The Role of Smma in Building Digital Bank Customer Loyalty
From the S-O-R Model Perspective

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Abstract In this technological era, business actors or organizations compete and innovate with each other to provide the best service to their customers, one of which is offering digital banking products. Bank Jenius is a digital bank with the largest active users in Indonesia. This research aims to provide a more comprehensive understanding regarding social media marketing activities, especially Instagram, in building customer loyalty in the digital banking sector from the perspective of the Stimulus-Organism-Response (S-O-R) model. A quantitative approach with a survey method using purposive sampling and a questionnaire instrument was used in this research. The research object is digital bank customers who use Instagram social media. Research findings show that Social Media Marketing Activities (SMMA) has a positive effect on Customer Equity Drivers for both Value Equity, Brand Equity and Relationship Equity, which in turn each has a positive effect on customer loyalty. Limitations and suggestions for future research are also described.

Keywords : Digital Bank, Brand Equity, S-O-R

1. INTRODUCTION

In the era of globalization, human needs and technology have developed to the point of mutual dependence. Various human activities supported by technology have become much more efficient and effective, such as using the internet, using computers, laptops, smartphones and various other digital applications. Technology can change the lifestyle or mindset of consumers (Yohan et al., 2020).

Data from the Indonesian Internet Service Providers Association (APJII) for 2022 shows that since the pandemic, internet user data in Indonesia has experienced rapid growth, increasing by around 35 million users to 210 million from previously only 175 million. This encourages business people or business organizations to compete with each other and innovate in digital product processes to improve service quality and meet consumer needs. One of them is in the financial services or banking sector which is innovating with digital banks.

PT. Bank Tabungan Pensiunan Nasional Tbk (BTPN) in 2016 it launched a service product, namely Jenius digital bank, which is now the most popular bank in Indonesia. As explained by Katadata.co.id, the results of a survey from DailySocial in 2021 saw that Bank Jenius was the digital bank most widely known by respondents at 64% and had the most customers, namely 3.3 million compared to several other digital banks (Aeni, 2022). Meanwhile, in 2022 also explained by Databoks.katadata.co.id, based on App Annie data in the State of Mobile report, the highest data for active digital bank users in Indonesia is Bank Jenius compared to other digital banks, reaching 2.34 million users (Pahlevi, 2022).

The presence of a digital bank must ensure security and comfort for its customers. The Indonesian Financial Services Authority (OJK) issued OJK Regulation No.12/POJK.03/2018

which states that digital banking services are electronic banking services developed by optimizing the use of customer data in order to serve customers more quickly, easily and according to their needs (customer experience) and can be carried out completely independently by the customer by paying attention to security aspects." According to Populix survey results, the five highest reasons why people use digital banks are 75% practical, 74% easy to use, 67% save time, 65% have many features offered, and 62% make it easy to track expenses (Ahdiat, 2022).

The presence of e-commerce in Indonesia is an opportunity for banks to develop their business by creating an ecosystem that collaborates with e-commerce providers to reach users. Databoks.katadata.co.id explained in the State of Mobile 2022 report that financial application users in Indonesia increased by 82% in 2021 or by 382.12 million from the previous year in 2020 of 210.07 million (Pahlevi, 2022).

Accessing information about a product or service can now be done through many media, one of which is by utilizing social media. Social Media Marketing Activities (SMMA) helps customers to get new information quickly, this makes social media a valid tool to be used as a source of information (Yadav & Rahman, 2018). The use of social media in marketing strategies can influence Customer Equity Drivers (CED). Companies that focus on Social Media Marketing Activities (SMMA) are able to create, communicate and provide value so that every marketing activity will encourage increased Value Equity (Yadav & Rahman, 2018). SMMA also encourages the creation of Brand Equity, namely as a means to remind existing customers about the company's existence, and acts as an emotional bond between company management and its customers. (Godey et al., 2016). Apart from that, in relationship equity, Social Media Marketing Activities (SMMA) is able to build relationships with customers and maintain customer loyalty (Langga et al., 2021).

