

The Influence Of Social Media Marketing Activities And Social Media Marketing Systems On Market Performance Through Social Media Strategy Success And Brand Awareness (A Study Of Small-Medium Online Culinary Business In The Greater Bandung Area)

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Abstract

This study analyzed the influence of Social Media Marketing Activities (SMMA) and Social Media Marketing Systems (SMMS) on Market Performance through the mediating variables of Social Media Strategy Success and Brand Awareness. The study focused on online culinary Small and Medium Enterprises (SMEs) in the Greater Bandung area (Bandung Raya), Indonesia. The research background was driven by the shift in the creative economy paradigm and the digitalization challenges faced by business actors following the COVID-19 pandemic. The methodology employed was quantitative with descriptive and verificative approaches. Data were collected via surveys of 400 respondents, consisting of owners or managers of online culinary SMEs, using Multistage Cluster Sampling. Data analysis was performed using Structural Equation Modeling (SEM) through LISREL 8.8 software. The results indicated that simultaneously, SMMA and SMMS had a significant influence on Market Performance through mediating variables, with an R^2 value of **0.85**. Partially, SMMA had a positive and significant effect on market performance, whereas SMMS did not show a significant direct effect. However, SMMS had a strong influence on market performance through the mediation of Social Media Strategy Success. These findings emphasized that strategic success and brand awareness are crucial bridges in transforming internal management systems and digital activities into sustainable financial performance.

Keywords: Brand Awareness, Market Performance, Social Media Marketing Activities, Social Media Marketing System, Social Media Strategy Success

Introduction

In the digital era, Micro, Small, and Medium Enterprises (MSMEs) represent the cornerstone of national economic resilience in Indonesia, contributing **61.9%** of the Gross GDP and absorbing up to **97%** of the local workforce.¹ However, a systemic vulnerability exists within this structure, often referred to as the "hollow in the middle" phenomenon, where small and medium-sized enterprises (SMEs) lag significantly behind micro-enterprises and large-scale corporations.¹ This structural imbalance points to critical weaknesses in operational scale, technological adaptation, and market expansion within the mid-tier business sector.

In the Greater Bandung area (Bandung Raya), food-based enterprises account for more than one-third of all active local SMEs.¹ The onset of the COVID-19 pandemic severely disrupted physical market transactions, forcing a massive migration of these culinary businesses to online platforms. Yet, this rapid digitization has created a profound operational paradox.¹ Diagnostic surveys conducted among culinary SMEs in Bandung Raya revealed that despite high digital platform integration, commercial survival remains highly precarious: **68.7%** of these businesses operate with annual revenues below Rp 50 million, and **38.4%** record net monthly profits of less than Rp 1 million, which falls significantly below the local regional minimum wage.¹ Mere participation in the digital ecosystem does not automatically translate into viable commercial performance, highlighting a critical deficiency in how digital resources are internally organized and externally deployed.

To address this disconnect, this study integrates two distinct dimensions of digital marketing capability: Social Media Marketing Activities (SMMA) and Social Media Marketing Systems (SMMS).¹ Drawing upon the Resource-Based View (RBV) and the Stimulus-Organism-Response (SOR) framework, this study conceptualizes SMMS as an internal, latent organizational asset and SMMA as an active, external market stimulus.⁴ By examining the mediating pathways of Brand Awareness and Social Media Strategy Success, this research presents a comprehensive framework to explain how internal digital management architectures and external promotional maneuvers interact to shape the market performance of culinary SMEs.

Methods

The study was conducted quantitatively using descriptive and verificative approaches to examine the structural and causal relationships among the variables. The structural model evaluates how the independent constructs—Social Media Marketing Systems (X_1) and Social Media Marketing Activities (X_2)—affect the final dependent construct, Market Performance (Z), through the dual mediating constructs of Brand Awareness (Y_1) and Social Media Strategy Success (Y_2).

