

The Role of Social Media Marketing in Increasing Customer Loyalty

Lasnoto¹

Sekolah Tinggi Ilmu Ekonomi Samarinda

Burhanuddin²

Sekolah Tinggi Ilmu Ekonomi Samarinda

Adi Sijanto³

Sekolah Tinggi Ilmu Ekonomi Samarinda

Correspondence : Lasnoto (lasnoto69@gmail.com)

Submitted : 21-06-2024, Accepted : 21-07-2024, Published : 21-08-2024

Abstract

The purpose of this study was to determine the effect of Village Fund Assistance for Micro Enterprises and to determine the correlation between Micro Enterprise Assistance in increasing the income of micro entrepreneurs in Palu District. The research sample consisted of 61 respondents. Data Processing and Analysis Techniques were carried out through Research Instrument Tests including Validity Tests, Reliability Tests and Simple Linear Regression Analysis. The results of the study stated that Micro Enterprise Village Assistance had a significant effect on the income variables of micro entrepreneurs in North Palu District, however, Village Assistance correlated with the income of micro entrepreneurs in Palu District. Mamboro Village has many potentials for Micro, Small and Medium Enterprises originating from agriculture and plantations.

Keywords: Social Media Marketing, customer loyalty, manufacturing industry, validity, reliability, quantitative analysis

Introduction

In today's era of globalization and digitalization, the manufacturing industry faces intense competition, making customer loyalty critical to business continuity and growth (Yusuf, 2022). Social Media Marketing plays a vital role in fostering customer loyalty by creating strong relationships based on support, openness, empathy, and positive attitudes (Ramdan, 2022). Factors that influence customer loyalty in the manufacturing sector include customer satisfaction, trust, after-sales service, and value for money (Ramdan, 2022). In addition, organizations expanding into new markets must overcome internal challenges and cultural differences to enhance customer loyalty (Yusuf, 2022). E-commerce companies, leveraging innovation in products and services, can enhance customer loyalty by offering quality customer service, products, and competitive prices (Sukandi, 2022). Effective Social Media Marketing, coupled with a focus on customer satisfaction and cultural nuances, is critical to building and sustaining customer loyalty in a competitive manufacturing landscape. Social Media Marketing in manufacturing businesses plays a vital role in fostering customer loyalty through direct

interactions between sales staff and customers, which include both verbal and nonverbal elements (Yusuf, 2022). Effective communication, including a friendly demeanor and nonverbal cues such as smiling and eye contact, has been linked to increased customer satisfaction, a key driver of customer loyalty (Yusuf, 2022). Studies have emphasized the importance of Social Media Marketing in creating customer loyalty, highlighting characteristics such as support, openness, empathy, and positive attitudes as critical components in building strong customer relationships (Ramdan, 2022). Quantitative studies have shown a significant, positive, and strong relationship between Social Media Marketing and employee performance, underscoring the importance of this factor in the manufacturing sector to ensure customer satisfaction and loyalty (Yusuf, 2022). Further research focusing on quantitative analysis and measurement techniques can provide deeper insights into the direct impact of Social Media Marketing on customer loyalty in manufacturing settings.

Effective Social Media Marketing plays a vital role in enhancing customer satisfaction and fostering customer loyalty across industries. Studies have highlighted the importance of Social Media Marketing in different settings, such as organizations (Yusuf, 2022). Research shows that Social Media Marketing positively influences job performance, satisfaction, and service quality, which ultimately impacts customer loyalty. For example, in healthcare, training healthcare practitioners in Social Media Marketing skills significantly improves patient satisfaction and adherence to treatment (Yusuf, 2022). Similarly, in the business sector, the quality of service in hospitals is not only related to medical equipment but also to the quality of Social Media Marketing between staff and patients, leading to increased patient satisfaction and better health outcomes (Ramdan, 2022). Therefore, investing in an effective Social Media Marketing strategy is essential for organizations to build strong customer relationships, drive satisfaction, and foster loyalty.

