (Seo & Park, 2018).

Based on previous researchers, the results of studies conducted (Seo & Park, 2018), found that brand equity can enhance positive Word of Mouth (WOM). Electronic Word of Mouth (e-WOM) is a powerful marketing tool nowadays since consumers research information uploaded by previous users before purchasing a product or service (Seo & Park, 2018). Sharing information through electronic word of mouth (E-WOM) on social media has a positive effect on purchase intention (Sulthana and Vasantha 2019).

According to the company's financial report, Ultrajaya's net sales increased by 7.75% year on year to IDR 6.12 trillion in the third quarter of 2023, up from IDR 5.68 trillion in the corresponding period last year. Despite Ultrajaya Milk's positive performance in sales, Ultra Milk's performance has declined according to the Top Brand Award. According to (Top Brand Awards, 2024), Ultra Milk ranks have decreased in 2 past years in the category of ready-to-drink liquid milk with a rate of 36.00 percent in 2022, 2023 it will be 31,70 percent, and in 2024 it will be 21,20 percent. This is in contrast with the previous researchers. The results of studies conducted (Aji, Nadhila, & Sanny, 2020), found that Social Media Marketing Activity (SMMA) has a positive impact on brand equity. Furthermore, brand equity positively impacted e-WOM, and e-WOM positively influenced customer purchase intention. Lastly, Social Media Marketing Activity (SMMA) showed a direct impact on customers' purchase intentions. The success of a brand in selling its products to consumers cannot be separated from marketing activities on social media, because social media marketing can have a big impact on product sales (Rabianti & Rachmawati, 2021).

This study seeks to evaluate the influence of Ultra Milk's Social Media Marketing Activity on both brand equity and purchase intention. It aims to explore how brand equity affects electronic word-of-mouth (e-WOM) and subsequently influences purchase intention. The research is structured around four key objectives, as indicated by the aforementioned occurrences. These objectives include comprehending the effect of social media marketing activities on Ultra Milk's purchase intent and brand equity, as well as understanding how brand equity impacts e-WOM and how e-WOM, in turn, affects purchase intention concerning Ultra Milk.

(Aji et al., 2020) report that SMMA has positive effects on brand equity. This is

consistent with the results of a study by (Rabianti et al., 2021) that social marketing activities have a positive effect on brand equity. (Akgun, 2020) researched the Impact of SMMA on Brand Equity, Customer Response, and purchase Intention on Fast Fashion Brands results have shown that social media marketing activities have a significant effect on brand equity. Then a hypothesis can be formulated as follows:

H₁: SMMA has a positive influence on Brand Equity.

According to previous researchers, the results of studies conducted by (Al Hakim & Zuliestiana, 2022), found that EWOM can increase brand equity. The result of research by (Prasetio, Rahman, Sary, Pasaribu, & Sutjipto, 2022) also reveals that brand awareness and brand image have significant positive effects on E-WOM. Then a hypothesis can be formulated as follows:

H₂: Brand Equity has a positive influence on E-WOM

(Sulthana & Vasantha, 2019), found that E-WOM influences people to buy the product or services from the various referrals shared on social media. Social media E WOM influence on purchase intention among social media users. (Kala & Chaubey, 2018) the authors concluded that marketers should use E-WOM to improve brand popularity, which will influence consumers to purchase. With the expansion of the internet, customers engage with one another, resulting in electronic word of mouth regarding products or services. E-WOM communications are the quickest and easiest way to build brand image and affect purchase intention. Then a hypothesis can be formulated as follows:

H₃: E-WOM has a positive influence on Purchase Intention

(Galdeano, Fati, Ogalo, & Abro, 2019), found that social media has a significant impact on boosting individual purchase intentions. The result of research by (AKGÜN, 2020), shows that the effect of social media marketing activities on purchase intention was positive and significant. This is consistent with the results of a study by (Winarno & Indrawati, 2022), that social media marketing has a positive and significant relationship with purchase intention. Then a hypothesis can be formulated as follows:

H₄: Social Media Marketing Activity has a positive influence on Purchase Intention

MATERIALS AND METHODS

This study uses non-probability sampling approaches with a purposive sampling method. The author determines several characteristics of respondents in this study they are Instagram users, people who have the intention of buying Ultra Milk products, and people who have seen content (feed/reels/stories/ads) on Ultra Milk Instagram social media (@mymilk_id). The data analysis method uses structural equation modeling (SEM PLS) analysis techniques which are processed using SmartPLS 4.0 with a total of 100 respondents by distributing online using Google Forms. The scale in this measurement uses a Likert.

