

The Effect of Social Media Marketing on Brand Trust and Customer Loyalty of S Coffee Shop in Indonesia during Pandemic

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Abstract. Consumers' attitude toward brand has changed since pandemic COVID-19. On the other hand, brands need to adapt so that they can obtain trust and keep the customers loyal to them. The purpose of this study is to determine whether social media marketing using Instagram platform and brand trust can influence S Coffee Indonesia customer loyalty during COVID-19 pandemic, either partially or simultaneously. The research used quantitative approach through the survey method. The respondents for this study were the followers of S Coffee Indonesia Instagram account who have purchased S Coffee products more than three times during the pandemic. The questionnaires were distributed online via google form. The data were analyzed using IBM SPSS program. The result of showed that social media marketing and brand trust have significant and positive influence on consumer loyalty at S Coffee Indonesia during the pandemic, either partially or simultaneously.

1 Introduction

The COVID-19 pandemic has weakened economic activity and decreased economic growth. The closing up of malls during the large-scale social restriction was one of the factors. The Stay at Home (SAH) and Work from Home (WFH) policies have limited the mobility of people. Before the pandemic, going to coffee shops was part of city lifestyle, especially for the millennial generation. However, since the pandemic, health has been a top priority. People didn't leave the house unless necessary. It gave a huge impact on buying and selling transactions at the coffee shops such as S Coffee Indonesia. PT Mitra Adiperkasa Tbk (MAP) announced that they have experienced losses amounted to 455 billion rupiah since the first quarter of 2020 compared to same quarter in 2019 (before the COVID-19 pandemic) [1] even though they serve online sales and carry out promotions on social media.

Social media marketing as a marketing strategy that is often used by businesspeople to establish online relationships with consumers via the internet. [2]. S Coffee also uses social media marketing as a promotional strategy through the Instagram platform. Social media has an important role to influence consumers to buy products. Gordon stated that social media as an online platform allows consumers to create various content, communicate with each other, and build relationships with other consumers, because social media can affect consumer loyalty [3]

The pandemic has also changed consumers' attitude toward brand. Consumers prefer to buy product they can trust. A survey conducted by Edelman on the critical role brands are expected to play during the coronavirus

pandemic showed that Sixty percent of respondents said that they are turning to brands that they absolutely can trust. Sixty-five percent of respondents said that a brand's response in the crisis will have a huge impact on their likelihood of purchasing it in the future. Brand trust is basically consumer confidence in the products of a brand or company. It is very important for companies to create a brand that has good enough value to be trusted. Trust can be used to measure the scale of consumer liking for a brand [4].

Trust is an important factor of any long-term relationship. Customer loyalty is a consequence of brand trust. Trust has always been an important element in influencing consumer behaviour. The customer is very likely to repurchase and even spread good word of mouth about the company. Consumers have varying degrees of loyalty to specific brands, stores, and companies. A highly satisfied customer generally stays loyal longer, buys more as the company introduces new and upgraded products, talks favourably to others about the company and its products, pays less attention to competing brands and is less sensitive to price [5]. Consumer loyalty or loyalty to a brand cannot be separated from consumer confidence in the products they consume [6]. If consumers have become loyal customers of a brand, then the brand will benefit every time the consumer makes a repeat purchase.

The pandemic situation has an impact on consumer activities. The community's main priority during the pandemic is health. Consumers are increasingly paying attention and maintaining cleanliness. Compared to ordering drinks or food from outside, people tend to make or cook their own food because they are more

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assured of the quality and cleanliness of their food and drink.

S Coffee Indonesia must be able to guarantee and convince consumers that their products have guaranteed quality and cleanliness in accordance with health protocols so that they can get consumers trust and loyalty. To achieve that trust, S Coffee Indonesia engages with customers through social media Instagram. S Coffee inform audiences about its activities and concerns during pandemic situations. Once the customers are convinced and feel satisfied with a brand, they tend to be loyal to the brand.

1.1 Objectives

Based on the background above, the aim of this research is to examine the effect of Social Media Marketing and Brand Trust on Customer Loyalty of globally known S Coffee during the Pandemic COVID-19.