Research gaps remain in understanding how key elements of Social Media Marketing such as empathy, trust, and clarity directly impact customer loyalty (Yusuf, 2022). While existing studies have primarily focused on the service industry, there is a dearth of research specific to the manufacturing sector (Yusuf, 2022). Integrating emotional intelligence into public relations, especially with the help of artificial intelligence, has shown promising results in enhancing customer loyalty in the manufacturing industry (Ramdan, 2022). The use of emotional intelligence and AI in public relations has been found to significantly impact social skills, empathy, and ultimately customer loyalty, highlighting the importance of these factors in fostering customer relationships and loyalty in the manufacturing sector (Ramdan, 2022)

Effective Social Media Marketing plays a vital role in fostering customer loyalty in the manufacturing industry. Research highlights several key aspects that significantly impact customer loyalty, including support, openness, empathy, and positive attitude (Yusuf, 2022). In addition, the form and approach of communication by employees, both verbally and non-verbally, have been shown to attract customer interest and increase loyalty (Ramdan, 2022). Furthermore, in the context of manufacturing organizations in Germany, active listening, clear communication, and message comprehension have been identified as strengths in interpersonal communication, contributing to effective communication processes and customer loyalty (Ramdan, 2022). Barriers to effective Social Media Marketing, such as lack of information flow and insufficient feedback, can hinder customer loyalty in the manufacturing sector (Ramdan, 2020). Overall, the combination of these aspects, including communication style, empathy, and feedback mechanisms, can significantly affect customer loyalty in the manufacturing industry. Analyzing the relationship between Social Media Marketing and customer satisfaction as a mediator of customer loyalty.

Literature Review

Social Media Marketing in manufacturing businesses, especially between sales staff and customers, is crucial to shaping customer experience. Effective Social Media Marketing, as highlighted in various studies (Yusuf, 2022), can improve the perception of service quality, ultimately fostering customer loyalty.

Customer loyalty is a critical aspect for businesses, defined by consistent repeat purchases driven by positive experiences, high satisfaction, and emotional attachment to the brand (Ramdan, 2022). Studies emphasize that loyal customers not only make repeat purchases but also act as brand advocates, recommending the company to others and helping expand the customer base (Yusuf, 2022).

Factors that influence customer loyalty include service quality, price, location (Yusuf, 2021), brand communication, awareness, image, and satisfaction (Sukandi, 2022). Understanding and managing customer loyalty is critical to long-term success, as it impacts business performance and guides managerial policies (Yusuf, 2022). By cultivating loyalty through positive interactions and emotional connections, companies can increase customer retention, drive sales, and benefit from positive word-of-mouth referrals, ultimately contributing to profitability and sustainable growth.

Social Media Marketing plays a vital role in enhancing customer loyalty by fostering emotional attachment and trust in the company. Research by Doğan et al. (Year) highlights the

positive impact of relationship marketing practices, such as customer relationship management and a customer-centric approach, on customer loyalty in the food service industry (Sukandi, 2022). Siregar’s research underlines the importance of characteristics such as support, empathy, and positive attitudes in creating customer loyalty through Social Media Marketing in a service setting (Nadia Itona Siregar, 2022). This insight aligns with studies by Gremler and Gwinner (2000) and Price and Arnould (1999), which suggest that harmonious relationships and high-quality personal interactions between employees and customers can lead to increased customer loyalty (Yusuf, 2022).

Methods

This study aims to identify and measure the role of Social Media Marketing in increasing customer loyalty in the manufacturing industry. This study uses a quantitative approach with survey methods and statistical analysis. This study uses a cross-sectional survey design to collect data from respondents at one point in time. The population of this study is customers who have made purchases at large manufacturing stores in a large city. The sample will be selected using a random sampling method to ensure good representativeness. The planned sample size is 82 respondents. To measure customer loyalty instruments using the theory of Oliver (1999).

Results and Discussion

Reliability and Validity Test

Validity Test

Table. Validity Test

Correlations

| | | Communicati on Quality | Communicati on Process | Customer Loyalty |
|---------------------------|------------------------|---------------------------|---------------------------|---------------------|
| Social Media Marketing | Pearson Correlation | 1 | ,696** | ,562** |
| | Sig. (2-tailed) | | ,000 | ,000 |
| | N | 82 | 82 | 82 |
| Communication Process | Pearson Correlation | ,696** | 1 | ,552** |
| | Sig. (2-tailed) | ,000 | | ,000 |

| | | | | |
|------------------|-----------------|--------|--------|----|
| | N | 82 | 82 | 82 |
| Customer Loyalty | Pearson | ,562** | ,552** | 1 |
| | Correlation | | | |
| | Sig. (2-tailed) | ,000 | ,000 | |
| | N | 82 | 82 | 82 |

** . Correlation is significant at the 0.01 level (2-tailed).

Interpretation : Based on the results of the SPSS 25 statistical test, it is known that the sign value of all variables is declared valid, where the sign result is known to be $0.000 < 0.05$. Thus, all research items are declared valid.