RESULTS AND DISCUSSION

Descriptive Analysis

The descriptive analysis conducted in this research revealed that respondents rated the variable of brand equity highest, at 84.12%, falling into the very high category compared to other variables. Social media marketing activities obtained a score of 79.26%, categorized as high. The e-WOM variable scored 77.42%, also falling into the

high category. On the other hand, the variable of purchase intention received the lowest rating, with a score of 73.35%. Despite being the lowest, respondents still categorized their assessment of purchase intention as high. This suggests that respondents in this study exhibit relatively lower purchase intention through this variable.

Test Result:

In Partial Least Squares Structural Equation Modeling (PLS-SEM), two models are subject to testing. Initially, the outer model is examined, assessing parameters such as convergent validity, Average Variance Extracted (AVE), discriminant validity, composite reliability, and Cronbach's alpha. Subsequently, the inner model, comprising the structural model, is evaluated. This involves analyzing the R-squared value for the dependent construct and assessing the path coefficient value or the t-value for each path to determine the significance between constructs. In the inner model, the path coefficient score, represented by the t-statistic value, is expected to exceed 1.96 for the two-tailed hypothesis.

The Outer Model

Following are the results of the outer model of this study:

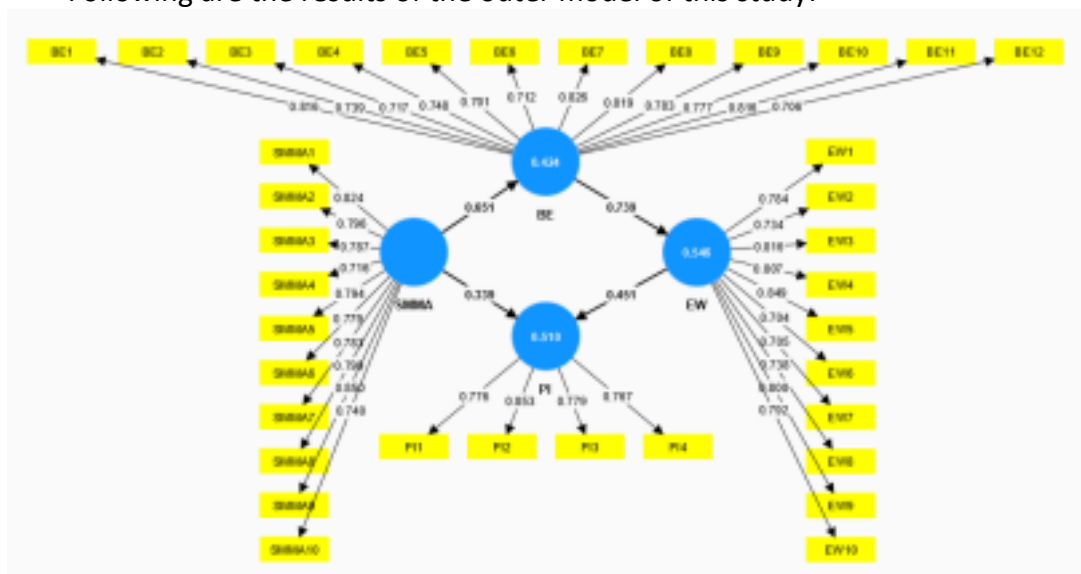


Figure 2
Model Partial Last Square

Table. 1 Convergent Validity

Variable	Indicator	Factor Loading	Standard	Infor matin
Social Media Marketin g Activities	SMMA1	0.824	>0,70	Valid
	SMMA2	0.796	>0,70	Valid
	SMMA3	0.787	>0,70	Valid

			SMMA4 0.716 >0,70 Valid	
	SMMA5	0.794	>0,70	Valid
	SMMA6	0.779	>0,70	Valid
	SMMA7	0.783	>0,70	Valid
	SMMA8	0.799	>0,70	Valid
	SMMA9	0.850	>0,70	Valid
	SMMA10	0.740	>0,70	Valid
Brand Equity	BE1	0.816	>0,70	Valid
	BE2	0.739	>0,70	Valid
	BE3	0.717	>0,70	Valid
	BE4	0.748	>0,70	Valid
	BE5	0.701	>0,70	Valid
	BE6	0.712	>0,70	Valid
	BE7	0.826	>0,70	Valid
	BE8	0.819	>0,70	Valid
	BE9	0.783	>0,70	Valid
	BE10	0.777	>0,70	Valid
	BE11	0.816	>0,70	Valid
	BE12	0.706	>0,70	Valid
E-WOM	EW1	0.784	>0,70	Valid
	EW2	0.734	>0,70	Valid
	EW3	0.816	>0,70	Valid
	EW4	0.807	>0,70	Valid

