

# TABLE OF CONTENTS

	Page
<b>COVER PAGE</b>	
<b>TITLE PAGE</b>	
<b>FINAL ASSIGNMENT STATEMENT AND UPLOAD AGREEMENT</b>	
<b>APPROVAL PAGE BY FINAL PAPER ADVISOR .....</b>	<b>i</b>
<b>APPROVAL PAGE BY FINAL PAPER DEFENSE COMMITTEE .....</b>	<b>ii</b>
<b>ABSTRACT .....</b>	<b>iii</b>
<b>ABSTRAK .....</b>	<b>iv</b>
<b>PREFACE .....</b>	<b>v</b>
<b>TABLE OF CONTENTS.....</b>	<b>vii</b>
<b>LIST OF FIGURES .....</b>	<b>xii</b>
<b>LIST OF TABLES .....</b>	<b>xii</b>
<b>LIST OF APPENDICES .....</b>	<b>xv</b>
<b>CHAPTER I INTRODUCTION</b>	
1.1 Background of the Study .....	1
1.2 Problem Limitation.....	8
1.3 Problem Formulation .....	9
1.4 Objective of The Research.....	10
1.5 Benefit of The Research .....	11
1.5.1 Theoretical Benefit .....	11
1.5.2 Practical Benefit.....	12
<b>CHAPTER II LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT</b>	
2.1 Theoretical Background.....	13
2.1.1 Marketing.....	13
2.1.2 Digital Marketing.....	15
2.1.2.1 Types of Digital Marketing.....	16

2.1.2.2	Benefits of Digital Marketing .....	17
2.1.3	Social Media Marketing Activities .....	18
2.1.3.1	Definition of Social Media Marketing Activities .....	18
2.1.3.2	Roles of Social Media Marketing Activities .....	19
2.1.3.3	Process of Social Media Marketing Activities .....	19
2.1.3.4	Strategies of Social Media Marketing Activities .....	20
2.1.3.5	Benefits of Social Media Marketing Activities .....	21
2.1.3.6	Indicators of Social Media Marketing Activities .....	21
2.1.4	Brand Equity .....	22
2.1.4.1	Definition of Brand Equity .....	22
2.1.4.2	Types of Brand Equity .....	23
2.1.4.3	Process of Brand Equity .....	24
2.1.4.4	Management of Brand Equity .....	24
2.1.4.5	Outcomes of Brand Equity .....	25
2.1.4.6	Indicators of Brand Equity .....	26
2.1.5	Consumer Brand Engagement .....	27
2.1.5.1	Definition of Consumer Brand Engagement .....	27
2.1.5.2	Features of Consumer Brand Engagement .....	28
2.1.5.3	Motivational Drivers of Consumer Brand Engagement .....	28
2.1.5.4	Levels of Consumer Brand Engagement .....	29
2.1.5.5	Benefits of Consumer Brand Engagement .....	30
2.1.5.6	Indicators of Consumer Brand Engagement .....	30
2.1.6	Purchase Intention .....	31
2.1.6.1	Definition of Purchase Intention .....	31
2.1.6.2	Factors Affect to Purchase Intention .....	32
2.1.6.3	Process of Purchase Intention .....	34
2.1.6.4	Indicators of Purchase Intention .....	36
2.1.7	Relationship between Social Media Marketing Activities and Purchase Intention .....	37
2.1.8	Relationship between Brand Equity and Purchase Intention .....	38

2.1.9	Relationship between Consumer Brand Engagement and Purchase Intention .....	38
2.1.10	Relationship between Social Media Marketing Activities on Customer Purchase Intention, with the Mediation of Brand Equity and Consumer Brand Engagement .....	39
2.2	Previous Research.....	40
2.3	Hypothesis Development.....	45
2.4	Research Model .....	46
2.5	Framework of Thinking.....	47

### **CHAPTER III RESEARCH METHODOLOGY**

3.1	Research Design .....	48
3.2	Population and Sample .....	49
3.2.1	Population .....	49
3.3.2	Sample .....	49
3.3	Data Collection Method.....	51
3.3.1	Primary Data .....	51
3.3.2	Secondary Data .....	52
3.4	Operational Definition and Variable Measurement.....	53
3.4.1	Operational Definition .....	53
3.3.2	Variable Measurement.....	55
3.5	Data Analysis Method .....	56
3.5.1	Descriptive Statistics.....	56
3.5.2	Inferential Statistics .....	58
3.5.2.1	Structural Equation Modeling (SEM) .....	59
3.5.2.2	Partial Least Square (PLS).....	61
3.5.2.3	Outer Model (Measurement Model) .....	61
3.5.2.4	Inner Model (Structural Model).....	64
3.5.2.5	Hypothesis Testing.....	65
3.5.2.5.1	Indirect Effect (Mediation Test) .....	66

