

# Effect of Customer Bonding and Social Media Marketing on Purchase Intention of SMEs Product

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## **Abstract**

This study aims to determine the effect of customer bonding and social media marketing on the purchase intention of SMEs products. The sample of respondents in this study were all consumers of SMEs products, totaling 350 people. Determination of the sample using simple random sampling method. Data analysis using path analysis or (path analysis). Analysis of research data using Structural Equation Modeling (SEM) with software tools SmartPLS 3.0. Data was obtained by distributing online questionnaires distributed through social media. The results of the analysis show that the social media marketing variable has a positive and significant effect on purchase intention. Social media marketing has a positive and significant effect on customer bonding. Customer bonding has a positive effect and significant to purchase intention.

Keywords: Customer Bonding, Social Media Marketing, Purchase Intention, SMEs Product

## **Introduction**

In order to remain able to survive in this difficult situation, SME players must carry out various business innovations, one of which is by strengthening sales and marketing channels through the use of digital media, such as: websites, social media, digital images and videos, and digital audio. According to Wijayaa et al. (2021) one of the most widely used digital media by SMEs for their business activities is social media. Besides being easy to operate, the use of social media for business and marketing activities is cheaper because SMEs do not have to bother to build and develop them themselves. In addition, this social media has become a trend in marketing communications. These social media users can easily communicate, participate, and create media content online. For SMEs who can access online and engage in social media, such as Instagram, Facebook, Twitter, Whatsapp, Youtube, and Telegram, and are able to develop their e-commerce capabilities, they have better business advantages compared to those who are not. Developing marketing by utilizing digital media, especially social media, is a challenge for SMEs to survive in the midst of competition and this pandemic. Although many SMEs are developing their business by utilizing social media, in reality there are still many SMEs who have not used it. They generally still maintain their traditional marketing activities by marketing them directly to consumers and these SME actors usually come from parents who do not have knowledge of online marketing.

According to Syahril et al. (2022); Savitri et al. (2022); Wijayaa et al. (2021) Many business benefits can be obtained by SMEs by utilizing digital marketing through social media. In addition to introducing brands, communicating and interacting with potential customers, suppliers and even competitors

efficiently, SME players will ultimately improve marketing so as to increase competitive advantage for SMEs themselves.

According to Cheng et al. (2021); Eti et al. (2021); Erlangga, H. (2021) social media marketing as a process to get website traffic or mass attention through available social media. Meanwhile, according to Khiong et al. (2022) social media can also be used to encourage a consumer to express his opinion on the product or service offered, and publish his opinion on social networks on the internet, which in turn can increase the knowledge of consumers who read the comments or opinions of that person on the market and goods or services offered. Customer bonding according to Haudi et al. (2022); Khiong et al. (2022) is a process in which marketers try to build or maintain customer trust so that each other is mutually beneficial in the relationship, because building relationships with customers is not an easy thing. According to Erlangga (2021); Fahmi et al. (2022) that a relationship consists of a series of episodes that occur between two parties within a certain time span. According to Harrigan et al. (2021); Haudi et al. (2022); Khiong et al. (2022) customer bonding is "all marketing activities to bind customers that the product offered or consumed is the only solution that the customer needs so that the customer does not move to another product. According to Harrigan et al. (2021); Haudi et al. (2022); Khiong et al. (2022) to achieve, retain and grow customers is to create customer relationship management, which is the whole process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction, satisfied customers will become loyal customers and provide a greater share of business.

### ***Method***

The sample of respondents in this study were all consumers of SMEs products, totaling 350 people. Determination of the sample using simple random sampling method. Data analysis using path analysis or (path analysis). Analysis of research data using Structural Equation Modeling (SEM) with software tools SmartPLS 3.0. Data was obtained by distributing online questionnaires distributed through social media. The research variables are divided into independent variables, namely social media marketing, mediating variables, namely customer bonding and the dependent variable, namely purchase intention. Data collection was done by using an online questionnaire. To measure respondents' perceptions of the measured variables then used a Likert scale with five answer choices consisting of very Agree is given a score of 5, the answer is agree is given a score of 4, the answer is not agree is given a score of 3, the answer is disagree was given a score of 2, and the answer strongly disagree was given a score of 1.

The hypotheses that have been proposed (H1, H2, an H3) are used path analysis.

