THE INFLUENCE OF SHOPEE INDONESIA'S INSTAGRAM CONTENT MARKETING ON E-CUSTOMER LOYALTY WITH CUSTOMER ENGAGEMENT AS A MEDIATION VARIABLE

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ABSTRACT

This study aims to determine the influence of content marketing on Shopee Indonesia's official Instagram account on e-customer loyalty with customer engagement as mediating variable. This is descriptive-causal research. The research sample was 100 Shopee Indonesia customers who engaged on the official Shopee Indonesia Instagram account which was determined using the purposive sampling method. This study used Partial Least Square (PLS) to test the hypothesis with the help of SmartPLS software. The results of this study indicate that (1) content marketing has no significant influence on e-customer loyalty (2) content marketing has a positive and significant influence on customer engagement, (3) customer engagement has a positive and significant influence on e-customer loyalty, (4) customer engagement mediates the influence of content marketing on e-customer loyalty. This study contributes to the digital marketing literature, particularly on content marketing, engagement, and e-customer loyalty discussion.

Keywords: Content Marketing, Customer Engagement, E-Customer Loyalty

INTRODUCTION

The evolution in the business world has maneuvered the role of social media into one of the vital instruments for marketing strategy, especially in brand development. Harun et al. (2016) explained in his research that the power is in the hands of the customer because social media networks have become a platform for user-distributed content or two-way communication. Social media is associated with self-generated authentic conversations between people about certain subjects of common interest, which are built on shared thoughts and experiences.

Considering the number of brands on social media, it is difficult for companies to reach potential target audiences and arouse their interest. Hence, marketers focus on producing content that can attract their target audience and ultimately capture their attention in the crowd.

Content must have value to generate engagement and create a strong impact. Content must be highly relevant, informative, engaging, inspiring, observing, funny, or fascinating in a compelling manner. Different types of content drive different types of engagement. Reliable content when executed properly through a predefined framework or strategy helps promote engagement in social media (Shafawi and Hassan, 2018).

Content features can be categorized into text, visual, and audio. Several researchers have studied the influence of textual content on popularity. Messages that include persuasive content (e.g., emotional and philanthropic) increase engagement, while informative content (e.g., product pricing, availability, or features) reduces engagement when used alone but increases engagement when combined with some persuasive content (Jaakonmäki, Müller, and Brocke, 2017).

Entertaining content encourages people to like, comment, and share on social media. Higher post interactivity and clarity showed a positive impact on likes. Interactive posts are defined as contests to win prices, questions, quizzes, and calls to action (encouraging fans to respond), and high clarity is defined as announcements of upcoming brand events and videos (Eriksson et al., 2019).

Tafesse (2015) categorizes content as transactional, informational, and entertaining. In the study, entertaining content showed a positive influence on likes on Facebook. The novelty of content (posts about new products, brand events, unique product displays) positively influences the number of likes and shares (Tafesse, 2015). Event-related content and promotions lead to higher engagement on Instagram, content with a competitive presentation shows a high influence on social media engagement (likes, comments, shares) and recruitment information shows a high influence on likes and shares. Content across different types of social media sites also generates different types and levels of consumer engagement (Eriksson et al., 2019).

Content marketing should be informative, entertaining, and help the audience solve problems. For content marketing to be successful, it is a prerequisite to have the following four properties: credibility, target, differentiation, and measurability (Smith and Harvidsson, 2017).

Credibility means content stands out from traditional types of marketing which tend to be extravagant and loud, and more akin to articles or documentaries. Targeted, just like other marketing, content marketing also needs to be accurate. However, it is more precise than most other forms of marketing because today's marketers have access to vast amounts of customer data. Differentiation means that a company must offer to solve consumer problems better than its competitors. Content strategy must be scalable, digitization has brought almost limitless possibilities to analyze and measure different types of data varying in volume, speed, variety, and correctness. (Smith and Harvidsson, 2017).

Creating content marketing is not just writing in general, but is a discovery of valuable content that can build customer engagement. Providing valuable information to customers will create brand loyalty and future purchases (Bunpis and Haron, 2014).

Valuable content can help stimulate engagement on social media, and this is especially paramount for social media marketing campaigns. Harun et al. (2016) explained that content marketing produces content that increases engagement and through the campaigns implemented, can drive the goals desired by marketers.

Companies strongly desire increased engagement since it is associated with positive consequences such as stronger consumer-brand relationships and brand affinity, increased satisfaction, and loyalty, and more purchases (Stephen, et al. 2015).

