# THE EFFECT OF SOCIAL MEDIA MARKETING AND E-WOM ON PURCHASE DECISION WITH BRAND AWARENESS AS A MEDIATING VARIABLE

(STUDY ON SATE RATU)

### **THESIS**

Presented as Partial Fulfilment of Requirements for the Degree of Bachelor of Management (S1) in International Business Management Program Faculty of Business and Economics Universitas Atma Jaya Yogyakarta



# Arranged by: Anak Agung Ngurah Agung Satria Wangsa 201225401

INTERNATIONAL BUSINESS MANAGEMENT PROGRAM
FACULTY OF BUSINESS AND ECONOMICS
UNIVERSITAS ATMA JAYA YOGYAKARTA
2024

#### **THESIS**

# THE EFFECT OF SOCIAL MEDIA MARKETING AND E-WOM ON PURCHASE DECISION WITH BRAND AWARENESS AS A MEDIATING VARIABLE

(STUDY ON SATE RATU)

Arranged by:
Anak Agung Ngurah Agung Satria Wangsa
201225401

Has been reviewed and approved by:

Supervisor

Wenefrida Mahestu N. Krisjanti, S.E., M.Sc., Ph.D.

19th June 2024

#### THESIS

# THE EFFECT OF SOCIAL MEDIA MARKETING AND E-WOM ON PURCHASE DECISION WITH BRAND AWARENESS AS A MEDIATING **VARIABLE**

(STUDY ON SATE RATU)

### Arranged by:

Anak Agung Ngurah Agung Satria Wangsa / 201225401

Has been defended in front of examiners in 15th July 2024 and accepted as fulfillment of the requirements for the Degree of Bachelor of Management (S1) in International Business Management Program Faculty of Business and Economics Universitas Atma Jaya Yogyakarta

COMPOSITION OF EXAMINATION COMMITTEE

**Head of Examiner** 

**Members of Examiner** 

W. Mahestu N. Krisjanti, SE., M.Sc., Ph.D.

Api Adyantari, SA., MBA.

Vonezyo Yup

Yogyakarta, 18th July 2024 **Dean of Faculty Business and Economics** 

Universitas Atma Jaya Yogyakarta

Wenefrida Mahestu N. Krisjanti, S.E., M.Sc., Ph.D

DAN EKONOMIKA
UNIVERSITAS ATIMA JAVA YOGʻVAKARIA

### **AUTHENTICITY ACKNOWLEDGEMENT**

I, Anak Agung Ngurah Agung Satria Wangsa, hereby declare that I have complied ad completed a thesis with the title:

# THE EFFECT OF SOCIAL MEDIA MARKETING AND E-WOM ON PURCHASE DECISION WITH BRAND AWARENESS AS A MEDIATING VARIABLE

Declare that this work is entirely my own and does not include the work of others, except for sections where references are appropriately cited according to scientific writing standards and listed in the bibliography of this thesis.

Yogyakarta, 13th June 2024

The Researcher

Anak Agung Ngurah Agung Satria Wangsa

#### ACKNOWLEDGEMENT

Thank you, Almighty God, Ida Sang Hyang Widi Wasa for his blessing, protection, and help until the thesis with the title: "THE EFFECT OF SOCIAL MEDIA MARKETING AND E-WOM ON PURCHASE DECISION WITH BRAND AWARENESS AS A MEDIATING VARIABLE" can be completed correctly and smoothly.

While writing this thesis, I receive many helps, guidance, and support. As a result of this, I express my deepest gratitude to:

- 1. My family, especially my parents, Anak Agung Ngurah Alit and I Gusti Ayu Dewi Eliyanti, for all the hard work, money, support, prayers, as well as providing motivation and enthusiasm to the author during this thesis work. Also, my sibling, Anak Agung Ngurah Putra Narendra Wangsa that provide me with enormous support so that I can finish this thesis.
- 2. My supervisor, Mrs. Wenefrida Mahestu Noviandra Krisjanti, S.E., M.Sc., Ph.D., always takes the time to guide me and provide many suggestions on my thesis.
- 3. Fellysia Fiera, supportive partner who always accompanies and gives a lot of support to me in working my thesis. Also, thank you for all the help in the form of suggestions in the preparation of this thesis.
- 4. Bimo, Ryan, Edward, Chucho, Tegar, Adi, Hadi, and Michael for all the laughter and joy. Their constant support and encouragement have been priceless, and I am appreciative of their unwavering presence during trying times.
- 5. Kefas, Abi, Richard, Bagus, Henry, Aurell, and Kevin who have accompanied me through these 4 years of study and filled my university life with fun time.
- 6. IBMP batch 2020 for the togetherness for the 4 years of studying and have continuously offered their assistance and support whenever I've faced difficulties in my academic career.
- 7. Lecturers of Atma Jaya University Yogyakarta, who have provided direction and knowledge during the author's studies in university.

8. For everyone else that I am unable to mention by names above. Thank you for the support, help, and lesson.

The researcher realizes that there are many shortcomings and limitations in this thesis. Researchers openly accept all forms of input and criticism with the aim of perfecting further research. And the researcher hopes that this thesis can help all readers to add insight into various aspects.