	EW5	0.849	>0,70	Valid
	EW6	0.704	>0,70	Valid
	EW7	0.705	>0,70	Valid
	EW8	0.738	>0,70	Valid
	EW9	0.800	>0,70	Valid
	EW10	0.792	>0,70	Valid
Purchase Intention	PI1	0.776	>0,70	Valid
	PI2	0.853	>0,70	Valid
	PI3	0.779	>0,70	Valid
	PI4	0.767	>0,70	Valid

The table above illustrates the strength of the association between variables and their respective indicators. The loading factor values are derived from the SmartPLS algorithm results. The analysis of convergent validity between variables indicates that all 36 indicators examined are valid. This is evident from the loading factor values, all of which exceed 0.70.

Table. 2 Average Variance Extracted (AVE)

Variable	Average Variance Extracted (AVE)
SMMA	0.620
BE	0.585
EW	0.600
PI	0.632

The table displays the AVE results for each item. Across all items, the values exceeded 0.50. This indicates that these items are both valid and reliable, meeting the criteria necessary for further analysis.

Table. 3 Discriminant Validity Result

	SMMA	Brand Equity	E-WOM	Purchase Intention
SMMA1	0.824	0.658	0.563	0.556
SMMA2	0.796	0.477	0.413	0.483
SMMA3	0.787	0.507	0.462	0.487
SMMA4	0.716	0.412	0.446	0.504
SMMA5	0.794	0.552	0.484	0.471
SMMA6	0.779	0.500	0.494	0.398
SMMA7	0.783	0.536	0.482	0.515
SMMA8	0.799	0.463	0.527	0.518
SMMA9	0.850	0.506	0.584	0.572
SMMA10	0.740	0.481	0.444	0.350
BE1	0.500	0.816	0.537	0.413
BE2	0.408	0.739	0.480	0.383
BE3	0.535	0.717	0.464	0.450
BE4	0.488	0.748	0.499	0.224
BE5	0.425	0.701	0.497	0.270
BE6	0.456	0.712	0.464	0.296
BE7	0.569	0.826	0.660	0.483
BE8	0.579	0.819	0.714	0.520
BE9	0.531	0.783	0.674	0.455
BE10	0.521	0.777	0.550	0.327
BE11	0.561	0.816	0.654	0.471
BE12	0.327	0.706	0.485	0.277

EW1	0.438	0.639	0.784	0.462
EW2	0.493	0.430	0.734	0.613
EW3	0.550	0.629	0.816	0.542
EW4	0.471	0.585	0.807	0.590
EW5	0.534	0.625	0.849	0.613
EW6	0.353	0.478	0.704	0.422
EW7	0.364	0.548	0.705	0.473
EW8	0.471	0.521	0.738	0.409
EW9	0.541	0.599	0.800	0.451
EW10	0.594	0.637	0.792	0.528
PI1	0.534	0.273	0.377	0.776
PI2	0.546	0.336	0.460	0.853
PI3	0.419	0.378	0.542	0.779
PI4	0.479	0.578	0.681	0.767

From the table above, it can be concluded that if the loading factor of each indicator (in bold) is greater than the other variables, it is said that discriminate validity has been met.

Table. 4 Cronbach's Alpha and Composite Reability Test

	Cronbach's Alpha	Composite Reliability
SMMA	0.932	0.935
BE	0.935	0.941
EW	0.925	0.929
PI	0.806	0.811

The table indicates that both Cronbach's alpha and composite reliability values surpass the recommended threshold of 0.7. Thus, it can be inferred that the measurement model exhibits commendable reliability.

The Inner Model

Table. 5 R-Square endogen Variable result

Endogen Variable	R-Square
Brand Equity	0.418
E-WOM	0.541
Purchase Intention	0.500

The table reveals that the purchase intention variable has an R-Square value of 0.500. This indicates that 50% of the variability in purchase intention can be explained by the variables of social media marketing activities (SMMA), brand equity (0.418, representing 41.8% in the moderate category), and electronic word of mouth (E-WOM) (0.541, representing 54.1% in the moderate category). Finally, purchase intention itself is recorded at 0.500, also classified as moderate, signifying a 50% influence from the aforementioned variables.

Table. 6 Hypothesis Testing

Hypothesis	Path Coefficient	T-Statistic	T-Table	P Values
SMMA -> BE	0.651	10.569	1,966	0.000
BE -> EW	0.739	20.258	1,966	0.000
EW -> PI	0.451	5.282	1,966	0.000
SMMA -> PI	0.339	3.577	1,966	0.000

Table 6 summarizes the results of hypothesis testing, where the t-statistics are compared with the critical t-value (1.966) at a significance level of 0.05. Consequently, certain hypotheses are accepted.