Customer engagement is defined in various ways: as a psychological process that will lead to the formation of loyalty; as a behavioral manifestation; and as a psychological state characterized by a high level of enthusiasm, dedication, preoccupation, and interaction. Engagement can also be described at different levels. Low levels of engagement are customers who only consume content, and high levels are customers who produce content (Perreault and Mosconi, 2018).

Khan in Perreault and Mosconi (2018) categorizes actions and social media matrices as like, dislike, share, visit, view, click, tag, mention, hovering, check-in, pin, embed, endorsement, uploading, and downloading.

The term engagement defines a multidimensional concept consisting of three dimensions: cognitive, emotional, and behavioral. engagement can lead to increased levels of intensity in other dimensions (cognitive and behavioral) (Kuvykaitė and Tarutė, 2015).

The classification of customer engagement includes
1. Cognitive dimension: the level of customer engagement is related to thought processing, concentration, and interest in certain objects (business companies, brands, online social networks, brand communities).
2. Emotional dimension: the state of emotional activity also known as feelings of inspiration or pride related to and caused by the object of engagement.
3. Behavioral dimension: the state of consumer behavior related to the object of engagement and perceived as the effort and energy put into interaction.

Previous studies on content marketing focused on one particular product or brand are extensive by examining thousands of samples on social media using big data. This research combines a descriptive analysis of the content created by Shopee Indonesia with the perspective of consumers who engage in

Shopee Indonesia's official Instagram account content. In this study, the researcher can also find out the characteristics of the content which prompt the highest engagement.

Brodie et al, (2011) explained that customer relationships outside of purchases with brands significantly influence the construction of brand loyalty. Customer engagement generates strong brand loyalty because it incorporates not only a lasting psychological connection with the brand but also an interactive experience with the brand beyond the purchase.

According to Vivek et al, (2014), strong psychological connections and interactive experiences outside of purchases reinforce loyalty relationships. This finding substantiates the idea that engaged customers are more likely to develop favorable attitudes toward a product, company, or brand, and thus contribute to the formation of loyalty to the entity.

Thakur (2019) explains that loyalty goes beyond repurchase intentions to include behavioral aspects such as WOM and advocacy and attitudinal dimensions such as psychological attachment (which may include ignoring competitors' offerings). With the increasing importance of the virtual circumstancesfor making purchases, there is a vast research on online and extending the traditional concept of loyalty to online consumers. Customers can express loyalty in the online sphere by continuing to use their services, promoting usage among other customers (e.g. spreading positive WOM, demonstrating advocacy, participating in community forums) or responding to company requests for product reviews.

In the context of e-commerce, e-customer loyalty is a crucial and valuable dimension. Merchants who use e-commerce try to build customer loyalty through websites. Loyal e-customers are willing to pay more and deliver a positive word of mouth (WOM) (Al-Ayed, 2021).

E-customer loyalty is defined as a customer's favorable attitude towards an e-business that results in repeat purchase behavior. In addition, e-loyalty refers to the consumer's intention to purchase from the website or the intention to revisit the website (Hur et al., 2011).

Research on content marketing on an e-commerce platform is scarce. Therefore, the researcher is intrigued to designate Shopee Indonesia which is one of the e-commerce sites in Indonesia as the object of this research. This study also explores the consequences after consumers actively engage in Shopee Indonesia's content. It aims to prove whether the level of engagement can affect the degree of consumer loyalty to the brand. As for the framework in this research, namely:
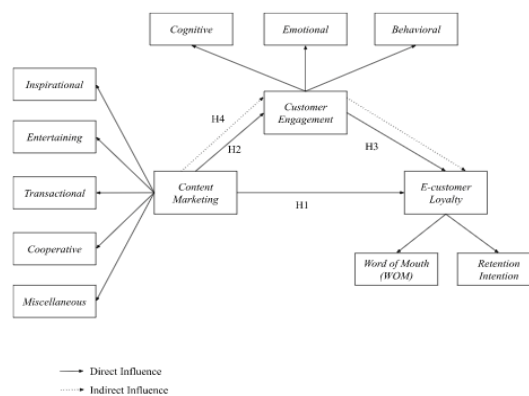

Figure 1
Thinking Framework

Hypothesis

H1: Content marketing has a significant influence on e-customer loyalty of Shopee Indonesia

H2: Content marketing has a significant influence on customer engagement of Shopee Indonesia

H3: Customer engagement has a significant influence on e-customer loyalty of Shopee Indonesia

H4: Content marketing has a significant influence on e-customer loyalty mediated by customer engagement of Shopee Indonesia

METHOD

The population in this study are all followers of the @shopee_id account who have performed customer engagement (CE) activities and have shopped or exercised other Shopee Indonesia services. This research was conducted by distributing questionnaires to 100 respondents with the purposive sampling method. Data was collected by giving a questionnaire comprising structured statements to the respondents, measured by a five-level Likert scale ranging from strongly agree (5) to strongly disagree. This study uses the Partial Least Square (PLS) analysis method using the SmartPLS.

