The influence of social media to loyalty in an e-commerce

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Abstract. Customer loyalty is very much needed in the e-Commerce business. The use of social media is one of the new ways to maintain customer loyalty. Ngapakbanyumas.com is one of e-Commerce in Purwokerto, and the goal of this research is to find out the correlation between the influences of social media to maintain the loyalty of its members. This research had done the survey to 257 of its registered members on Facebook. Multiple linear regression method is used for data analysis. This method has the results: social media plays a huge role to increase the possibility of rebuying and loyalty behaviour, but this strategy has no impact on mouth-to-mouth sales.

1. Introduction

Social media has rapidly grown these past years, not only in the whole world but also in Indonesia. One of the most famous social media service is Facebook. Facebook is not only used to communicate and make friends but also to do some businesses and promotions.

Social media as a tool to promote is a newly discovered strategy to maintain costumers loyalty \cite{1}. It is affected when some brands used social media as promotion \cite{2}. The failure of this method might cause these two phenomena: first, the rapid growth of social networking as a new trend in a short amount of time has caused the company to not know how to react in certain ways when unexpected impacts occurred. Second, an old-fashioned strategy of some companies has caused them to overlook the importance of Facebook and the wonders it can create. A study has examined the use of Facebook on a particular brand in an e-commerce, the results found that Facebook can increase customer loyalty to a brand \cite{2}. Thus, the result is very much clear that Facebook can significantly increase loyalty customer.

However, one study stated social media does not lead to brand loyalty of consumers \cite{2}. pros and cons are bound to happen when researchers believe that social media provide a unique chance for brandings to improve its good relation with costumers, while some of them have disagreed to this.

And through this research, Ngapak Banyumas as one of e-commerce needs to find out the correlation between its branding in social media and its member’s loyalty on Facebook. The questions are: (1) What is the impact of social media to customer loyalty viewed from three sides (attitudinal loyalty, repurchase intention and word of mouth) in ngapakbanyumas.com community?

2. Basic Theoretical

Social media is a sharing media that can be easily accessed by users to create the blog, social network, wiki, forum and virtual world \cite{5}. With the development of the internet, social media has enabled the creation and exchange of users for various purposes. In business, social media has been used as a marketing tool. Online businesses have also used social media to
support their activities. For example, transactions and other activities of e-commerce are also supported by social media e.g. Facebook [6].

The use of social media in e-commerce requires a new way of thinking. This, social media plays an important role in the success of online business. Dissatisfied consumers will potentially lose consumer loyalty, because through social media consumers can write reviews and share experiences online. There are several social media indicators that can influence loyalty, namely: Advantageous campaign, relevant content, frequently updates its content, and Popular content [2].

The loyalty of costumer is a condition in which there’s unspoken commitment to buy or use certain products or services consistently [9]. A loyal customer has a tendency of consistency to do or use a cross-line product or service, recommend it to others and immune to competitors. Loyal customers show regular purchases, buying between product lines and services, referring to others, showing immunity to the pull of competitors. Customer loyalty is influenced by three factors: attitudinal loyalty, repurchase intention, and word of mouth [11].

The attitudinal loyalty factor is influenced by loyal to them, willing to pay more for the product, and committed to the brand [11]. The repurchase intention factor is influenced by repurchases brand in the future, maintain brand purchase, and Using or endorse this brand continuously [11] [12]. The Word of mouth factor is influenced by telling others about the brand, recommend the brand to others, and leaving positive comments about the brand on the community site [11] [12].

3. Research Methodology

This study was conducted to determine the relationship between the use of social media and loyalty in Ngapakbanyumas.com. It was one of e-commerce is a site that sells original merchandises produced by local artists from Purwokerto Indonesia. Ngapakbanyumas.com was sell online souvenir Banyumas (kaos ngapa) which stood on December 2011 in Purwokerto. The term ngapak is a Javanese language that is used in the western part of Central Java, where ngapak is famous for its distinctive banyumasan dialect. Ngapak Banyumas also serve the manufacture of various merchandise, both unit and large parties by using quality raw materials. Types of fabrics used are cotton combed 24s and 30s with rubber quartet screen printing and also finishing using hot press machine to give the best product quality and service. Figure 1 show the Ngapakbanyumas.com.

![Figure 1. Ngapakbanyumas.com](image-url)
In order to analyse the data used a result of survey joined by 257 registered members of ngapakbanyumas.com within March - May 2016. Data obtained from people who join/incorporated in Facebook-owned ngapakbanyumas.com in March - May 2016 as many as 257 people. Table 1 presents data of respondents by gender. The majority of respondents were male (143 respondents or 55.64%). The rest are female respondents (114 respondents or 44.36%).

Table 1. Distribution of gender

| Gender | Amount | Percentage (%) |
|--------|--------|----------------|
| Man    | 143    | 55.64          |
| Female | 114    | 44.36          |
| Total  | 257    | 100.00         |

Table 2 presents respondent data by age. Most were age 15-24 years (95 respondents or 36.96%). Age 25-34 years (87 respondents or 33.85%). Age 35-44 years (49 people or 19.07%). Age 45-54 years (26 respondents or 10.12%). Age <15 years and> 55 years does not exist.

Table 2. Distribution of Age

| Age   | Amount | Percentage (%) |
|-------|--------|----------------|
| 15-24 | 95     | 36.96          |
| 25-34 | 87     | 33.85          |
| 34-44 | 49     | 19.07          |
| 45-54 | 26     | 10.12          |
| <15   | 0      | 0.00           |
| Total | 257    | 100.00         |

Then, analyse the data that has been collected is multiple linear regression analysis. Figure 2 shows the research model proposed in this study.