## **CHAPTER IV RESEARCH RESULT AND DISCUSSION**

4.1	General View of Sociolla .....	67
4.1.1	Brief History of Sociolla.....	67
4.1.2	Vision and Mission .....	69
4.1.1	Organizational Structure .....	70
4.2	Research Result .....	72
4.2.1	Descriptive Research Subject .....	72
4.2.2	Respondent's Profile.....	72
4.2.3	Descriptive Statistical Analysis .....	78
4.3	Inferential Statistics .....	84
4.3.1	Measurement Model Evaluation (Outer Model).....	84
4.3.1.1	Actual Validity and Reliability Test .....	84
4.3.1.2	Convergent Validity – Average Variance Extracted (AVE) and Outer Loading.....	84
4.3.1.3	Discriminant Validity – Fornell Larcker.....	86
4.3.1.4	Discriminant Validity – Heterotrait-Monotrait Ratio .....	87
4.3.1.5	Reliability Test – Cronbach's Alpha and Composite Reliability .....	87
4.3.1.6	Formative Outer Model – Collinearity Test.....	88
4.3.2	Structural Model Evaluation (Inner Model) .....	91
4.3.2.1	Coefficient of Determination ( $R^2$ ).....	91
4.3.2.2	Predictive Relevance ( $Q^2$ ).....	92
4.3.2.3	Effect Sizes ( $f^2$ ) .....	92
4.4	Hypothesis Testing .....	95
4.4.1	Path Coefficient Hypothesis Test (Significance Test).....	95
4.4.1.1	Hypothesis Testing 1 ( $H_1$ ).....	96
4.4.1.2	Hypothesis Testing 2 ( $H_2$ ).....	96
4.4.1.3	Hypothesis Testing 3 ( $H_3$ ).....	97
4.4.1.4	Hypothesis Testing 4 ( $H_4$ ).....	97
4.4.1.5	Hypothesis Testing 5 ( $H_5$ ).....	98
4.4.2	Indirect Effect Hypothesis Test (Mediation Test) .....	98

4.4.2.1	Indirect Effect Hypothesis Test 1 ( $H_6$ ).....	99
4.4.2.2	Indirect Effect Hypothesis Test 2 ( $H_7$ ).....	99
4.5	Discussion.....	100
4.5.1	The Effect of Social Media Marketing Activities (SMMA) on Brand Equity (BE) at PT Social Bella Indonesia’s customers in Medan ..	100
4.5.2	The Effect of Social Media Marketing Activities (SMMA) on Consumer Brand Engagement (CBE) at PT Social Bella Indonesia’s customers in Medan ..	102
4.5.3	The Effect of Social Media Marketing Activities (SMMA) on Purchase Intention (PI) at PT Social Bella Indonesia’s customers in Medan ..	103
4.5.4	The Effect of Brand Equity (BE) on Purchase Intention (PI) at PT Social Bella Indonesia’s customers in Medan ..	104
4.5.5	The Effect of Consumer Brand Engagement (CBE) on Purchase Intention (PI) at PT Social Bella Indonesia’s customers in Medan ..	105
4.5.6	The Effect of Social Media Marketing Activities (SMMA) to Purchase Intention (PI) mediated by Brand Equity (BE) at PT Social Bella Indonesia’s customers in Medan ..	106
4.5.7	The Effect of Social Media Marketing Activities (SMMA) to Purchase Intention (PI) mediated by Consumer Brand Engagement (CBE) at PT Social Bella Indonesia’s customers in Medan ..	108
 <b>CHAPTER V CONCLUSION</b>		
5.1	Conclusion .....	110
5.2	Managerial Implication.....	112
5.3	Recommendation .....	115
 <b>REFERENCES .....</b>		<b>117</b>

