

The effect of social media marketing activities on brand awareness, brand image and brand loyalty for the Netflix brand

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ABSTRACT

This study aims to analyze how social media marketing activities influence brand awareness, brand image, and brand loyalty for the Netflix brand. This study uses primary data collected through a questionnaire research instrument. The sample in this research is 500 respondents who have subscribed or are currently subscribing to Netflix. This research is descriptive and verification in nature. The data in this study used the help of Statistical Product and Service Solution (SPSS) tools, and Structural Equation Modeling – Partial Least Square (SEM-PLS). Data analysis in this study Instrument Test Results stated that the data in this study proved to be valid and reliable. The results of this study prove that: (1) Social Media Marketing influences Brand Awareness positively and significantly, (2) Social Media Marketing influences Brand Image positively and significantly, (3) Social Media Marketing influences Brand Loyalty positively and significantly, (4) Brand awareness positively and significantly influences Brand Image, (5) Brand Awareness positively and significantly influences Brand Loyalty, (6) Brand Image positively and significantly influences Brand Loyalty. These results have implications for future researchers to examine how the influence of social media marketing of a brand influences brand awareness, brand image, and brand loyalty. The findings of this study have implications for brand owners to formulate social media marketing strategies that can influence brand awareness, brand image and brand loyalty.

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1. Introduction

In today's digital era, the internet has an important role in helping and facilitating a person in carrying out their daily activities. The wider use of the internet accompanied by an increasingly diverse use of the internet has caused several changes in people's habits. One of them is the change that has occurred in people's habits in consuming digital media. Changes in people's digital media consumption patterns affect the television industry in Indonesia. According to a (Jakpat, 2022), Indonesian people currently prefer watching TV shows through online media platforms such as YouTube or video on demand compared to watching on regular TV. The Association of Indonesian Internet Service Providers (APJII, 2020) notes that 196.71 million Indonesians are internet users in Indonesia. This figure shows that 73.7% of Indonesian people are internet users. The results of the APJII survey also stated that the entertainment activity most frequently carried out by internet users in Indonesia is watching online videos as much as 49.3%.

The majority of people, especially the younger generation, are currently bored with showing programs on national TV, so they prefer to watch movies or other TV shows through video on demand. Because with video on demand, users can choose and access content according to their own wishes, and this content can be watched repeatedly without being bound by time and place. One type of video on demand

(VOD) is Subscription Video on Demand (SVOD), which is a video content service provider where subscribers will be charged a subscription fee to be able to enjoy content freely without being stuck with a certain broadcast schedule. Video on demand (VOD) users in Indonesia are now increasing, especially since Indonesia was faced with the Covid-19 pandemic in March 2020, which caused people to be unable to leave their homes to seek entertainment or just watch movies in cinemas. According to We Are Social & Hootsuite (Riyanto, 2020), as many as 59% of internet users in Indonesia use streaming subscriptions or video on demand services every month. One of the popular video on demand companies in Indonesia is Netflix.

Netflix is a video on demand from the United States that offers a wide variety of television shows, movies, anime, documentaries and other videos that can be played through any device connected to the internet. Until now, Netflix is present in more than 30 languages in 190 countries. Netflix also gives freedom to its subscribers to independently arrange the content to be watched without any advertisements or commitments (Netfilix, 2020). Social media marketing can increase brand loyalty because through social media companies can create direct, two-way communication channels, interactive and interesting and fast communication with customers (Hidayah, 2019). Loyal customers tend to shop more often and try other products from the company and tell others about the good experience they had when using the product or service and bring new customers into the company (Kotler & Armstrong, 2010). The factors that form customer loyalty are brand awareness and brand image, customer trust in the brand. Trust is defined as a willingness to depend on other trusted parties (Ishak & Luthfi, 2011). In this case, brand awareness is the basis for companies to transact business with other companies. brand awareness is established between consumers both with employees, companies and company brands can create a close relationship to develop new products and offer them to consumers (Veno et al., 2013).

According to (Subaebasni et al., 2019), brand image can be used as a measure of customer loyalty. A positive brand image is able to predict customer satisfaction so that it can stimulate customer loyalty. (Wan Jasni et al., 2020). Customers will tend to choose to use services with brands they already know through their own or other people's experiences. Therefore, customers will not hesitate to use the product or service again in the future if a company has a good brand image.