The target population for this research was defined as the digitized culinary SMEs operating across the Bandung Raya region ($N = 100,000$ active units).¹ To determine an empirically representative sample size, Slovin's formula was applied :

$$n = \frac{N}{1 + N(e)^2} \quad (1)$$

Where N represents the total population (100,000) and e represents the margin of error (0.025). The calculation is executed as follows:

$$n = \frac{100,000}{1 + 100,000(0.0025)} = \frac{100,000}{251} \approx 398.4 \quad (2)$$

To ensure statistical robustness, the sample was established at $n = 400$ active culinary SME owners or managers.

A Multistage Cluster Sampling technique was executed to account for geographical dispersion :

- Bandung City Cluster (50% , $n = 200$): Focused on high-density commercial zones such as Coblong (Dago), Lengkong, and Antapani.

- Bandung Regency Cluster (30% , $n = 120$): Focused on university-adjacent zones like Bojongsoang and Cileunyi.

- Cimahi and West Bandung Cluster (20% , $n = 80$): Focused on transit and tourist corridors like Lembang and Padalarang.

Primary data collection was facilitated using a structured, 41-item self-administered questionnaire mapped to a 5-point Likert scale. Structural Equation Modeling (SEM) utilizing Maximum Likelihood Estimation via LISREL 8.8 software was selected as the analytical engine.

Results and Discussion

Demographic and Operational Profile of Respondents

The socio-demographic and economic characteristics of the 400 surveyed culinary SME owners and managers in the Greater Bandung region are summarized in Table 1.

Table 1. Respondent Demographic and Economic Profile.

Demographic/Economic Attribute	Classification Category	Frequency (f)	Percentage (%)
Gender	Female	308	77.0%

	Male	92	23.0%
Age Cohort	Baby Boomers (61-79 years)	184	46.0%
	Generation X (45-60 years)	138	34.6%
	Millennials (29-44 years)	85	21.15%
	Generation Z (13-28 years)	6	1.38%
Annual Revenue	Under Rp 50 Million	275	68.7%
	Rp 50 Million - Rp 600 Million	117	29.3%
	Above Rp 600 Million	11	2.9%
Net Monthly Profit	Under Rp 1 Million	154	38.4%
	Rp 1 Million - Rp 2 Million	118	29.4%
	Above Rp 2 Million	128	32.2%
Online Sales Channels	Social Commerce Only (FB, WA, IG, TikTok)	190	47.5%
	Food Delivery Apps (GoFood, GrabFood, etc.)	200	50.0%

	Offline Only	10	2.5%
Primary Digital Barrier	Lack of Digital Literacy / Understanding	256	64.0%
	Signal Instability and Connectivity	58	14.5%
	Device Obsolescence / Other	86	21.5%

Source: Primary Survey Data (2026).

The demographic baseline indicates that the digital culinary sector in Greater Bandung is largely driven by mature female operators (77%), with Baby Boomers and Generation X constituting 80.6% of all respondents. Furthermore, the vast majority of these enterprises are ultra-micro or micro-scale, with 68.7% generating less than Rp 50 million in annual revenue. Additionally, a significant digital literacy gap exists, as 64% of respondents identified "lack of digital understanding" as their single greatest hurdle.

Construct Measurement and CFA Factor Loadings

Measurement model evaluation was performed using Confirmatory Factor Analysis (CFA) to establish the construct validity and reliability of the latent variables. Table 2 details the standardized factor loadings, t -values, and Cronbach's Alpha coefficients for the primary constructs.

Table 2. Confirmatory Factor Analysis (CFA) Validity and Reliability Results.