Figure 2. The research Model

The hypothesis to be tested in this study are (1) H0: The use of social media does not affect attitudinal loyalty; Ha: The use of social media influence attitudinal loyalty. (2) H0: The use
of social media does not affect the repurchase intention; Ha: The use of social media affect repurchase intention. (3) H0: The use of social media does not affect word of mouth; Ha: The use of social media influence word of mouth.

Table 3. Distribution of gender

| Variables       | Indicators                                      | References |
|-----------------|------------------------------------------------|------------|
| Social media (X1) | - Advantageous campaign                        | [2]        |
|                 | - Relevant content                             |            |
|                 | - Frequently updates its content               |            |
|                 | - Popular content                             |            |
| Loyalty (Y1)    | Attitudinal loyalty (Y1):                      | [11].      |
|                 | - Loyal to them                                |            |
|                 | - Willing to pay more for the product          |            |
|                 | - Committed to the brand                       |            |
|                 | Repurchase intention (Y2):                     | [11] [12]. |
|                 | - Repurchases brand in the future.             |            |
|                 | - Maintain brand purchase.                     |            |
|                 | - Using or endorse this brand continuously     |            |
|                 | Word of mouth (Y3):                           | [11] [12]. |
|                 | - Telling others about the brand.              |            |
|                 | - Recommend the brand to others.               |            |
|                 | - Leaving positive comments about the brand   |            |
|                 | on the community site.                         |            |

Table 3, shows the variables in this study. The variables are social media (X1). Which includes loyalty: attitudinal loyalty (Y1), repurchase intention (Y2), and word of mouth (Y3) [11].

4. Result

To determine the effect of the use of social media to attitudinal loyalty based on the output data normality test known that the asymp. sig. (2-tailed) of the Kolmogorov-Smirnov Z test for standardized residual variable is 0.266 greater than the value of α(0.05), so it can be concluded that the data used in normal distribution.

| No. | Variables                  | Regression coefficients | t count | t table | Sig. |
|-----|----------------------------|-------------------------|---------|---------|------|
| 1   | The use of social media (X1) | 0.094                   | 2.178   | 1.984   | 0.03 |
|     | Constants                  | = 6.299                 |         |         |      |

Based on table 4, the results obtained first model multiple regression equation: \( Y_1 = 6.299 + 0.094X_1 \). Thus H0: the use of social media does not affect attitudinal loyalty; Ha: the use of social media influence attitudinal loyalty; Where \( t_{\text{count}} = 2.178 > t_{\text{table}} = 1.984 \) or sig. 0.03 < 0.05. Ha is received, that the used of social media influence attitudinal loyalty. Thus the use of social media can increase the loyalty attitude of members ngapakbanyumas.com community.

To determine the effect of the use of social media on the repurchase intention based on the output data normality test known that the asymp. sig. (2-tailed) of the Kolmogorov-Smirnov Z test for standardized residual variable is 0.779 greater than the value of α(0.05), so it can be concluded that the data used in normal distribution.
Table 5. The use of social media on the repurchase intention

| No. | Variables                      | Regression coefficients | t count | t table | Sig. |
|-----|--------------------------------|-------------------------|---------|---------|------|
| 1   | The use of social media (X_1)  | 0.107                   | 2.525   | 1.984   | 0.012|
|     | Constants = 5.038              |                         |         |         |      |

Based on Table 5, the results obtained the second model multiple regression equation: follows: 
\[ Y_2 = 5.038 + 0.107X_1 \]. Thus, \( H_0: \) The use of social media does not affect the repurchase intention; \( H_a: \) The use of social media affect repurchase intention; Where \( t_{\text{count}} = 2.525 > t_{\text{table}} = 1.984 \) or sig. \( 0.012 < 0.05 \). \( H_a \) is received, that the use of social media affects the repurchase intention. It can be stated that the use of social media has increased the intention of repurchasing members ngapakbanyumas.com community.

Table 6. The use of social media on the word of mouth

| No. | Variables                      | Regression coefficients | t count | t table | Sig. |
|-----|--------------------------------|-------------------------|---------|---------|------|
| 1   | The use of social media (X_1)  | 0.052                   | 1.231   | 1.984   | 0.220|
|     | Constants = 7.014              |                         |         |         |      |

Based on Table 6, the output data normality test known that the asymp. sig. (2-tailed) of the Kolmogorov-Smirnov Z test for standardized residual variable is 0.729 greater than the value of \( \alpha (0.05) \), so it can be concluded that the data used in normal distribution. Thus, results obtained the third model multiple regression equation as follows: 
\[ Y_3 = 7.014 + 0.052X_1 \]. Thus \( H_0: \) The use of social media does not affect word of mouth; \( H_a: \) The use of social media influence word of mouth; Where \( t_{\text{count}} = 1.231 < t_{\text{table}} = 1.984 \) or sig. \( 0.220 > 0.05 \). \( H_a \) then rejected, so the use of social media does not affect word of mouth. It can be stated that the use of social media does not affect the increase of word of mouth ngapakbanyumas.com community members.

5. Conclusion

The results of this study suggest that the use of social media is a significant positive effect on loyalty attitude and intention to repurchase, but not significant to the word of mouth. In an effort to continue to increase the loyalty of its customers, the management Ngapak Banyumas need to implement appropriate policies, particularly with regard to the use of social media and the use of the brand.

Associated with several limitations to this study, then study further add other independent variables that theoretically and practically can affect customer loyalty, such as confidence in the brand (brand trust) and perceived value. In addition, further research is also needed to develop a research model by adding a moderating variable. Related to the subject or location of the study, further research should broaden the scope of research, the research results will be more generalized.

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