Social media marketing can increase brand loyalty because through social media companies can create direct, two-way communication channels, interactive and interesting and fast communication with customers (Hidayah, 2019). Social media is an online environment where people with the same interests gather to share their thoughts, comments and ideas ((Weber, 2009) in (Bilgin, 2018)). According to (Gunelius, 2011) in (Lubiana & Fauzi, 2018) social media marketing is a form of direct or indirect marketing that is used to build awareness, recognition, memory and action for brands, businesses, products, people or other entities and is carried out using tools of the social web such as blogging, microblogging, social networking, social bookmarking and content sharing.

Social media is widely used by companies to interact with their consumers by encouraging their consumers to share their buying experiences by clicking on their preferred social media (So et al., 2018). However, currently these companies are still struggling to gain brand loyalty because they do not fully understand how to build relationships between brands and consumers on social media (Fournier & Lee, 2009). (Kim & Ko, 2012) classify social media marketing activities as entertainment, interaction, trends, customization, and word of mouth. (D. Lee et al., 2018) classifies social media marketing activities as communication, information provision, support for daily life, promotion and sales, social response, and social activity.

According to (Solis, 2010) there are four C's in using social media, namely: A) Context, is a way to convey a message or information to someone with the use of grammar and the contents of the message. B) Communication, is a way of sharing, showing, listening, and responding to messages to someone, which can make someone feel comfortable and the message is conveyed properly. C) Collaboration, is a way of working together between the giver and recipient of the message so that the message conveyed is more effective and efficient. D) Connection, is a way to maintain a relationship that has been established and is sustainable, so that the sender and recipient of the message feel closer.

According to the work of (Romaniuk et al., 2017) awareness is the capacity of certain customers to recognize or remember that a given brand belongs to a certain product category. Brand awareness is strongly related to the strength of brand presence and imprint in customers' minds resulting in their capacity to recognize (identify) brands under various market conditions (O'guinn et al., 2014).

According to (Aaker, 1992) in (Fajariah et al., 2016) brand awareness is the ability of consumers to recognize or recall a brand in a certain product category. Brand awareness is closely related to the power of a brand to leave an imprint on consumers' memories, this is reflected in consumers' ability to identify brands under different conditions ((Keller, 1993) quoted from (Fajariah et al., 2016)).

(Durianto & Budianto, 2004) in (Fatimah, 2014) brand awareness is the key of brand assets or the opening key to enter other elements. If awareness is very low, it is almost certain that the brand equity is also low. (Darmadi et al., 2001) suggests that there are four levels of brand awareness including: A) Not aware of the brand (Unaware of Brand), is the lowest level of the brand where consumers are not aware of the existence of a brand. B) Brand Recognition, is the minimum level of brand awareness which is brand recognition with the help of, for example, with the help of a brand list, image list or brand stamp. So the brand that is included in the memory of consumers is brand recognition. C) Brand recall reflects what brands the consumer remembers after mentioning the brand that was first mentioned. Where the brands mentioned second, third and so on are brands that occupy brand recall in the minds of consumers. D) Top of mind, is a product brand that is first mentioned by consumers spontaneously or the first time in the minds of consumers. In other words, the brand is the main brand of the various brands that exist in the minds of consumers.

(Keller, 2009) defines brand image as "consumers' perceptions and preferences for a brand, as reflected in various types of brand associations held in consumers' memories". (Barich & Kotler, 1991) (Zhang, 2015), understands brand image as "a system of images and thoughts in human consciousness, expressing information about a particular brand and the basic attitude towards it". From this definition it can be concluded that brand image is created by a set of features that are exceptional, unique for a particular brand, which causes differentiation, while ensuring desired market recognition. Brand image contains information and ideas that consumers have about various brand products and product features (H. Lee et al., 2011).

According to Setiadi (in (Permana & Haryanto, 2014)) brand image or brand image is a representation of the overall perception of the brand and is formed from information and past experience of the brand. Brand image is related to attitudes in the form of beliefs and preferences for a brand. Consumers who have a positive image of a brand will be more likely to make a purchase.

Brand image is a requirement of a strong brand. The brand image that is formed must be clear and have advantages when compared to the buyer. If a company already has a good brand image and has instilled that brand image in the minds of its consumers, then the company does not need to bother looking for who will become its customers. With a good brand image, consumers will be sure and will consume the brand.