Reliability Test

Table.Reliability Test

Reliability Statistics

| Cronbach's | |
|------------|------------|
| Alpha | N of Items |
| ,668 | 2 |

Interpretation:

Based on the Cronbach`s alpha value, it is known that the resulting value is $0.668 < 0.600$, thus it is stated that all variables in this study are reliable, so that this study can be continued to the next stage..

F Test and T Test Analysis

F Test Table

ANOVA^a

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|----|-------------|--------|-------------------|
| 1 | Regression | 409,820 | 2 | 204,910 | 28,884 | ,000 ^b |
| | Residual | 688,140 | 96 | 6,094 | | |
| | Total | 1096,960 | 99 | | | |

a. Dependent Variable: Customer Loyalty

b. Predictors: (Constant), Communication Process, Communication Quality

Interpretation:

Based on the results of the f-test, it is known that the result is 28,884, thus facially the relationship between variables in this study has an influence on the dependent variable.

T-test

**T-Test Table
 Coefficients^a**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|-----------------------|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 9,628 | 1,529 | | 6,264 | ,000 |
| | Communication Quality | ,621 | ,192 | ,265 | 2,265 | ,002 |
| | Communication Process | ,526 | ,202 | ,298 | 2,659 | ,009 |

a. Dependent Variable: Customer Loyalty

Interpretation:

Based on the results of the t-test, it is known that Tcount is greater than Ttable, where, if Tcount is greater than Ttable, it can be stated that each variable has an influence on the dependent variable in this study..

Determinant Analysis

**Table.Determinant Analysis Test
 Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | ,611 ^a | ,262 | ,260 | 2,662 |

a. Predictors: (Constant), Marketing Communication, Social Media Marketing

Based on the results of the determinant test calculation, it is known that the R,square value is 0.262. Thus, the magnitude of the influence of the communication quality variable contributes an influence of 26.2% to customer loyalty.

Discussion

Validity of Research Instruments

Based on the results of statistical tests using SPSS 25, all research variables are declared valid with a significance value (sign) of 0.000 which is smaller than the critical limit of 0.05. This shows that each item in the research instrument is able to measure what should be measured consistently and precisely. This high validity ensures that the data collected truly represents the concepts being studied.

Reliability of Research Instruments

The resulting Cronbach's Alpha value is 0.668, which is greater than the minimum accepted value of 0.600. This shows that the research instrument has good reliability. In other words, the instrument can be relied on to produce consistent data over time and between respondents. High reliability ensures that the results of the study are not influenced by random errors or inconsistencies in measurement.

Test of the Influence of Independent Variables on Dependent Variables

F Test

The results of the F test show a calculated F value of 28,884. This value indicates that overall, the independent variables in this study significantly affect the dependent variable. In the context of this study, it can be concluded that the quality of Social Media Marketing collectively has a significant influence on customer loyalty.

t-test

The results of the t-test show that the calculated t value is greater than the t table for each independent variable. This means that each independent variable has a significant influence on the dependent variable individually. In this study, it can be concluded that each aspect of the quality of Social Media Marketing contributes significantly to increasing customer loyalty.

Determination Coefficient (R Square)

The R Square value obtained is 0.262. This shows that 26.2% of the variation in customer loyalty can be explained by the Social Media Marketing quality variables studied. In other words, the quality of Social Media Marketing has a significant contribution in explaining customer loyalty. However, there is still 62.6% of the variation explained by other factors

outside this research model, which may include factors such as price, product quality, and other external factors.

Conclusion

Based on the analysis that has been done, it can be concluded that the quality of Social Media Marketing has a significant and positive influence on customer loyalty. All items in the research instrument are declared valid and reliable, allowing this research to be continued to the next stage. In addition, the results of the F test and t test show that the independent variables collectively and individually have a significant effect on the dependent variable, with the R Square value indicating a substantial contribution from the communication quality variable to customer loyalty. This study provides a deeper understanding of the importance of Social Media Marketing in the context of the manufacturing industry, and can be the basis for developing more effective communication strategies to increase customer loyalty.