Latent Construct and Key Indicators	Loading (λ)	t-value	R-squared	Cronbach Alpha
SMMS (X1): Social Media				0.831

Marketing System				
X1.2: Specialized digital training	0.56	11.39	0.31	
X1.6: Consumer involvement in campaigns	0.57	11.59	0.32	
X1.9: Contextual platform selection	0.65	13.88	0.43	
SMMA (X2): Social Media Marketing Activities				0.897
X2.1: Engaging brand accounts	0.81	19.22	0.66	
X2.8: Personalized recommendations	0.84	20.22	0.70	
Brand Awareness (Y1)				0.621
Y1.1: Direct brand identification	0.62	12.81	0.38	

Y1.3: Recalling corporate brand logo	0.57	10.29	0.33	
Social Media Strategy Success (Y2)				0.830
Y2.2: Increased follower awareness	0.76	14.34	0.57	
Y2.3: High organic user engagement	0.76	14.46	0.58	
Market Performance (Z)				0.919
Z2: Target sales achievement rates	1.00	12.74	0.99	
Z5: Cumulative net profit growth	1.00	12.75	1.00	

Source: LISREL 8.8 Measurement Output (2026).

The validation metrics show that all items demonstrate appropriate convergent validity, with standardized factor loadings exceeding the minimum threshold of **0.40** (except **Y_{2.6}** which is acceptable at **0.39**, but retained due to its theoretical contribution).¹ The construct reliability is robust, as evidenced by Cronbach's Alpha coefficients exceeding **0.60** for all variables

Structural Model Estimation and Fit Diagnostics

The estimation of the structural parameters was conducted via LISREL 8.8 using Maximum Likelihood estimation. Table 3 presents the fit diagnostics generated for this model.

Table 3. Model Fit Indices and Goodness-of-Fit Summary.

Goodness-of-Fit (GOF) Index	Observed Model Value	Reference Standard Threshold	Result
Chi-Square	4880.81	Lower values preferred	Marginal Fit
Root Mean Square Error (RMSEA)	0.086	0.05 - 0.10	Moderate Fit
Root Mean Square Residual (RMR)	0.078	≤ 0.08	Good Fit
Comparative Fit Index (CFI)	0.97	≥ 0.90	Good Fit
Non-Normed Fit Index (NNFI/TLI)	0.95	≥ 0.90	Good Fit
Incremental Fit Index (IFI)	0.97	≥ 0.90	Good Fit

Source: LISREL 8.8 Structural Output (2026).

The fit diagnostics indicate a highly acceptable model fit. While the absolute Chi-Square value is high due to its sensitivity to the sample size ($N = 400$), the comparative fit indices (CFI = **0.97**, TLI = **0.95**, IFI = **0.97**) indicate that the hypothesized structural model represents a highly valid representation of the empirical relationships.

Structural Path Analysis and Hypotheses Testing

Following fit validation, LISREL generated the following three structural equations representing the system of relationships:

$$\text{Brand Awareness } (Y_1) = 0.57 \cdot \text{SMMS } (X_1) + 0.28 \cdot \text{SMMA } (X_2) \quad (3)$$

$$\text{t-values: } [12.26] \quad [7.90] \quad (R^2 = 0.52)$$

$$\text{Social Media Strategy Success } (Y_2) = 0.51 \cdot \text{SMMS } (X_1) + 0.28 \cdot \text{SMMA } (X_2) \quad (4)$$

$$\text{t-values: } [10.27] \quad [7.38] \quad (R^2 = 0.45)$$

$$\text{Market Performance } (Z) = 0.035 \cdot \text{SMMS } (X_1) + 0.083 \cdot \text{SMMA } (X_2) + 0.36 \cdot Y_1 + 0.55 \cdot Y_2 \quad (5)$$

$$\text{t-values: } [1.08] \quad [3.78] \quad [13.39] \quad [21.80] \quad (R^2 = 0.85)$$

Table 4 summarizes the structural path coefficients and the statistical significance of each direct hypothesis.

Table 4. Summary of Structural Path Coefficients and Hypotheses Decisions

Path Directional Linkage	Standardized Coefficient	t-value	Critical t	Hypothesis Decision
SMMS (X1) -> Brand Awareness (Y1)	0.570	12.26	1.972	Significant (Accept)
SMMA (X2) -> Brand Awareness (Y1)	0.280	7.90	1.972	Significant (Accept)
SMMS (X1) -> Strategy Success (Y2)	0.510	10.27	1.972	Significant (Accept)

SMMA (X2) - > Strategy Success (Y2)	0.280	7.38	1.972	Significant (Accept)
SMMS (X1) -> Market Performance (Z)	0.035	1.08	1.972	Non- Significant (Reject)
SMMA (X2) - > Market Performance (Z)	0.083	3.78	1.972	Significant (Accept)
Brand Awareness (Y1) -> Market Perf (Z)	0.360	13.39	1.972	Significant (Accept)
Strategy Success (Y2) - > Market Perf (Z)	0.550	21.80	1.972	Significant (Accept)

Source: LISREL 8.8 Structural Estimation (2026).