Keller (in (Bilgin, 2018)) has defined brand image as "consumer perceptions and preferences for a brand, as reflected in the various types of brand associations that are stored in consumer memory". According to Riezebos (in (Bilgin, 2018)) the mental image that consumers have about a brand has been formed as a result of marketing communication factors, consumption experiences and social effects.

Brand loyalty is the main goal of building a strong brand. Loyalty results from the consumer's experience with the brand and the emotional connection it has. Loyalty represents what a brand means to consumers on an emotional level. The extent to which companies place their uniqueness or authenticity will determine the value of a brand (Fetchko et al., 2018).

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Loyal customers have regular purchasing behavior for a long time and tend to have a positive attitude towards product or service providers and only consider using certain products or services when a need arises (Srivastava & Rai, 2014). Brand loyalty also means that companies can minimize their vulnerability to competitive marketing activities or to business crises. Brand loyalty also means consumers are willing to pay higher than competing brands. Brand loyalty often ensures that consumers are more willing to accept price increases (Kotler & Keller, 2016).

This research can provide a contribution in the form of a reference to develop and correct deficiencies in Netflix promotional activities through social media so as to attract more consumers. In

addition, this research is expected to assist in providing information to Netflix regarding the influence of each variable so as to improve the quality of their social media marketing activities, and to strengthen the results of previous studies regarding the influence of social media marketing variables on brand loyalty, brand image, and brand awareness.

2. Research Method

This research is descriptive and verification. The variables to be analyzed in this study are social media marketing activities acting as independent variables, brand awareness, brand image and loyalty acting as independent variables, and brand awareness, brand image also acting as intervening variables. Where the sampling technique was carried out by purposive sampling with the criteria of consumers who already subscribe to Netflix. With a total of 23 indicators and the total number of the samples in this study were 500 respondents. To measure these variables, this study uses a Points Likert Scale, where a scale of 5 indicates strongly disagree and 5 indicates strongly agree. And then the data will be processed using SPSS and SEM-PLS.

3. Results And Discussions

Discriminant validity measurement is carried out to ensure that each concept of each latent variable is different from other variables. The measurement of discriminant validity is assessed based on the cross loading of measurements with the construct or by comparing the roots of the AVE.

Table 1. *Discriminant validity*

Variable	BI	BA	BL	SMM
BI	0.917			
BA	0.889	0.853		
BL	0.965	0.914	0.941	
SMM	0.919	0.925	0.936	0.854

Source : Primary Data Processed, 2023

From the table above it can be seen that the loading factor value is above 0.6 so it can still be considered sufficient.

Table 2. *Convergent validity*

Variable	AVE
Brand Image	0.840
Brand Awareness	0.728
Brand Loyalty	0.886
Social Media Marketing	0.728

Source : Primary Data Processed, 2023

Based on the test results, it is known that the variables of brand image, brand awareness, brand loyalty and social media marketing have values above 0.5 so that they are said to be valid based on convergent validity testing.

Furthermore, the reliability of indicators has the function of proving the accuracy, consistency, and accuracy of the indicators used in measuring a construct. To determine the reliability between a construct and its indicators can be used by Cronbach's Alpha and Composite Reliability. The rule that is generally used to assess the reliability of indicators is that the value of Cronbach's Alpha and Composite Reliability must show a result greater than 0.7 (Sarwono and Narimawati, 2015). The following are the results of reliability testing

Table 3. *Composite reliability*

Variable	Cronbach's Alpha	Composite Reliability
Brand Image	0.905	0.940
Brand Awareness	0.809	0.888
Brand Loyalty	0.936	0.959
Social Media Marketing	0.971	0.974

Source : Primary Data Processed, 2023

Based on the test, it is known that the Cronbach's Alpha and Composite Reliability values show results that are greater than 0.7 so that it can be concluded that all variables meet the reliability requirements.

Analysis Goodness of Fit

The R-squared test (R^2) is a test conducted to measure the level of Goodness of Fit of a structural model. The R-squared value (R^2) is used to measure how much the endogenous latent variable which is a variable that is influenced by other variables (in this study are the dependent and mediating variables) is explained by exogenous latent variables which are independent variables.