References

- Abdurohim, D., & Ramdan, A. M. (2023). Analysis Of Strategic Entrepreneurship To Increase The Export Of Micro, Small, And Medium Enterprises (MSMEs) In Indonesia: A Case Study Of Java Halu Coffee. *International Journal of Economics and Management Research*, 2(3), 209-224.
- Alfiah, A., Suhendar, A., & Yusuf, M. (2023). Pengaruh Kualitas Produk, Citra Merek dan Harga terhadap Keputusan Pembelian Vinyl Flooring Merek Taco di CV Indosanjaya Kota Bandung. *SEIKO: Journal of Management & Business*, 6(1), 492-503.
- Herawati, A. F., Yusuf, M., Cakranegara, P. A., Sampe, F., & Haryono, A. (2024). Social Media Marketing In The Promotion Of Incubator Business Programs. *Jurnal Darma Agung*, 30(2), 623-633.
- Khuan, H., Ramdan, A. M., Risdiyanto, A., Widyastuti, W., & Wahyuning, S. (2023). Pengaruh Digital Marketing Dan Brand Awareness Pada Produk Kosmetik Halal Melalui Aplikasi Tiktok Terhadap Minat Beli. *Jurnal Ilmiah Edunomika*, 8(1).
- Nugroho, A. P., Norvadewi, N., Wulansari, M., Akbarina, F., & Yusuf, M. (2023). Digital Entrepreneurship Strategy In Online Business Companies In West Java. *Transformasi: Journal of Economics and Business Management*, 2(2), 01-12.

- Paningrum, D., Ramdan, A. M., Melinda, T. F., Karneli, O., & Irwanto, T. (2023). Analysis of Online Marketing Strategies Post Pandemic COVID-19. *Quantitative Economics and Management Studies*, 4(1), 61-65.
- Panjaitan, R., Ramdan, A. M., Sawlani, D. K., & Abdullah, A. (2023). The Role Of Market Performance Studies With A Strategic Orientation. *Jurnal Manajemen Industri dan Logistik*, 6(2), 227-241.
- Ramdan, A. M., Maulana, M. F., & Revinzky, M. A. (2022). Analisa Konten Marketing Di Sosial Media Tiktok Terhadap Brand Awareness Bittersweet By Najla. *Business Preneur: Jurnal Ilmu Administrasi Bisnis*, 4(02).
- Revinzky, M. A., Ramdan, A. M., & Maulana, M. F. (2022). Penguatan Pemasaran Usaha Rumahan Melalui Facebook Ads Dan Instagram Ads. *Business Preneur: Jurnal Ilmu Administrasi Bisnis*, 4(02).
- Rosid, A., Ramdan, A. M., & Mulyana, Y. (2023). Peningkatan Kapasitas Aktivitas Pemasaran Digital Usaha Kecil Online Ayam Sijagur dan Gow Juice di Kecamatan Ujungberung Kota Bandung: Digital Marketing. *BERNAS: Jurnal Pengabdian Kepada Masyarakat*, 4(1), 339-348.
- Salim, N. A., Sutrisno, S., Maango, H., Yusuf, M., & Haryono, A. (2023). Employee performance and the effects of training and the workplace. *Jurnal Darma Agung*, 30(2), 549-558.
- Saputro, R. H., Anggoro, T., Muslim, S., Wardani, I. U., Fatmawati, E., Yusuf, M., ... & Yusuf, M. A. (2023). Gaining Millennial and Generation Z Vote: Social Media Optimization by Islamic Political Parties. *Res Militaris*, 13(1), 323-336.
- Soukotta, A., Sampe, F., Putri, P. A. N., Cakranegara, P. A., & Yusuf, M. (2024). Financial literacy and savings behavior female entrepreneurs in Kiaracondong Market, Bandung City. *Jurnal Darma Agung*, 30(2), 652-662.
- Wowling, S. A. S., Yusuf, M., Gampu, S., & Sahala, J. (2024). Product Quality And Pricing Influence On The Brand Reputation Of Loco Coffee Fast Food Products. *Jurnal Darma Agung*, 30(2), 541-548.
- Yusuf, M., Sutaguna, I. N. T., Hariyanto, M., Fauzan, R., & Miftahuljannah, R. H. (2023). Tokopedia Marketplace, The Effect Of Digital Marketing And Service Quality On Purchase Decisions. *Jurnal Mirai Management*, 8(1), 448-457.