2 Literature Review

New media are various communication technology devices that are characterized by digitalization and wide availability for personal use as a communication tool [7].

Generally new media is symbolized by the internet. New Media used in this study is related to social media marketing through Instagram as the dependent variable. Social media is one component of new media and is often used as a medium for marketing products and services. Social media is a means for consumers to share text, image, audio, and video information with each other and with companies and vice versa. Social media is also a means for consumers to share text, image, audio, and video information with each other and with companies, and vice versa [7].

Social media marketing is used in marketing communication strategies to create awareness, recognition, memory and action for a brand, product, business, individual, or group either directly or indirectly by using tools from the social web such as blogging, microblogging, and social networking [8]. Social media marketing has several dimensions, namely, online communities, interaction, sharing of content, accessibility, and credibility [9]. Social media marketing as a social media platform is also used to increase brand awareness among consumers on online platforms [10].

If it is related to research problems, Instagram is used as a tool to convey information to the followers of S Coffee official account. This information, presented in attractive and interactive ways, makes consumers trust and remain loyal to S Coffee. Thus, the following hypothesis was formulated:

H1: social media marketing has significantly promoted customer loyalty.

2.1 Social Exchange Theory to Create Brand Trust and Customer Loyalty

Social Exchange Theory is based on the idea that people think about their relationships in economic terms. People calculate the costs of being in a relationship and compare it to the rewards offered for being in the relationship [11]. $Worth = Rewards - Costs$. This theory predicts that the value of a relationship will affect the outcome, such as influencing whether people will continue or end a relationship [11].

In this study, Social Exchange theory involves trust, and is related to the brand trust variable. Then also test whether the brand trust variable will influence consumers to continue or end a relationship, such as the system $Worth = Rewards - Costs$.

Brand trust is the ability of a brand to be trusted. Trust in a brand can be built when marketers creatively build and maintain positive and consistent emotional attachments with consumers. [12].

It can be concluded that brand trust is the desire of consumers to trust a brand and feel safe with all kinds of risks so that it can provide positive results in accordance with their expectations [13]. Brand trust can be measured through two dimensions, namely, brand reliability and brand intention. [14].

When consumers already believe in a brand, the next thing is that they will become loyal to the brand. Study by Hokky and Bernarto showed that consumers' confidence in a brand (brand trust) have an impact on behavioural loyalty and consumer action on a brand [15]. Loyalty is a commitment to repurchase or subscribe to a preferred product or service even though there are situational influences and marketing efforts that have the potential to cause consumers to switch to other products or services. Consumers often form a preferred perception of a product with a brand that is already perceived as positive [5]. The key to retain customers is customer satisfaction. Dimensions of consumer loyalty can be seen from; re-purchase, create word-of-mouth, and create brand image [16]. Based on this evidence, the current study developed the following hypothesis: H2: brand trust (has) significantly promoted customer loyalty.

In addition, concern brand loyalty is greater than ever due to the COVID-19. The pandemic has an impact on consumers' activities due to their priority on health and hygiene. Rather than ordering drinks or food from outside, people tend to make or cook by their own. Brands, including S Coffee, must be able to guarantee and convince consumers that their products have guaranteed quality and hygiene. Therefore, the role of social media marketing contributes to informing and persuading consumers so that they can trust the brand. Once the consumers are well informed, and can trust the brand, customer loyalty is expected to increase in

significance. Therefore, the following hypothesis was posited:

H3: social media marketing and brand trust have simultaneously promoted customer loyalty.