Table 4. R-Square (R^2)

Variable	R-Square
Brand Image	0.854
Brand Awareness	0.856
Brand Loyalty	0.950

Source : Primary Data Processed, 2023

Based on the R square test it is known that the R square value for the Brand Image variable is 0.854 or in other words that the social media marketing activity variable and brand awareness can explain the variation in the brand image variable of 85.4% and the remaining 14.6% is influenced by other variables which were not examined in this study.

In addition, it is also known that the R square value for the brand awareness variable is 0.856 or in other words that the social media marketing activity variable can explain the variation in the brand awareness variable of 85.6% and the remaining 14.7% is influenced by other variables not examined in this study. this research.

Furthermore, it is also known that the R square value for the brand loyalty variable is 0.950 or in other words that the variables of social media marketing activity, brand awareness and image can explain the variation in the brand loyalty variable of 95.0% and the remaining 5.0% is influenced by other variables which were not examined in this study.

Table 5. Result of path coefficients

	Original Sample	Sample Mean	Standard Deviation	T Statistics	P Values
Brand Image -> Brand Loyalty	0.630	0.628	0.027	23.201	0.000
Brand Awareness -> Brand Image	0.273	0.271	0.048	5.678	0.000
Brand Awareness -> Brand Loyalty	0.164	0.162	0.033	4.975	0.000
Social Media Marketing -> Brand Image	0.666	0.668	0.046	14.519	0.000
Social Media Marketing -> Brand Awareness	0.925	0.925	0.007	131.898	0.000
Social Media Marketing -> Brand Loyalty	0.206	0.209	0.043	4.757	0.000

a) From the table above it can be explained that the effect of social media marketing on brand awareness has a positive original sample value and a P value of 0.000. Because the value is $0.000 \leq 0.05$ it is concluded that Social Media Marketing influences brand awareness positively and significantly. b) From the table above it can be explained that the influence of social media marketing activities on brand image has a positive original sample value and a P value of 0.000. Because the value is $0.000 \leq 0.05$ it is concluded that Social Media Marketing influences brand image positively and significantly. c) From the table above it can be explained that the effect of social media marketing on brand loyalty has a positive original sample value and a P value of 0.000. Because the value is $0.000 \leq 0.05$ it is concluded that Social Media Marketing influences brand loyalty positively and significantly. d) From the table above it can be explained that the effect of brand awareness on brand image on brand loyalty has a positive original sample value and a P value of 0.000. Because the value is $0.000 \leq 0.05$, it is concluded that brand awareness influences brand image positively and significantly. e) From the table above it can be explained that the effect of brand awareness on brand loyalty has a positive original sample value and a P value of 0.000. Because the value is $0.000 \leq 0.05$, it is concluded that brand awareness influences brand loyalty positively and significantly. f) From the table above it can be explained that the effect of brand image on brand loyalty has a positive original sample value

and a P value of 0.000. Because the value is $0.000 \leq 0.05$, it is concluded that brand image influences brand loyalty positively and significantly.

4. Conclusion

The results of this study are social media marketing activity variables have a positive and significant effect on brand awareness, social media marketing activity variables have a positive and significant effect on brand image and social media marketing activity variables have a positive and significant effect on brand loyalty, and brand awareness variables have a positive effect and significant to brand image, brand awareness has a positive and significant effect on brand loyalty and brand image has a positive and significant effect on brand loyalty.

It can be concluded that the social media marketing activity variable can increase brand awareness, brand image and brand loyalty of Netflix users. so that the better the social media marketing activities implemented by Netflix, the higher the level of awareness, image and loyalty provided by Netflix customers. Based on the results of research on social media marketing activities, several findings were obtained that could be useful for Netflix in developing and improving services, as well as for other companies that have the same core-business, namely developing marketing through social media by applying entertainment, interaction, trendiness, advertisement and customization are very good and can increase consumer loyalty.

Like other studies, this study also contains a number of limitations that must be addressed in future research. The limitation of this research is that the results of this study were obtained from Netflix consumers. In the studies that will be conducted, the application of social media marketing activities from brands belonging to similar products to consumers can be focused. Furthermore, the influence of consumer interaction about existing product or brand groups on brand awareness, brand image, and brand loyalty on social media can be examined. In addition, the research that will be carried out can cover social media channels such as WhatsApp, Google+, YouTube, and LinkedIn so that the influence of social media on consumer brand preferences can be studied on a broad scale.

In future research, the researcher can add other independent variables such as prices, promos, etc. so that research on factors that influence social media marketing activities is broader.

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