Analysis of the Influence of Social Media Marketing Activities on Purchase Intention with Brand Equity Mediation on Korean Merchandise

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Abstract
This study aims to analyze and identify the factors influencing purchase intention in Korean merchandise with the mediation of brand equity. The object of this study is to respondents aged 15-26 years and the average is still in school and already working who intend to buy Korean merchandise. The independent variables used in this study are entertainment, interaction, trendiness, advertisement, and e-wom, as well as brand equity as an intervening variable and purchase intention as a dependent variable. This study was obtained using a questionnaire filling method, a quantitative approach, and a purposive sampling technique. The author used Smart PLS to analyze the data.

Keywords: Purchase Intention, Marketing Activities, Korean Merchandise, Brand Equity

1. Introduction
This study aims to analyze and identify the factors influencing purchase intention in Korean merchandise with the mediation of brand equity. The object of this study is to respondents aged 15-26 years who intend to buy Korean
merchandise. The independent variables used in this study are entertainment, interaction, trendiness, advertisement, and e-wom, as well as brand equity as an intervening variable and purchase intention as a dependent variable. This study was obtained using a questionnaire filling method, a quantitative approach, and a purposive sampling technique. The author used Smart PLS to analyze the data.

The rise of Korean Pop music genre, commonly known as K-Pop, has gained immense popularity in Korea and outside the country, including Indonesia. Many people are enthusiastic about Korean music, which is called the Korean Wave (Korean Fever). The K-Pop fandom or Korean Wave is not limited to music but extends to K-dramas (Drakor), variety shows, and Korean culture and language. With the emergence of new fans every day, there is an opportunity for new businesses to sell K-Pop merchandise.

With the help of the internet and advanced technology, fans can use online marketplaces and social media to expand the reach of K-Pop music. The sophistication of this technology makes the development of K-Pop culture unable to fade over time. Fans use social media and marketplaces to interact, find new friends, listen to music, get the latest information about K-Pop, and buy and sell K-Pop merchandise. K-Pop fans commonly use social media platforms, including YouTube, WhatsApp, Instagram, Twitter, Line, Shopee, and Tokopedia.

K-Pop fans are known for their loyalty to their favorite idols, and they often buy official K-Pop merchandise to show their support, despite the high prices. Based on the survey, fans widely purchase K-Pop merchandise. Each agency produces K-Pop merchandise, and each item’s prices, concepts, and designs vary. Each merchandise can be expensive, and some items can only be sold in Korea, with additional shipping costs to send to Indonesia. The merchandise products that are highly popular among fans include DVDs/CDs, albums, lightsticks, photo cards, postcards, and other items. Despite the high prices, most K-Pop fans will still buy the merchandise as a form of support for their idols.

The activity of K-Pop fans is the basis for the emergence of the K-Pop merchandise buying and selling business. This business is a growing trend currently in the world and Indonesia. The target customers of this business usually come from the age of 15 to 26 years who have consumptive behavior, love K-Pop, and are very loyal to their idols. They also have an interest in collecting
K-Pop merchandise. Customer satisfaction is critical in business strategy because customer satisfaction can improve perceptions of something.\(^1\)

2. Literature Review

Purchase intention is described as a situation in which a person is first inclined to seek information about a product based on experience and external factors when they want to buy the product. After the information is gathered, the individual continues evaluating, comparing, and reviewing. The final step is to make the purchase. If a product or service has a positive value for consumer purchase intention, it increases the chances of consumer buying, and active brand engagement indirectly promotes this.\(^2\) Purchase intention is the consumer preference to trade products or services.

Surveyed 400 consumers to prove the relationship between variables, and the survey proved that marketing activities recognized in social media positively impact brand equity.\(^3\) Having social media activities has a positive and essential relationship with brand equity. Explains the positive and significant relationship between marketing activities in social media and brand equity. Marketing activities in social media are treated as independent variables that influence consumer brand equity, which in turn affects consumer behavior. The survey was conducted on consumers in four countries (China, France, India, and Italy). Eight hundred forty-five respondents were selected to analyze the data, and the results proved a positive and significant relationship among them.\(^4\) Explain that there are two types of social media. The first type is social media created by businesses, and the second is user-generated social media. Both types of social media are treated as independent variables that positively impact brand equity and are treated as parameters in this study. This study shows that social media has a significant impact on brand equity and has a significant effect.