This study delved into the interplay among social media marketing activities, brand equity, electronic word-of-mouth (E-WOM), and purchase intention. The findings suggest that social media marketing activities play a pivotal role in stimulating consumer purchase intention. It was discovered that consumers' purchase intentions can indeed be influenced by social media marketing endeavors. This corroborates earlier studies by Akbar et al. (2022) and Rabianti et al. (2020), which assert that social media marketing activities exert a significant influence on purchase intention and contribute directly to sales growth.

Furthermore, the study indicates a substantial impact of social media marketing on brand equity. This finding aligns with prior research, which highlights the positive effects of social media marketing activities on brand equity. Specifically, marketing activities on platforms like Instagram can bolster brand equity by fostering a favorable

impression and image.

The study's results indicate that brand equity has a significant impact on E-WOM, and E-WOM has a positive influence on Purchase Intention. The findings of this study correlate with previous studies by (Aji et al., 2020), indicating that Brand Equity has a significant impact on E-WOM. Strong companies can attract people to share electronic word-of-mouth messages, which can impact other consumers who then make purchasing decisions based on the information. Enhancing the interactivity of social media platforms allows users to contribute their expertise on brand products or services more flexibly, facilitating the rapid and extensive dissemination of information. In addition, the increasing trend in the use of social media in Indonesia can also have an impact on increasing consumer purchase intentions.

CONCLUSION

The study's findings indicate that social media marketing activities exert a significant impact on brand equity. Moreover, they confirm the notable influence of brand equity on electronic word-of-mouth (e-WOM), suggesting that strong brand equity can serve as a catalyst for increased e-WOM. This phenomenon occurs as consumers share information about a brand's products or services to sway and inspire the purchasing decisions of others. The study underscores that social media marketing initiatives directly affect purchase intention, consequently driving sales growth. Given these insights, it is imperative for Ultra Milk and similar businesses to prioritize social media marketing efforts. By doing so, they can augment and fortify their brand equity. Therefore, crafting a marketing plan for Ultra Milk and analogous enterprises necessitates the integration of specific strategies tailored for social media platforms. This strategic approach is vital for enhancing long-term profitability and bolstering brand equity.

BIBLIOGRAPHY

- Adriana, Intan Lestari, & Widodo, Teguh. (2019). Peran brand awareness dan brand image dalam memediasi pengaruh social media marketing activity terhadap e-wom dan komitmen pelanggan Tokopedia. *EProceedings of Management*, 6(2).
- Aisyah, Chairini, & Handriyotopo, Handriyotopo. (2024). Visual Rhetoric of Ultra Milk X ITZY Advertisement on Youtube Media. *Eduvest-Journal of Universal Studies*, 4(3), 1294–1309.
- Aji, Prasetyo, Nadhila, Vanessa, & Sanny, Lim. (2020). Effect of social media marketing on Instagram towards purchase intention: Evidence from Indonesia's ready-to-drink tea industry. *International Journal of Data and Network Science*, 4(2), 91–104.
- AKGÜN, Zuhail. (2020). The Impact of Social Media Marketing Activities on Brand Equity, Customer Response and Purchase Intention: A Research on Fast Fashion Brands. *Business & Management Studies: An International Journal*, 8(5), 4211.
- Al Hakim, Selsabilla, & Zuliestiana, Dinda Amanda. (2022). Influence of Social Media Marketing Activity Instagram Towards Purchase Intention in Le Bliss Bouquet Cirebon. *Quantitative Economics and Management Studies*, 3(3), 417–425.
- Ares, Gastón, Natero, Virginia, Gugliucci, Vanessa, Machín, Leandro, Alcaire, Florencia, de León, Carolina, & Otterbring, Tobias. (2023). Health-Washing of Ultraprocessed Products