2.2 Conceptual Framework of the Study

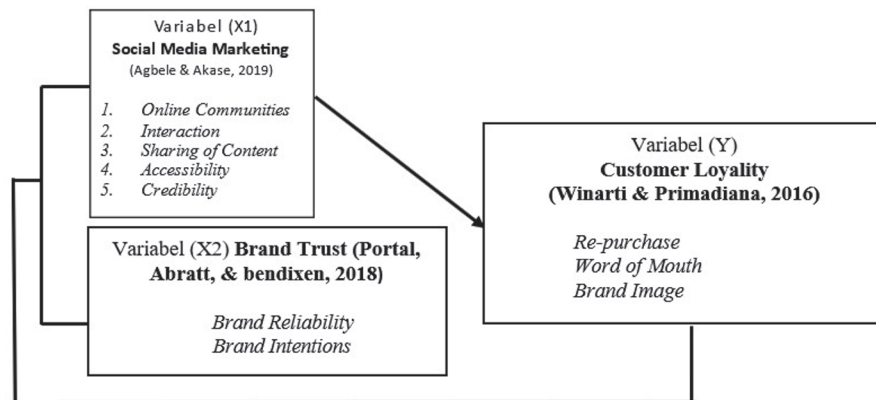


Fig. 1. Conceptual Framework of the Study
 Source: Research Result (2022)

3 Methods

The method used in this study is a quantitative method that aims to explain phenomena including communication, marketing, based on what has been known from theories or general concepts formulated in hypotheses. [17]

Collecting data using surveys, aims to find out about the beliefs, attitudes, values, or behaviour of respondents (Kriyantono, 2020). The variables in this study are social media marketing (X1), brand trust (X2) and customer loyalty (Y). The instrument used in this study was a questionnaire with a Likert scale as a benchmark. The population of this study is the followers of the S Coffee Indonesia Instagram account, totaling 1.5 million followers, assuming that the followers are exposed to information about S Coffee health and hygiene assurance on their product and service.

This study uses a non-probability sampling technique with purposive sampling to determine the sample. Purposive sampling technique includes selected people based on certain criteria made by researchers based on research objectives [17]. The sample criteria in this study were the followers of S Coffee official Instagram account who purchased the product more than 3 times during pandemic. The sample calculation in this study was using the Slovin formula, with 90% confidence level.

The data validity techniques used are validity test, reliability test and normality test. The data analysis techniques used were multicollinearity test, heteroscedasticity test, multiple linear regression, coefficient of determination, T test, F test, and coefficient of determination using the IBM SPSS program [18].

4 Results and Discussion\

4.1 Result

4.1.1 Validity Test

Validity test is used to measure the validity or validity of a questionnaire. In this study, the validity test was used using a 95% confidence level (significant rate 5% or 0.05), and the degree of freedom (df) = n-2. If r count > 0.361, then the indicator is declared valid [18]. It is found that all indicators used to measure the variables used in this study have a correlation coefficient that is greater than r table = 0.198 (r table value for n = 100), so all indicators are valid (see Table 1).

Table 1. Result of Validity Test

Variable	Indicator	R calculate
Social Media Marketing (X1)	10	0.451-0.711
Brand Trust (X2)	4	0.665-0.824
Consumer Loyalty (Y)	6	0.485-0.859

Source: Research Result (2022)

4.1.2 Reliability Test

Reliability test, as shown in Table 2, aims to determine the consistency of a questionnaire. In this study, the reliability test was carried out using the Cronbach Alpha technique. A variable is said to be reliable if it has a Cronbach Alpha value > 0.70 [18].

Table 2. Results of Reliability Test

Variabel	Cronbach Alpha	Note
Social Media Marketing (X1)	0,716	Reliable
Brand Trust (X2)	0,726	Reliable
Customer Loyalty (Y)	0,810	Reliable

Source: Research Result (2022)

from the table above, it can be concluded that all the variables of this research questionnaire have met the reliable requirements, so that the questionnaire is consistent and feasible to be continued in the study.

4.1.3 Normality Test

Normality testing is done by using the P-P Plot graph test for testing the regression model residuals. The P-Plot in following figure showed that the data spreads around the diagonal line and follows the direction of the diagonal line, so the regression model fulfills the assumption of normality.