The structural model demonstrates highly robust explanatory power, accounting for **85%** of the total variance in Market Performance ($R^2 = 0.85$).

The Operational Paradox: Action Over Planning

A key finding of this structural analysis is the direct path from Social Media Marketing Systems (SMMS) to Market Performance, which is statistically non-significant ($t = 1.08 < 1.972$). Conversely, the direct path from Social Media Marketing Activities (SMMA) to Market Performance is highly significant ($t = 3.78 > 1.972$).

From a theoretical standpoint, this divergence can be explained by the Resource-Based View (RBV).⁴ SMMS—which encompasses human resources training, co-creation structures, and strategic planning—represents a "latent" organizational asset.⁴ While these internal systems provide a valuable foundation, they do not directly generate revenue.⁴ A detailed digital marketing plan, highly trained staff, or formal co-creation processes have no direct commercial impact unless they are actively deployed through consumer-facing execution. In contrast,

SMMA serves as the active, consumer-facing capability that directly engages the market.⁵ This dynamic is consistent with the Stimulus-Organism-Response (SOR) framework, where real-time social media activities function as environmental stimuli (S) that trigger cognitive processing (O) and purchase decisions (R).⁵ Experienced practitioners in the Bandung culinary sector note that for micro and small enterprises, immediate execution is far more critical than complex administrative systemization. These businesses operate in a highly agile, "trial-and-error" mode. If a specific social media post or menu promotion fails to generate engagement within three days, they quickly pivot and modify their approach without the administrative delays typical of larger corporations. However, the structural analysis also demonstrates that internal systems are not redundant. Although the direct path from SMMS to Market Performance is non-significant, its indirect path through the mediation of Social Media Strategy Success (Y_2) is highly powerful. This indicates that while immediate actions drive daily sales, structured planning and systematic training are essential to scale the business and sustain performance over time.

The Power of Mediated Brand Awareness and Strategy Success

The structural decomposition highlights the critical role of Brand Awareness (Y_1) and Social Media Strategy Success (Y_2) as mediating variables, together explaining a substantial portion of the variance in Market Performance ($R^2 = 0.85$).

Brand Awareness (Y_1) exerts a strong, direct positive effect on Market Performance ($\beta = 0.36$, $t = 13.39$). In a crowded online marketplace like Greater Bandung, where consumers are exposed to hundreds of food options daily, establishing a strong brand identity is crucial.¹ The descriptive analysis reveals that respondents scored higher on visual brand recognition, such as remembering the business's logo and primary brand colors (Mean = 3.28), than on specific product features or taste profiles (Mean = 3.20). This indicates that visual branding is highly effective at capturing initial consumer attention, making the business a preferred choice when consumers make quick purchasing decisions.

Social Media Strategy Success (Y_2) emerged as the most powerful determinant of Market Performance ($\beta = 0.55$, $t = 21.80$). This variable measures how effectively social media channels guide customers through the digital marketing funnel, converting initial exposure into customer loyalty. Descriptive metrics show that while culinary SMEs are moderately successful at driving initial engagement (likes, views, and comments, Mean = 3.17), converting that interest into actual transactions remains a challenge (Mean = 3.10). This conversion gap suggests that while their content is engaging enough to attract attention, it often lacks clear calls-to-action (CTAs) or seamless ordering pathways.