- on Instagram: Prevalence and Strategies in an Emerging Market. *Journal of Nutrition Education and Behavior*, 55(11), 815–822.
- da Silva, Jéssica Moreira, Rodrigues, Michele Bittencourt, de Paula Matos, Juliana, Mais, Lais Amaral, Martins, Ana Paula Bortoletto, Claro, Rafael Moreira, & Horta, Paula Martins. (2021). Use of persuasive strategies in food advertising on television and on social media in Brazil. *Preventive Medicine Reports*, 24, 101520.
- Galdeano, Dulcenombre Madrid, Fati, Meryem, Ogalo, Habil Slade, & Abro, Zahida. (2019). Social media and purchase intention: Findings for future empirical directions. *Humanities & Social Sciences*, 7(4), 141–150.
- Kala, Devkant, & Chaubey, D. S. (2018). The effect of eWOM communication on brand image and purchase intention towards lifestyle products in India. *International Journal of Services, Economics and Management*, 9(2), 143–157.
- Maria, Amanda, Coelho, Silva, dos Santos Filho, Antônio Lopes, Xavier, Márcia Rejane, Araújo, Jevency Jesus de Moura Santos, Mesquita, Clara Luiza Alencar, de Andrade, José Vitor Barros, Torres, Pedro Henrique Duarte Trajano, & dos Santos Leonda, Andrya Lorrany. (2022). Prevenção da gravidez na adolescência na escola técnica estadual Pedro Muniz Falcão: Prevention of pregnancy in adolescence at the state technical school Pedro Muniz Falcão. *Brazilian Journal of Development*, 58667–58675.
- Nurjuman, Husnan, Marie, Andhalia Liza, & Priana, Ronny Yudhi Septa. (2023). The Effectiveness Of Sales Promotion And Service Quality On Customer Satisfaction Of Flash Coffee Indonesia. *Jurnal Scientia*, 12(02), 1973–1982.
- Oscarius Yudhi Ari Wijaya, Agus Purwanto, Sulistiyani, Sulistiyani, Pudjowati, Juliani, Kartikawati, Theresia Siwi, Kurniasih, Ninik, & Purwanto, Agus. (2021). The role of social media marketing, entertainment, customization, trendiness, interaction and word-of-mouth on purchase intention: An empirical study from Indonesian smartphone consumers. *International Journal of Data and Network Science*, 5(3), 231–238.
- Prasetio, Adhi, Rahman, D., Sary, F., Pasaribu, R., & Sutjipto, Moh. (2022). The role of Instagram social media marketing activities and brand equity towards airlines customer response. *International Journal of Data and Network Science*, 6(4), 1195–1200.
- Rabianti, Debbyla, & Rachmawati, Indira. (2021). Pengaruh Social Media Marketing Activity Instagram Terhadap Purchase Intention Di Morgy Coffee. *EProceedings of Management*, 8(6).
- Sanjaya, Muhammad Ryan, & Sadono, Endiarjati Dewandaru. (2022). Consumption Patterns of Sugar-Sweetened Beverages in Indonesia. *Southeast Asian Journal of Economics*, 10(2), 181–208.
- Seo, Eun Ju, & Park, Jin Woo. (2018). A study on the effects of social media marketing activities on brand equity and customer response in the airline industry. *Journal of Air Transport Management*, 66, 36–41.
- Sulthana, A. Navitha, & Vasantha, S. (2019). Influence of electronic word of mouth eWOM on purchase intention. *International Journal of Scientific and Technology Research*, 8(10), 1–5.
- Tseng, Ming Lang, Sujanto, Raditia Yudistira, Iranmanesh, Mohammad, Tan, Kimhua, & Chiu, Anthony S. F. (2020). Sustainable packaged food and beverage consumption transition in Indonesia: Persuasive communication to affect consumer behavior. *Resources, Conservation and Recycling*, 161, 104933.
- Waliuddin, Achmad Nauval. (2023). Analysis of Business Strategy Implementation and

- Consumer Behavior In Purchase and Its Relationship To Company Value At CV. Homie Indonesia. *Jurnal Indonesia Sosial Sains*, 4(03), 261–275.
- Willcox, J. C., Februhartanty, Judhiastuty, Satheannoppakao, Warapone, Hutchinson, Carol, Itsiopoulos, Catherine, & Worsley, Anthony. (2021). Commercial growing up milks: usage frequency and associated child and demographic factors across four Asia Pacific countries. *Journal of Human Nutrition and Dietetics*, 34(3), 524–533.
- Winarno, Kania Oktaviana, & Indrawati, Indrawati. (2022). Impact of Social Media Marketing and Electronic Word of Mouth (E-Wom) on Purchase Intention. *Jurnal Aplikasi Manajemen*, 20(3), 668–683.
- Zarei, Azim, Farjoo, Hamta, & Bagheri Garabollagh, Hooshmand. (2022). How social media marketing activities (SMMAAs) and brand equity affect the customer's response: Does overall flow moderate it? *Journal of Internet Commerce*, 21(2), 160–182.
- Zia, Anas, Younus, Sohail, & Mirza, Farhan. (2021). Investigating the impact of brand image and brand loyalty on brand equity: the mediating role of brand awareness. *International Journal of Innovation, Creativity and Change*, 15(2), 1091–1106.