RESULTS AND DISCUSSION

Results
Outer Model Analysis Outer

Outer model is often also called the (outer relation or measurement model) which defines how each indicator block relates to its latent variable. The measurement model (outer model) was used to assess the validity and reliability of the model. The model is said to be valid and reliable if it has an outer loading > 0.5, and an Average Variant Extracted (AVE) value > 0,5.
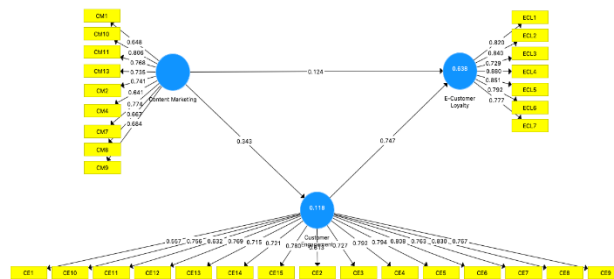

Figure 2
Outer Model
Source: Primary data processed (2022)

Table 1
Average Variant Extracted (AVE)

Variable	AVE	Communality
Content Marketing	0.519	0.519
Customer Engagement	0.546	0.546
E-Customer Loyalty	0.663	0.663

Source: Primary data processed (2022)

Based on the results of the outer model, all indicators have an outer loading value >0.5 and all variables have an Average Variant Extracted (AVE) value >0.5. The models can proceed to the next analysis.
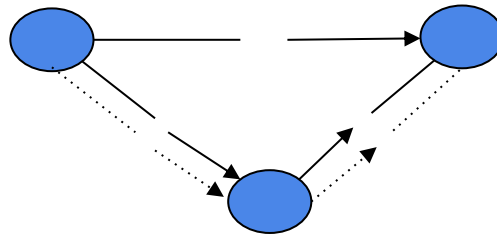
Hypothesis Test

Figure 3.
Result Of Bootstrapping
Source: Primary Data Processed (2022)
Table 2
Path Coefficients

Hypothesis	Effect	Original Sample	T-Statistics	P-Values	Results
H1	Content marketing	1.761	0.124	0.079	Rejected
H2	Content marketing	0.343	3,935	0.000	Accepted
H3	Customer engagement	0.747	13,791	0.000	Accepted
H4	Content marketing	0.256	3,896	0.000	Accepted

Source: Primary data processed (2022)

Hypothesis Testing 1 (H1)

The first test was conducted to see whether content marketing (CM) had a positive influence on e-customer loyalty (ECL). The test results can be seen in Table 4.27 above, the t-statistics showed a value of $1.761 < 1.962$ and p-values showed a value of $0.079 > 0.005$ which means that content marketing has no significant influence on e-customer loyalty. Based on the test results, hypothesis 1 is rejected.

Hypothesis Testing 2 (H2)

The second test was conducted to see whether content marketing (CM) had a positive influence on customer engagement (CE). The test results can be seen in Table 4.27 above, the t-statistics showed a value of $3.935 > 1.962$, and p-values showed a value of $0.000 < 0.005$ which means that content marketing has a positive and significant influence on customer engagement. Based on the test results, hypothesis 2 is accepted.

Hypothesis Testing H3

The third test was conducted to see whether customer engagement (CE) had a positive influence on e-customer loyalty (ECL). The test results can be seen in Table 4.27 above, the t-statistics showed a value of $13.791 > 1.962$, and p-values showed a value of $0.000 < 0.005$, which means that customer engagement has a positive and significant influence on e-customer loyalty. Based on the test results, hypothesis 3 is accepted.

Hypothesis Testing H4

The fourth test was conducted to see whether customer engagement (CE) mediates the influence of content marketing (CM) on e-customer loyalty (ECL). The test results can be seen in Table 4.27 above, the t-statistics showed a value of 3.896 > 1.962 and p-values showed a value of 0.000 < 0.005 which means that customer engagement mediates the influence of content marketing on e-customer loyalty. Positive and significant values indicate that customer engagement acts as a full mediation. Based on the test results, hypothesis 4 is accepted.