## LIST OF FIGURES

Figure 1.1	Engagement Rate of Sociolla’s Youtube .....	4
Figure 1.2	Engagement Rate of Sociolla’s Tiktok .....	5
Figure 1.3	Engagement Rate of Sociolla’s Instagram .....	5
Figure 1.4	Sociolla Store Sun Plaza Medan Reviews .....	6
Figure 1.5	Line Chart of The Amount of Visitors from Sociolla E-commerce Store Quarter 1 Year 2019 – Quarter 1 Year 2022 .....	7
Figure 2.1	Research Model .....	46
Figure 2.2	Framework of Thinking .....	47
Figure 3.1	Flow Diagram of Theoretical Framework .....	60
Figure 4.1	Sociolla Sun Plaza Medan Store .....	68
Figure 4.2	Organizational Structure of PT Social Bella Indonesia .....	70
Figure 4.3	Marketing Department Organizational Structure of PT Social Bella Indonesia .....	70
Figure 4.4	Diagram of Respondents by Gender .....	74
Figure 4.5	Diagram of Respondents by Age .....	75
Figure 4.6	Diagram of Respondents by Occupation .....	76
Figure 4.7	Diagram of Respondents by Monthly Income .....	77
Figure 4.8	Diagram of Respondents by Sociolla Period of Usage for Beauty Shopping .....	78
Figure 4.9	Outer Model Result .....	90
Figure 4.10	Inner Model Result .....	94
Figure 4.11	Bootstrapping Model Result .....	95

## LIST OF TABLES

Table 1.1	Beauty E-commerce in Indonesia (Quarter 1 2022) .....	4
Table 1.2	Amount of Visitors from Sociolla E-commerce Store Quarter 1 Year 2019 – Quarter 1 Year 2022 .....	7
Table 2.1	Summary of Previous Research .....	44
Table 3.1	Social Media Marketing Activities (SMMA) Operational Definition (X).....	54
Table 3.2	Brand Equity (BE) Operational Definition ( $Z_1$ ).....	54
Table 3.3	Consumer Brand Engagement (CBE) Operational Definition ( $Z_2$ ) .....	54
Table 3.4	Purchase Intention (PI) Operational Definition (Y).....	55
Table 3.5	Likert Scale (5 Levels).....	55
Table 3.6	Relationship of Constructs .....	61
Table 3.7	Summary of Rule of Thumb for Outer Model .....	64
Table 3.8	Summary of Rule of Thumb for Inner Model .....	65
Table 4.1	Respondent's Profile (N = 230) .....	73
Table 4.2	Respondent's Responses Based on Social Media Marketing Activities Variable .....	79
Table 4.3	Respondent's Responses Based on Brand Equity Variable .....	81
Table 4.4	Respondent's Responses Based on Consumer Brand Engagement Variable .....	82
Table 4.5	Respondent's Responses Based on Purchase Intention Variable...83	
Table 4.6	Convergent Validity Actual Test Results.....	85
Table 4.7	Fornell-Larcker Criterion Actual Results (Discriminant Validity)86	
Table 4.8	Heterotrait-Monotrait Ratio Actual Results (Discriminant Validity) .....	87
Table 4.9	Reliability Test Actual Results .....	88
Table 4.10	Collinearity Statistic (VIF) Outer VIF Values Results .....	88
Table 4.11	Collinearity Statistic (VIF) Inner VIF Values Results.....	88
Table 4.12	Latent Variable Correlation.....	90

Table 4.13	Coefficient of Determination ( $R^2$ ) Test Results.....	91
Table 4.14	Predictive Relevance ( $Q^2$ ) Test Results .....	92
Table 4.15	Effect Sizes ( $f^2$ ) Test Results.....	92
Table 4.16	Path Coefficient Results.....	95
Table 4.17	Specific Indirect Effect Results.....	98
Table 4.18	Summary of Hypothesis Test.....	109





## LIST OF APPENDICES

Appendix A: Questionnaire .....	A-1
Appendix B: Data of the Respondents (Statement).....	B-1
Appendix C: Respondents Demographic Results.....	C-1
Appendix D: Descriptive Statistical Results.....	D-1
Appendix E: Measurement Model SmartPLS Report (Outer Model).....	E-1
Appendix F: Structural Model SmartPLS Report (Inner Model).....	F-1
Appendix G: Path Coefficient Result .....	G-1
Appendix H: Turnitin Test Result .....	H-1