H1: social media marketing has a positive and significant effect on purchase intention

H2: social media marketing has a positive and significant effect on customers bonding

H3: customer bonding has a positive and significant effect on purchase intention

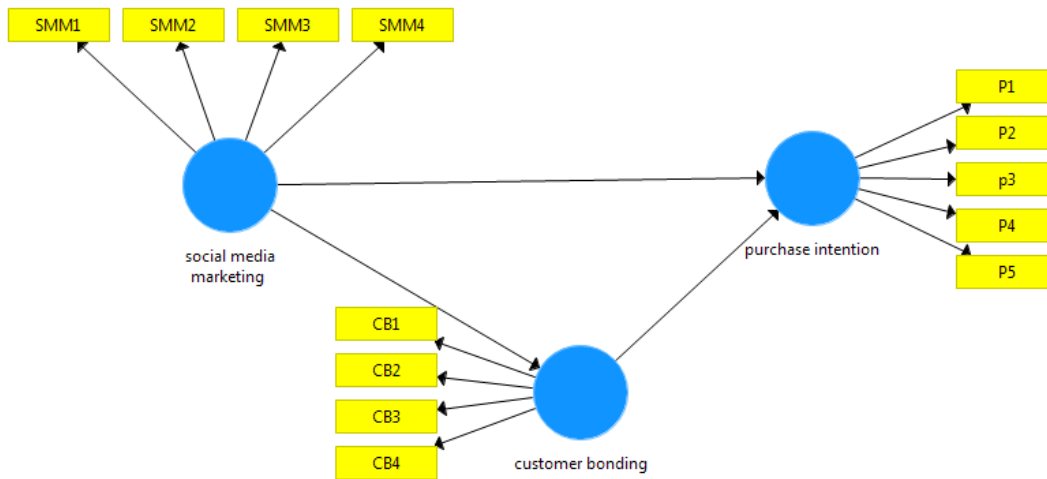


Fig 1. Research Framework

## Result and Discussion

Testing the validity and reliability of each variable indicator of social media marketing, customer bonding, and purchase intention as an instrument obtained from the answers to the questionnaire is very important to do to obtain valid research results and reliable.

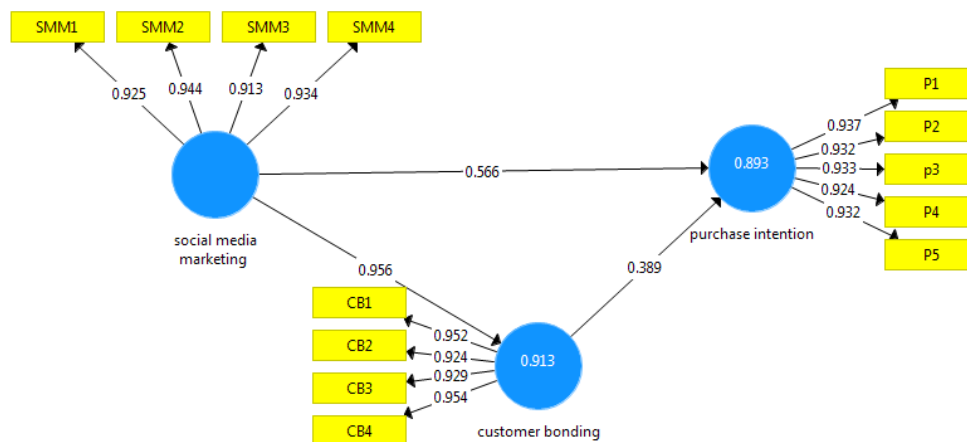


Fig 2. Validity and Reliability Testing

Testing the validity of reflective indicators uses the correlation between item scores and construct scores. Measurements with reflective indicators indicate a change in an indicator in a construct if other indicators in the same construct change (or are removed from the model). Reflective indicators are suitable for measuring perception so that this study uses reflective indicators. The results of the analysis show that the loading factor gives a value above the recommended value of 0.5. It means that the indicators used in this study are valid or have met convergent validity

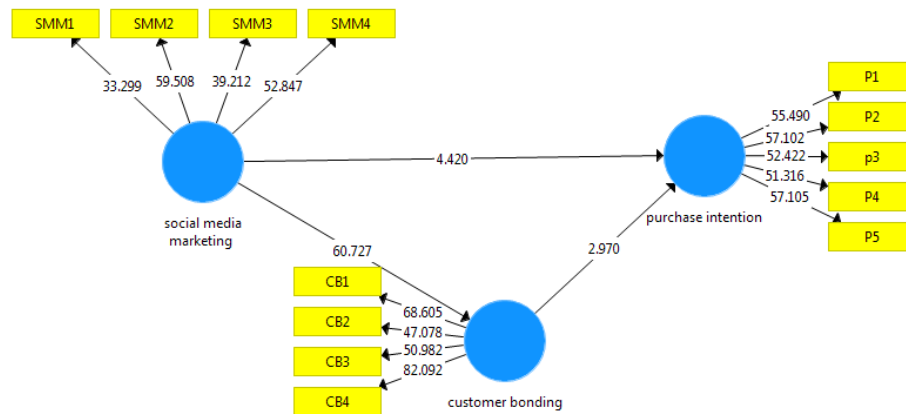


Fig 2. Hypothesis Testing

### Effect of Social Media Marketing on Purchase Intention

Based on the empirical test results for the social media marketing variable that has a significant effect on purchase intention, it can be seen from the tcount value of 4.420 > ttable of 1.96 and the research significance level of 0.000 < 0.05, so that H0 is rejected and H1 is accepted. In other words, social media marketing has a positive and significant effect on purchase intention in SMEs. This study is in line with research According to Majeed et al. (2021); Moslehpour et al. (2021); Onofrei et al. (2022) which states that social media marketing has a positive and significant influence on purchase intentions. Social media marketing implemented by SMEs can be used to encourage consumers to express their opinion on the products offered, such as the disadvantages and advantages of the product after being used by consumers, so that SMEs can use these opinions as criticism and suggestions to make products that are more in line with consumer desires so that consumer interest in buying products can increase further.