Further explains the relationship between brand marketing on social media sites like Facebook. This study proves that Facebook marketing activities increase consumer awareness and make people want to explore and visit. Entertainment is a way for customers to enjoy the content uploaded on social media as a means of consumption for customers. Interacting with customers through social media and involving them can create positive attention for K-POP merchandise. Trendiness can be defined as information that is published on social media as the latest and most relevant information. Advertising is a component that refers to promotional campaigns that business actors have conducted through social media. E-wom or electronic word of mouth can be defined as a marketing tool that uses the internet or social media to create word-of-mouth news that can support a business and marketing goals. Marketing activities on social media are believed to directly increase the brand equity of a product. Purchase intention is an interaction where consumers can discuss and influence their intention to purchase a product.

3. Method

The population in this study is the community of Batam city who enjoy Korean pop, and the sample used by the author of this research is the community that intends to buy K-pop merchandise such as albums, lightsticks, photocards, slogans, and many more.

The sampling method used by the author in this research is a non-probability sample. The sampling technique only provides equal opportunities or chances for some population members to be selected as samples. The category set in this research is for consumer samples or the community who buy K-pop merchandise.


The number of samples follows the criteria hair et al namely 1:10, where the minimum sample required to be collected from respondents is 10 respondents for each question in the questionnaire that will be distributed. In this study, there are 25 questions that the author will distribute, so if measured according to the criterion (hair et al, 2019), it means that the total minimum number of respondents that the author will collect in this study is 250 respondents, but the author will maximize it to 350 respondents to avoid insufficiently valid respondents.

In this study, the author used primary data by distributing data to respondents related to the research object. One of them is a questionnaire that contains statements and questions to be answered by respondents using a rating scale from 1 (strongly disagree) to 5 (strongly agree). The presented data contains the personal identities and opinions of the respondents. In this study, the researcher used the basic concept of PLS-SEM, which can examine whether there is a connection between latent constructs with linear relationships on multiple parameters.

Source: Researcher’s data (2022)

Figure 1. Research framework

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The followings are the proposed hypothesis in this study:
H1: Entertainment influences brand equity.
H2: Interaction influences brand equity.
H3: Trendiness influences brand equity.
H4: Ewom influences brand equity.
H5: Advertisement influences brand equity.
H6: Brand equity influences purchase intention.
H7: Entertainment influences purchase intention mediated by brand equity.
H8: Interaction influences purchase intention mediated by brand equity.
H9: Trendiness influences purchase intention mediated by brand equity.
H10: Ewom influences purchase intention mediated by brand equity.
H11: Advertisement influences purchase intention mediated by brand equity.