The emergence of social media is used by marketers to build direct relationships with customers, build communication and promotions according to the customer proposition (Yadav & Rahman, 2018). Social media platforms such as Facebook, Instagram, YouTube and WhatsApp have opened new horizons of business opportunities for companies around the world, allowing marketers to interact with potential customers, build relationships and increase brand trust and reliability (Sharma et al., 2022)

APJII data released in June 2022 explains that there are 9 main reasons for internet users to access social media, and currently this has reached around 98.02% (APJII, 2022). One social media platform that is widely used is Instagram. Instagram has various features that allow users to take photos and videos, edit and apply creative digital filters, send messages and

share uploaded photos or videos to other users, as well as share them on various social networking services. Instagram also helps its users to communicate with other users through uploading interactive photos and videos. Currently, Instagram has become a medium that is used by various groups in Indonesia to share information about culinary, travel, tourism and business or just entertainment for someone to fill their free time. According to Dataindonesia.id, the We Are Social 2022 report states that in April 2022 active Instagram users in Indonesia reached around 99.9 million users. This is what underlies the use of Instagram by various groups to promote their business, starting from introducing products, attracting customers and retaining customers because through Instagram customers can directly communicate with business owners.

One approach used to explain the influence of marketing activities via social media in encouraging customer equity which in turn has an impact on forming customer loyalty is the Stimulus-Organism-Response (S-O-R) model. The S-O-R framework shows a person's cognitive and emotional states that mediate between stimuli and customer responses so that they can drive behavior (Islam & Rahman, 2017).

Several previous studies have used the S-O-R approach as a basis for explaining various phenomena, including explaining the factors driving impulsive buying behavior(Chen & Yao, 2018; Zhu et al., 2020), formation of customer loyalty (Izogo et al., 2017 ; Yadav & Rahman, 2018), patronage intention (Tan, 2023), consumer experience (Wei et al., 2023), online shopping user behavior (Ramezani Nia & Shokouhyar, 2020 ; Mo & Luh, 2023), satisfaction (Ali et al., 2021), and to analyze external environmental factors (Chen & Yao, 2018). The S-O-R approach is also widely used in various research objects, including e-commerce or online transactions (Chen & Yao, 2018; Yadav & Rahman, 2018 ; Zhu et al., 2020; Ramezani Nia & Shokouhyar, 2020,; Mo & Luh, 2023), airline industry (Seo & Park, 2018), green hotel (Tan, 2023), virtual tourism (Wei et al., 2023), smartphone travelapps' satisfaction (Ali et al., 2021), supermarket environmental corporate social responsibility (ECSR) (Schill & Godefroit-Winkel, 2022), social commerce (Liu et al., 2019), real-time bidding (RTB) advertising (S. Zhang et al., 2021).

Other research that has been carried out related to the world of banking using S-O-R includes retail banking in Nigeria (Izogo et al., 2017), retail banking in India (Kamath et al., 2020) and the banking industry in India (Kumar et al., 2022). However, previous research still mostly focused on the object of traditional banking services, while currently the development of digital banking services is increasingly being used, therefore research that focuses on digital bank customer behavior still needs to be explored in more depth. Likewise, research related to

marketing activities still uses general social media (for example Yadav & Rahman, 2018; Seo & Park, 2018), whereas in reality each social media has specific characteristics, therefore research that focuses on certain social media needs to be carried out. Based on this, this research aims to explore how much influence social media marketing activities, especially Instagram, have on Customer Equity Drivers, both towards value equity, brand equity and relationship equity which in turn has an impact on the formation of customer loyalty in digital banks. The research results are expected to provide a more comprehensive understanding regarding social media marketing activities, especially Instagram, in building consumer loyalty in the digital banking sector from the perspective of the Stimulus-Organism-Response (S-O-R) model.

2. LITERATURE REVIEW

Stimulus-Organism-Response (S-O-R) Model

The Stimulus-Organism-Response or S-O-R model is suitable for research that discusses the influence of social media marketing activities on business performance. The core idea of the S-O-R model is that the atmosphere created by the physical environment influences the state of the organism followed by its decisions and behavior (Zhu et al., 2020). The S–O–R framework provides approach stages that are processed in a structured manner to provide information on the achievement or impact of the perception of Social Media Marketing Activities (SMMA) which has an influence on the Customer Equity Driver (CED) environment, meaning that S-O-R has an important role in the perception of SMMA and CED in influencing consumer behavior, namely customer loyalty (Yadav & Rahman, 2018). The influence of various technological features of commerce websites, namely interactivity, personalization, and socialization perceived by users on the virtual experience and customer intentions to request, and share information of a commercial nature (Zhang et al., 2014).