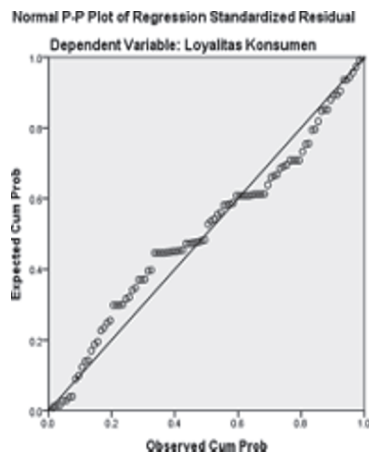


Fig. 2. Normality Test
 Source: Research Result (2022)

4.1.4 Multicollinearity Test

Multicollinearity test aims to test whether the regression model found a correlation between independent variables (independent). A good regression model should not have a correlation between variables [18]. The technique used for detecting the presence or absence of multicollinearity in the regression model in this study was by the Variance Inflation Factor (VIF)

value, and the tolerance value as follows. The result showed that tolerance value = 0.855 and VIF value = 1.170. It can be concluded that there is no multicollinearity in the linear regression model.

4.1.5 Heteroscedasticity Test

Heteroscedasticity test aims at testing whether an inequality exists of variants from one observation to another [18]. The results of the heteroscedasticity test show that the dots do not form a certain pattern or there is no clear pattern and the dots spread above and below the 0 (zero) number on the Y axis, so there is no heteroscedasticity.

4.1.6 Multiple Linear Regression

Multiple regression analysis in this study aims to determine the magnitude of the influence of the independent variable on the dependent variable [17]. The regression model must meet the assumption of normality and there is no multicollinearity and heteroscedasticity before proceeding with multiple linear regression analysis. The multiple linear regression equation model is as follows:

$$Y = a + b1X1 + b2X2$$

Y = predicted influence value
 a = constant
 b = regression coefficient
 X = Independent Variable Value

Based on the results of multiple linear regression using SPSS, the following results were obtained:

Table 3. Multiple Linear Regression Test Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-10.389	1.799		-5.773	.000
	Social Media Marketing	.445	.044	.563	10.210	.000
	Brand Trust	1.009	.117	.476	8.645	.000

Source: Research Result (2022)

From the results presented in Table 3, the regression equation is as follows:

$$Y = a + b1X1 + b2X2$$

$$Y = -10,389 + 0,445 X1 + 1,009 X2$$

From the results of the multiple linear regression equation above, it is known:

1. The constant value (a) of -10.389 indicates that without the influence of social media marketing (X1) and brand trust (X2), the value of consumer loyalty (Y) is -10.389.
2. The value of the social media marketing coefficient (X1) of 0.445 indicates a positive influence between social media marketing (X1) on consumer

loyalty (Y). This means that every increase in the value of social media marketing (X1) will have an effect on increasing the predictive value of consumer loyalty (Y).

3. The value of the brand trust coefficient (X2) of 1.009 indicates a positive influence between brand trust (X2) on consumer loyalty (Y). If the value of consumer loyalty (Y) is one (1), then the value of brand trust (X2) will increase by 1.009. This means that every increase in the value of brand trust (X2) will have an effect on increasing the predictive value of consumer loyalty (Y).

4.1.7 T Test

T test aims to determine the effect of the independent variable on the dependent variable partially. The criteria for the T test in this study are if the significance value is

< 0.05 or t count $> t$ table, then there is an effect of the independent variable on the dependent variable partially [18].

Table 4. T Test Results

Model		t	Sig.	Beta	Zero-order	Partial R-square
1	(Constant)	-5.773	.000			
	Social Media Marketing	10.210	.000	.563	.744	.419
	Brand Trust	8.645	.000	.476	.691	.329

Source: Research Result (2022)

From the results described in Table 4, it can be seen that:

1. T-test between social media marketing variables (X1) on consumer loyalty variable (Y) obtained a significance value $(0.000) < (0.05)$ and a t-count value $(10.210) > t$ table (1.985) , so there is a significant effect between social media marketing variable (X1) on consumer loyalty variable (Y). The partial R-square value of 0.419 indicates that the magnitude of the influence between the social media marketing variable (X1) on the consumer loyalty variable (Y) is 41.9%.
2. The T test between the brand trust variable (X2) on the consumer loyalty variable (Y) obtained a significance value $(0.000) < (0.05)$ and a t count $(8.645) > t$ table (1.985) , so there is a significant effect between the variables brand trust (X2) on consumer loyalty variable (Y). The partial R-square value of 0.329 indicates that the magnitude of the

influence between the brand trust variable (X2) on the consumer loyalty variable (Y) is 32.9%.