Yogyakarta, 13<sup>th</sup> June 2024

Anak Agung Ngurah Agung Satria Wangsa

## **MOTTO**

"To be, or not to be"

- William Shakespeare -

"You must be the change you wish to see in the world"

- Mahatma Gandhi -

## TABLE OF CONTENTS

APPRO	OVAL PAGE	ii
DEAN	APPROVAL PAGE	iii
AUTHI	ENTICITY ACKNOWLEDGEMENT	iv
ACKN	OWLEDGEMENT	v
MOTT	Ö	vii
TABLE	E OF CONTENTS	viii
LIST O	OF TABLES	xi
LIST O	OF FIGURES	xii
ABSTE	RACT	xiii
CHAPT	TER I	1
PRELII	MINARY	1
1.1	Research Background	1
1.2	Research Question	5
1.3	Objective of the Study	5
1.4	Research Benefits	6
1.5	Writing Systematics	7
CHAP	TER II	8
THEOF	RETICAL BACKGROUND	8
2.1	Literature Review	8
2.1	1.1 Social Media Marketing	8
2.1	1.2 Electronic Word of Mouth	9
2.1	1.3 Brand Awareness	9
2.1	1.4 Purchase Decision	10
2.2	Previous Studies	11

2	3	Hyp	pothesis Development	17	
2.	4	Res	earch Framework	20	
CHAPTER III					
RES	EAI	RCH	METHODOLOGY	21	
3.	1	Res	earch Method	21	
3.	2	Obj	ect and Subject of Research	21	
3	3	Pop	ulation and Sample	22	
	3.3.	1	Population	22	
	3.3.	2	Sample	22	
3.	4	Dat	a Collection Method	23	
3	5	Dat	a Measurement Method	23	
3.	6	Ope	erational Variable Definition	24	
3.	7	Data	a Analysis Method	27	
	3.7.	1	Descriptive Statistics	27	
	3.7.	2	Instrument Testing	27	
	3.7.	3	Analytical Tools	29	
CHA	APT]	ER I	V	33	
DAT	ΆA	NAI	LYSIS AND DISCUSSION	33	
4.	1	Des	criptive Statistics Analysis	33	
	4.1.	1	Result of Filter Question	33	
	4.1.	2	Respondent Descriptive Statistics	34	
	4.1.	3	Descriptive Statistical Data Analysis	36	
4.	2	Sma	artPLS Analysis	37	
	4.2.	1	Measurement Model Analysis (Outer Model)	38	
	4.2.	2	Structural Model Analysis (Inner Model)	45	

4.2	Hypothesis Testing	47
4.3	Discussion	51
СНАРТ	TER V	56
CONCI	LUSION	56
5.1	Conclusion	56
5.2	Managerial Implications	57
5.3	Research Limitations	58
5.4	Suggestions for Future Researches	59
BIBLIC	OGRAPHY	60
APPEN	IDIX	67
Appe	endix 1 – Questionnaire	67
Appe	endix 2 – Raw Data from Respondents	74
Appe	endix 3 – Data Analysis	79

## LIST OF TABLES

Table 2.1 Previous Studies.	11
Table 3.1 Likert Scale	24
Table 3.2 Research Indicator	24
Table 3.3 Class Interval Division	27
Table 4.1 Respondent Filter Questions Result	33
Table 4.2 Respondent Gender Statistics	34
Table 4.3 Respondent Age Statistics	35
Table 4.4 Class Interval Division	36
Table 4.5 Outer Loadings	40
Table 4.6 Average Variance Extracted	40
Table 4.7 Adjusted Outer Loadings	42
Table 4.8 Adjusted Average Variance Extracted	43
Table 4.9 Fornell Larcker Criterion	43
Table 4.10 Cross Loadings	44
Table 4.11 Composite Reliability	45
Table 4.12 R-Square	45
Table 4.13 f-square	46
Table 4.14 Q-Square	47
Table 4.15 Direct Effects	48
Table 4.16 Indirect Effects	50

## LIST OF FIGURES

Figure 1.1 Overview of Internet Use	1
Figure 1.2 Overview of Social Media Use	2
Figure 1.3 Sate Ratu's Instagram Profile	4
Figure 2.1 Research Framework	20
Figure 3.1 Zhao et al.'s Theory of Mediation Analysis	32
Figure 4.1 Structural Model	38
Figure 4.2 Construct Model	39
Figure 4.3 Adjusted Structural Model	41
Figure 4.4 Adjusted Construct Model	42
Figure 4.5 Bootstrapping Testing Method	47

#### **ABSTRACT**

# THE EFFECT OF SOCIAL MEDIA MARKETING AND E-WOM ON PURCHASE DECISION WITH BRAND AWARENESS AS A MEDIATING VARIABLE

### Arranged by:

## Anak Agung Ngurah Agung Satria Wangsa 201225401

#### **Supervisor:**

Wenefrida Mahestu Noviandra Krisjanti, S.E., M.Sc., Ph.D.

#### **Abstract**

This research analyses the effect of social media marketing and electronic word of mouth toward purchase decision with brand awareness as a mediating variable. The research was conducted by using a survey method via Google Form by utilizing a Likert scale. Data was collected using purposive sampling method from 191 respondents who know and have visited Sate Ratu on the last 1 year. Data analysis was performed using SmartPLS 3 software. The findings shows that social media marketing and brand awareness positively affect purchase decision. Followed by brand awareness that positively affected by social media marketing and electronic word of mouth. Moreover, brand awareness is able to mediate the effect of social media marketing and electronic word of mouth toward purchase decision. However, there is no significant effect from electronic word of mouth toward purchase decision.

**Keywords**: social media marketing, electronic word of mouth, brand awareness, purchase decision