Integration of Qualitative Expert Interview Data

To triangulate these quantitative findings, qualitative insights were collected from in-depth semi-structured interviews with academic, industry, and governmental experts in the West Java marketing ecosystem :

- **Academic Perspective (Prof. Dr. Hj. Dewi Indriani Jusuf, S.E., M.Si., CDMP):** Prof. Dewi confirmed that the majority of micro-scale entrepreneurs prioritize immediate market execution over administrative systems. These operators are driven by immediate economic survival and household support. While early-stage businesses can succeed on pure execution, establishing a baseline system is essential to support growth and ensure long-term sustainability as the business scales.
- **Industry Perspective (Moehamad Satiadarma, ST, MBA - Founder of Kopi Anjis):** Drawing from over a decade of local experience, Mr. Satiadarma-Eka emphasized the importance of operational agility for small culinary brands. Small businesses typically operate in a highly flexible, founder-centric manner. Rather than relying on formal management programs, they adjust their strategies in real-time based on immediate feedback from their social media communities.

Governmental Policy Perspective (R. Firman Nurtafiyana, SPt., ME - Disperindag West Java): Mr. Nurtafiyana highlighted the state's strategic interest in digital transition. The government views digital marketing as a critical tool to help local West Java brands compete against imported goods. However, policymakers must recognize that simple digital activities are not enough. Digital literacy programs must help small businesses transition from basic social media usage to structured data management and analytical planning.

Conclusion

This structural study of digitized culinary SMEs in Greater Bandung (Bandung Raya) provides several insights :

- **The Planning-Execution Gap:** Social Media Marketing Systems (SMMS) do not exert a significant direct effect on Market Performance, indicating that internal plans and training are not enough to drive sales.¹ However, SMMS has a powerful indirect effect mediated by Social Media Strategy Success, demonstrating that systematic planning is essential to sustain and scale marketing performance over time.

- **The Power of Real-Time Activity:** Social Media Marketing Activities (SMMA) directly drive Market Performance, confirming that immediate, trend-responsive, and engaging content is essential to capture customer demand in highly competitive local food markets.

- **The Importance of Mediation:** Brand Awareness and Social Media Strategy Success serve as critical mediating pathways. For digitized culinary SMEs, commercial success relies on a balanced approach: using outward-facing activities to drive immediate sales while steadily building the internal capabilities and brand equity needed to sustain performance over time.

Based on these empirical findings, several practical strategies are proposed for online culinary SME practitioners in Greater Bandung:

- **Implement Actionable Copywriting Formulas:** To address the low customer conversion rates (Mean = **3.10**), operators should adopt structured copywriting techniques. Applying formulas such as Attention-Interest-Desire-Action (AIDA) and Problem-Agitate-Solution (PAS) can significantly improve results.

- **Optimize Visual Branding and Photography:** Since visual brand recognition is a primary driver of customer recall (Mean = **3.28**), SMEs must prioritize high-quality, consistent visual assets. Operators can utilize basic smartphones to capture clean, well-lit food photography by maximizing natural daylight and using free mobile editing applications (such as Lightroom Mobile or Snapseed).

- **Professionalize Mobile Service Channels:** With **47.5%** of respondents relying primarily on social commerce, WhatsApp Business should be optimized as a primary transaction hub.¹ Operators should actively use built-in features such as product catalogs, automated greeting messages, and customer categorization labels.

- **Leverage User-Generated Content and Co-Creation:** Given the high performance of customer co-creation metrics (Mean = **3.41**), culinary SMEs should actively encourage their customers to share their dining experiences.¹ Businesses can offer small incentives, such as a free topping or a minor discount, in exchange for customers posting a photo or video of their meal on Instagram Stories or TikTok and tagging the business's account.

- **Adopt Adaptive Digital Strategies for Mature Operators:** For the **46%** of operators in the Baby Boomer demographic who frequently face digital literacy challenges, attempting to manage multiple, complex social media channels can lead to operational fatigue.¹ These businesses should focus their limited resources on a single, highly familiar platform like Facebook Groups or WhatsApp Status. Additionally, using free, conversational AI tools (such as ChatGPT) can assist these operators in quickly generating creative captions.

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