4. Result and Discussion

Validity testing

Table 1. Outer Loading

<table>
<thead>
<tr>
<th>Variabel</th>
<th>Validity Value</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entertainment 1</td>
<td>0.658</td>
<td>Valid</td>
</tr>
<tr>
<td>Entertainment 2</td>
<td>0.772</td>
<td>Valid</td>
</tr>
<tr>
<td>Entertainment 3</td>
<td>0.777</td>
<td>Valid</td>
</tr>
<tr>
<td>Interaction 1</td>
<td>0.747</td>
<td>Valid</td>
</tr>
<tr>
<td>Interaction 2</td>
<td>0.735</td>
<td>Valid</td>
</tr>
<tr>
<td>Interaction 3</td>
<td>0.702</td>
<td>Valid</td>
</tr>
<tr>
<td>Trendiness 1</td>
<td>0.787</td>
<td>Valid</td>
</tr>
<tr>
<td>Trendiness 2</td>
<td>0.767</td>
<td>Valid</td>
</tr>
<tr>
<td>Advertisement 1</td>
<td>0.811</td>
<td>Valid</td>
</tr>
<tr>
<td>Advertisement 2</td>
<td>0.804</td>
<td>Valid</td>
</tr>
<tr>
<td>Advertisement 3</td>
<td>0.782</td>
<td>Valid</td>
</tr>
<tr>
<td>EWOM 1</td>
<td>0.758</td>
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<tr>
<td>EWOM 2</td>
<td>0.748</td>
<td>Valid</td>
</tr>
<tr>
<td>Brand Equity 1</td>
<td>0.678</td>
<td>Valid</td>
</tr>
<tr>
<td>Variabel</td>
<td>Validity Value</td>
<td>Conclusion</td>
</tr>
<tr>
<td>--------------------</td>
<td>----------------</td>
<td>------------</td>
</tr>
<tr>
<td>Brand Equity 2</td>
<td>0.704</td>
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<tr>
<td>Brand Equity 3</td>
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<td>Brand Equity 5</td>
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<tr>
<td>Brand Equity 6</td>
<td>0.751</td>
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<td>Purchase Intention 1</td>
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<td>Valid</td>
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<tr>
<td>Purchase Intention 2</td>
<td>0.712</td>
<td>Valid</td>
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<tr>
<td>Purchase Intention 3</td>
<td>0.798</td>
<td>Valid</td>
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<tr>
<td>Purchase Intention 4</td>
<td>0.722</td>
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<tr>
<td>Purchase Intention 5</td>
<td>0.811</td>
<td>Valid</td>
</tr>
<tr>
<td>Purchase Intention 6</td>
<td>0.781</td>
<td>Valid</td>
</tr>
</tbody>
</table>

Source: Researcher’s data (2022)

The results of validity testing on the processed data indicate that all values of each loading factor on the variable indicators have met the criteria, which is a value of +/- 0.5, so it can be concluded that the data is valid.⁹

### Reliability testing

<table>
<thead>
<tr>
<th>Variabel</th>
<th>Reliability (Cronbach’s Alpha)</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entertainment</td>
<td>0.790</td>
<td>Reliabel</td>
</tr>
<tr>
<td>Interaction</td>
<td>0.768</td>
<td>Reliabel</td>
</tr>
<tr>
<td>Trendiness</td>
<td>0.832</td>
<td>Reliabel</td>
</tr>
<tr>
<td>Adverstisement</td>
<td>0.861</td>
<td>Reliabel</td>
</tr>
<tr>
<td>Ewom</td>
<td>0.828</td>
<td>Reliabel</td>
</tr>
<tr>
<td>Brand Equity</td>
<td>0.782</td>
<td>Reliabel</td>
</tr>
</tbody>
</table>

Source: Researcher’s data (2022)

The reliability testing results on the processed data indicate that Cronbach’s alpha value for all variables has met the predetermined criteria, which is above 0.6, so it can be concluded that the data is reliable.\(^\text{10}\)

**T-Test Results (Hypothesis Testing)**

Based on the hypothesis, testing results, it shows that:

1. **Entertainment does not affect purchase intention.** Based on the study’s findings, the entertainment factor does not impact purchase intention. The study’s results contradict the findings of previous studies conducted by (Onurlubas & Altnisik, 2019), (Cheung et al., 2019), (Al Halbusi & Tehseen, 2018), (Abdul Alim et al., 2017), and (Abubakar et al., 2016).\(^\text{11}\)

2. **Interaction does not affect Purchase Intention.** Based on the t-test results shows that interaction does not have an impact on purchase intention. Interaction is a marketing technique that requires two or more parties to exchange opinions. The study’s findings contradict the findings of previous studies conducted by (Frida Johansson & Miranda Hiltula, 2021), (Tenzin Choedon & Young-Chan Lee, 2020), (Oussa Em, Peera Wongupparaj, Pattrawadee Makmee, 2020), (Bilgin Y., 2018), (Banfalvi, M., & Pontus, H., 2021).\(^\text{12}\)

3. **Trendiness affects Purchase Intention.** Based on the T-test results, it was found that the Trendiness variable impacts purchase intention. Trendiness is a brand that communicates the latest, current, and trendy information about the brand. The study’s findings are consistent with those of (Büyükdağ, 2021), (Matikiti-Manyevere et al., 2020), (Vinata & Kusumawati, 2021), (Ledikwe, 2020), and (Bilgin, 2020).\(^\text{13}\)

4. **Advertisement does not affect Purchase Intention.** Based on the t-test results shows that advertisement does not have an impact on purchase intention.