### The Effect of Social Media Marketing on Customer Bonding

Based on the results of empirical tests for social media marketing variables have a significant effect on customer bonding seen from the tcount value of 60.727 > ttable of 1.96 and the research significance level is 0.000 < 0.05, so H0 is rejected and H2 is accepted, In other words, social media marketing has a positive and significant effect on customers bonding SMEs This research is in line with research According to Majeed et al. (2021); Moslehpour et al. (2021); Onofrei et al. (2022) which states that social media marketing has a positive and significant effect on customer bonding. Communication formed from social media SMEs can improve relationships with consumers. Where consumers feel more communication good and questions and information about products that are usually difficult to obtain become easier by building good relationships with consumers through social media.

### The Effect of Customer Bonding on Purchase Intention

Based on the results of empirical tests for the variable customer bonding has a significant effect on purchase intention, it can be seen from the tcount value of 2,970 > ttable of 1,96 and the level of The significance of the research is 0.021 < 0.05, so H0 is rejected and H3 is accepted, in other words, customer bonding has a positive and significant effect on purchase intention of SMEs This study is in line with the results of research According to Purwanto et al. (2022); Renwarin (2021) which states customer bonding has a positive and significant influence on purchase intentions. Good relationship

between SMEs and consumers make consumers feel cared for, by providing information about new products and products that are currently on discount, it makes consumers more interested and increases their buying interest in SMEs products.

One of the advantages of social media is that it has a lot of potential to be used in a business. Its use in business, social media is used as a business communication tool, helping to market products and services, communicating with customers and suppliers, introducing brands, reducing costs and for online sales needs. Some examples of social media that are currently developing are Instagram, Facebook, Twitter, MySpace, Youtube, Instagram, WhatsApp, Tiktok, and others. SMEs, as business entities, should be able to forge themselves following technological developments, such as in the field of marketing using social media. Communication that can be done through social media by SMEs to their customers has a big impact on being able to gain greater market access. For consumers, the amount of product choice information that is spread on the internet due to increasingly free business competition has increased awareness to be able to choose the products they want. If SMEs do not fix their strategy in offering products for business advancement, SMEs will be threatened with bankruptcy.

Based on the results of the research conducted, it can be concluded that SME actors who are research respondents have used social media in marketing their products. The existence of various restrictions due to the Covid-19 pandemic, makes SME players try to maximize marketing using social media so that they can survive and compete. In marketing using social media, SMEs prefer to combine messenger and social media. Instagram is the social media platform that is most in demand by SMEs to support the marketing of their products because of the various advantages it has. Meanwhile, there are still a few SME respondents who use the marketplace as their marketing medium. Some of the challenges and obstacles faced by MSME actors related to marketing through social media were found due to internal factors related to the low quality of human resources to manage marketing with social media and external factors related to internet access infrastructure that were still not evenly distributed between SMEs. with consumers makes consumers feel cared for, by providing information about new products and products that are currently discounted makes consumers more interested and increases buying interest in SMEs products

### **Conclusion**

The results of the analysis show that the social media marketing variable has a positive and significant effect on purchase intention. Social media marketing has a positive and significant effect on customer bonding. Customer bonding has a positive and significant effect on purchase intention. With regard to purchase intention, SMEs consumers still have low interest in referring SMEs products to their friends. So it is recommended for SMEs to further increase promotions and provide feedback to consumers who participate in promoting distribution products such as provide cheaper prices, so that consumers are more enthusiastic to refer distribution products to their colleagues and families. Related to social media marketing, there are still consumers who feel that the information about products submitted by SMEs on social media is still incomplete. So it is recommended to SMEs in posting products to be accompanied by complete information such as the availability of sizes, colors, large quantities of stock and others. Regarding customer bonding, consumers feel that SMEs employees are still unable to provide complete information to consumers regarding discounted products, so SMEs are advised to direct their employees to provide information to consumers. every consumer who comes about programs from distributions such as discount programs and others so that consumers can find out more about existing discount programs and can increase sales. For further researchers, it is hoped that they can examine other variables that can

affect purchase intention such as price, product quality, and others as well as adding research samples, so as to get more complete research results and more accurate data.

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