4.1.8 F Test

The F test aims to determine the simultaneous effect of all independent variables on the dependent variable. The criterion for the F test in this study is if the significance value is < 0.05 or F arithmetic $> F$ table, then there is a simultaneous effect between the independent variables on the dependent variable [18].

From Table 5, it can be seen that with the F test the significance value $(0.000) < (0.05)$ and the calculated F value $(144.121) > F$ table (3.090) , so that there is a simultaneous influence between social variables media marketing (X1) and brand trust (X2) on the consumer loyalty variable (Y). Therefore, H3 is accepted.

Table 5. F Test Results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	761.049	2	380.524	144.121	.000 ^b
	Residual	256.111	97	2.640		
	Total	1017.160	99			

Source: Result Research (2022)

4.1.9 Coefficient of Determination (R^2)

The coefficient of determination aims at determining the value of the simultaneous influence of the independent variable on the dependent variable.

Table 6. Coefficient of Determination Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.865 ^a	.748	.743	1.6249

Source: Research Result (2022)

From the results that have been described in Table 6, it can be seen that the R Square value is 0.748, which means that the influence of social media marketing (X1) and brand trust (X2) variables simultaneously on the consumer loyalty variable (Y) is 74.8 %.

4.2 Discussion

Considerable previous research have investigated the effects of social media marketing on brand trust and customer loyalty. With the substantial growth of social

media, marketers need to better understand how social media marketing can influence brand trust and customer loyalty [19]; [20]; [21]

The previous study regarding the impact of social media marketing of S Coffee Indonesia showed that digital marketing through social media could engage millennials (Silalahi & Liudi, 2018). This finding is also portrayed in this research that all instrument tests revealed that social media marketing through Instagram has a positive influence of 41.9% on consumer loyalty of S Coffee Indonesia.

The second hypothesis, that a brand trust has a positive effect on customer loyalty, resulted in a positive effect of 32.9%. It indicates that the better the brand trust, the better customer loyalty obtained. It is also consistent with the result conducted by [15]

From the results of the F test, the significance value $(0.000) < (0.05)$ and the calculated F value $(144.121) > F$ table (3.090) , so that there is a simultaneous influence

between social media marketing variables (X1) and brand trust (X2) on the consumer loyalty variable (Y). In addition, from the results of the coefficient of determination test, it is known that the R Square value is 0.748, which means that the influence of social media marketing (X1) and brand trust (X2) variables simultaneously on the consumer loyalty variable (Y) is 74.8%.

This study makes several practical contributions. The major results emphasize the role of social media marketing to build relationship with customers so that brand can obtain brand trust and loyalty, especially during the pandemic when brand's offline activities are also limited.

5. Conclusion and Recommendation

From all the data analysis tests carried out, the conclusions from the research are as follows: (1) Social media marketing through Instagram on S Coffee Indonesia has 41.9% significant influence toward customer loyalty during the pandemic; (2) Brand trust contributes to 32.9% significant and positive influence on customer loyalty S Coffee Indonesia; and (3) There are 74.8% simultaneous influence between social media marketing Instagram and brand trust on customer loyalty.

The indicators related to interaction from the answers showed the lowest score compared to other indicators in social media marketing variable. Hence, it is recommended that S Coffee Indonesia can increase interaction and engagement with consumers on social media by developing creative, educative, and entertaining contents, and credible content to increase engagement rates.

Further research on a similar topic is expected to be able to use other variables that can contribute to brand trust and customer loyalty, such as word of mouth, social marketing, or user-generated content, that can be applied especially during the time of crisis like pandemic situation. The limitation for the research is that it only evaluates one platform of social media marketing, whereas S Coffee also uses other platforms. Another limitation is that this study captures the customer loyalty during the pandemic era. It would be interesting to know how other social media platform contribute to loyalty, or which platform gives the greatest contribution. It would also be interesting for further research to try to capture the customer loyalty after the pandemic era, where people activities are less restricted, and competition could be more vibrant.

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