Discussion

The Influence of Content Marketing on E-customer Loyalty of Shopee Indonesia

This research shows that Shopee Indonesia's official Instagram account's content cannot instantly influence people who see it to visit, furthermore shop on the Shopee Indonesia application, nevertheless, after consumers make a purchase, the factors that influence them to promote, recommend, or have the intention to repurchase, is the experience they felt, including ease of using applications, payment methods, and discounted prices as well as shipping costs.

The Influence of Content Marketing on Customer Engagement of Shopee Indonesia

One of the contents that has a more substantial level of engagement than other types of content is the entertaining content, namely the post/story of Shopee Indonesia's official Instagram account requests for participation in challenge/lottery, or giveaway. Contents that incorporate them generate thousands or even tens of thousands of comments and likes on the official Instagram account of Shopee Indonesia.

Challange or giveaways are wittingly designed for people to participate by giving comments and likes on Shopee Indonesia's posts to increase engagement or interaction between social media users and Shopee Indonesia. In addition, giveaway winners are announced through Shopee Indonesia's Instagram stories so that the participants would check their stories.

Shopee Indonesia often inserts other content between the giveaway and challenge announcements, both on its Instagram stories and posts. Thus, users who are checking the announcements are unconsciously exposed to other content such as discounts, discounted shipping costs, vouchers, and information about products/brands.

Shopee Indonesia conducts special campaigns twice every month, approaching and on twin dates (for example 1.1 in January, 2.2 in February, and so on) and approaching and every 25th for the Shopee Mantul Sale. During these two periods, Shopee Indonesia massively dispenses giveaways and information about any products or brands that would give discounts, as well as reviews of these products. In these two periods, engagement escalates drastically compared to other periods.

The Influence of Customer Engagement on E-customer Loyalty of Shopee Indonesia

Customer engagement as an online experience is a manifestation of customer engagement behavior beyond purchases. Customer engagement can be actualized cognitively, emotionally, and behaviorally. The cognitive and affective elements of customer engagement are related to what the customer experiences and feels, while the behavioral element includes the participation of current customers and prospective customers.

Shopee Indonesia's official Instagram account can create active interactions with followers and customers. These interactions aim to create a bond between Shopee Indonesia customers with Shopee Indonesia. This results in the customers always monitoring Shopee Indonesia's marketing activities even when they have no intention of making a purchase. One respondent explained that, after participating in the giveaway, the respondent continued to follow Shopee Indonesia's official Instagram account and participate in activities held by Shopee Indonesia.

The interaction and bond that is formed between the customer and the brand is a behavioral process that strengthens the relationship and the customer has a positive experience with it. This positive relationship is an encouraging start to using and interacting with Shopee Indonesia.

Customer engagement marks the development of e-customer loyalty that starts with brand awareness to make repeated transactions, with a focus on developing commitment, engagement, and trust (Rudi et al., 2020).

E-customer loyalty is a strong commitment shown by e-commerce in terms of repeat purchases and testimonials from either e-commerce website promotions or word of mouth (WOM). The word of mouth dimension is the dissemination of information or recommendations made by customers on the e-commerce website or app by recommending, socializing, saying something positive, and endorsing its use.

The Influence of Content Marketing on E-customer Loyalty Of Shopee Indonesia Mediated by Customer Engagement.

In this study, the reason respondents were interested in the content on the official Instagram account of Shopee Indonesia and carried out customer engagement activities was to find out information about the various brand and product discounts as well as discounts and shipping vouchers. These reasons were also one of the same reasons, as previously explained, why respondents suggest, recommend, and have the intention to repurchase at Shopee Indonesia e-commerce.

Initially, Shopee Indonesia's Instagram followers were absorbed in content with giveaways, product promotions, as well as information on discounts and shipping costs. After interacting or engaging, they were unconsciously compelled to open the e-commerce platform to prove whether the promotions on Shopee Indonesia's official Instagram account are true or not.

Respondents explained that the information about promotions and discounts they saw could be obtained when they shopped or used other Shopee Indonesia services. Because of this positive experience, customers continued to interact with Shopee Indonesia through the content share, repurchased, and shared their experiences with friends and family.

CONCLUSION

Based on the results described, conclusions can be drawn regarding the influence of content marketing on the e-customer loyalty of Shopee Indonesia mediated by customer engagement.

1. Content marketing Shopee Indonesia has no significant influence on e-customer loyalty of Shopee Indonesia.
2. content marketing has a positive and significant influence on customer engagement.
3. Customer engagement has a positive and significant influence on e-customer loyalty.
4. Customer engagement mediates the influence of content marketing on e-customer loyalty. content marketing Shopee Indonesia's Instagram customer engagement on Shopee Indonesia's Instagram social media.

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