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intention. Advertisement is one of the marketing techniques that require media to advertise a product. The study’s findings contradict the findings of previous studies conducted by (Johansson & Hiltula, 2021), (Choedon et al., 2020), (Oussa, 2020), (Bilgin, 2018), and (Banfalvi & Pontus, 2021).  

5. Ewom affects Purchase Intention. Based on the t-test results shows that ewom has an impact on purchase intention. This is in line with and has a positive influence on previous studies and research (Sharma., 2017) (Dimyati, 2017) (Arif & Syahputri, 2021) (Dam & Dam, 2021) (Putro & Rachmat, 2019).

6. Brand equity does not affect Purchase Intention. Based on the t-test results, it is shown that brand equity has no significant effect on purchase intention. This study contradicts previous studies conducted by Ledikwe (2020), Bilgin (2020), Choedon et al. (2020), and Seo (2018).

5. Conclusion

In this study, the author researched Batam city’s population who are fans of and intend to buy K-pop merchandise. Based on the analysis that has been implemented, some factors influence the intention to buy Kpop merchandise, with brand equity as a mediator among the population of Batam city. Based on the analysis that was implemented in the previous chapter, the conclusions can be summarized as follows:

1. The study concludes that no significant relationship exists between entertainment and purchase intention. This finding contradicts previous studies by (Onurlubas & Altunisik, 2019), (Cheung et al., 2019), (Al Halbusi & Tehseen, 2018), (Abdul Alim et al., 2017), and (Abubakar et al., 2016).


2. The study concludes that interaction has no significant effect on purchase intention. This finding contradicts previous studies by (Cheung et al., 2019), (Seo & Park, 2018), (Banfalvi & Pontus, 2021), and (Bilgin, 2018).  

3. The study concludes that trendiness has a significant effect on purchase intention. This finding is consistent with previous studies by (Büyükdağ, 2021), (Matikiti-Manyevere et al., 2020), (Vinata & Kusumawati, 2021), (Ledikwe, 2020), and (Bilgin, 2020).

4. The study concludes no significant relationship exists between advertisement and purchase intention. This finding contradicts previous studies by (Johansson & Hiltula, 2021), (Choedon et al., 2020), (Oussa, 2020), (Bilgin, 2018), and (Banfalvi & Pontus, 2021).

5. The study concludes a positive relationship between electronic word-of-mouth (eWOM) and purchase intention. This finding is consistent with previous studies by (Sharma, 2017), (Dimyati, 2017), (Arif & Syahputri, 2021), (Dam & Dam, 2021), and (Putro & Rachmat, 2019).

6. The study concludes that there is no significant relationship between brand equity and purchase intention. This finding contradicts previous studies by (Ledikwe, 2020), (Bilgin, 2020), (Choedon et al., 2020), and (Seo, E.J., 2018).

The author hopes that the recommendations provided will be helpful for researchers analyzing the same topic and can serve as a consideration for companies engaged in the same field. This writing shows that the trendiness variable greatly influences brand equity and purchase intention among customers, which can be a consideration for companies that want to release

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K-pop merchandise with a contemporary concept. This can also create trust in consumers, ultimately leading to purchase intention.

Through this writing, the e-wom variable greatly influences brand equity and customer purchase intention. In this regard, companies can further consider the benefits provided to consumers related to information about the merchandise. This can increase trust and purchase intention among consumers.

Reference


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Johansson, F., & Hiltula, M. (2021). *The effect of social media marketing activities on brand image and brand loyalty (A quantitative study within the sportswear industry)*.