Social Media Marketing Activities (SMMA)

In the process of balancing sales practices, many multinational companies have invested resources into information and communications technology (Weber & Haseki, 2021). Social media service providers should consider how to increase the effects of social media marketing activities (Schen & Lin, 2019). Social Media Marketing Activities (SMMA) supports the S-O-R research model environment, using five SMMA factors, namely interactivity, informativeness, word-of-mouth, personalization, and trendiness (Zhang & Benyoucef, 2016).

Interactivity explains that when social media consistently shares or posts interesting information on its pages, the company consistently interacts with its followers, this process

improves the brand experience for followers (Beig & Khan, 2018). Informativeness relates to various information that can be easily disseminated via social media. Information must have value and be useful so that it can meet the needs of its users. Social media also acts as a tool used to disseminate information related to a product or service being marketed and related to a company brand (Koay et al., 2021). Word-of-mouth or WOM is a marketing activity carried out to provide information about the quality of products or services provided by a company. This activity is usually carried out by word of mouth or consumer to other consumers. WOM research discusses a lot of aspects of the sender or recipient, namely in the sender aspect, examining the motives for spreading WOM, while, in the recipient aspect, examining behavior regarding changes in purchasing after getting value from the WOM (King et al., 2014). Personalization is related to when many companies improve their business and services by developing personalized websites that are attractive and interactive, this will create consumer satisfaction and existing business opportunities (Tam & Ho, 2014). Trendiness is one of the benefits of social media to spread trendy or newest information through four sub-motivations, namely monitoring, knowledge, information before purchasing, and inspiration (Algharabat, 2017). Trendiness also shows the company's activeness in disseminating information in the form of trendy content or updates regarding products or services, product or service reviews, as well as fun brand-related educational information through social media posts to build trust with consumers (Godey et al., 2016).

Customer Equity Drivers (CED)

A brand can present everything the company has to offer and as a comparison with other brands in that product category (Yadav & Rahman, 2018). Brand equity is the level of a product or service that can produce various positive results for the company, such as increasing target market achievement, increasing brand loyalty, setting premium product prices, and gaining premium revenue. Customer Equity Drivers (CED) have three driving equity, namely Value Equity, Brand Equity, and Relationship Equity.

Value Equity

For SMMA, Value equity has an important role and has become one of the focus points (Seo & Park, 2018). Equity value means the customer's personal perception of the benefits of the brand and the perception of what he receives. Value equity which can influence customer decisions is formed from three important things, namely quality, price and comfort (Yadav & Rahman, 2018)

Brand Equity

Brand is one of the most important factors in the activities of making a product for a company. A brand is a characteristic or label of a product that provides information about the purpose of the product that can meet customer needs. Brand equity is something that has exchange value so that it can provide its own value to customers. Social media marketing can help maintain a company brand (Chen & Lin, 2019). The company's perspective in building brand equity is to achieve optimal results and increase brand value for its investors. The higher brand equity can increase customer loyalty and reach the target market, meaning that the elasticity of demand for the brand can decrease due to increasing equity.
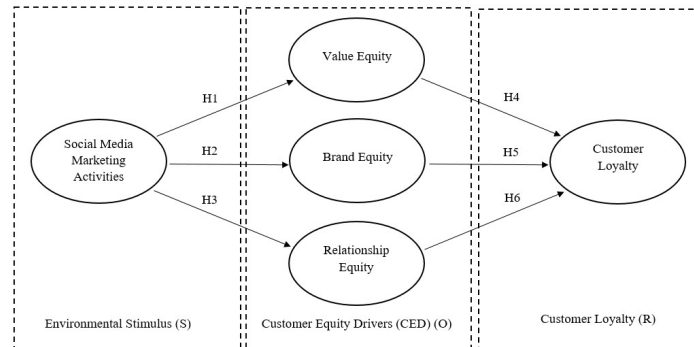
Relationship Equity

Relationship Equity is part of CED that supports the success of value and brand equity. The three variables, namely value, brand, and relationship equity are interconnected, making companies with high brand equity able to encourage company value to retain customers. Companies that are able to build a strong brand and are able to create strong equity relationships will be able to maintain equity value and brand equity (Yadav & Rahman, 2018).

Customer Loyalty (CL).

Customer loyalty is a long-term action by consumers that makes a company and its products an important part of the consumption process so that it is carried out regularly and repeatedly. Loyalty comes from the word loyal which means to obey or comply or be loyal, this means that a loyal customer is someone who does something that becomes a habit, such as buying a product within a certain period of time while remaining loyal according to the offers provided by the company. Customer loyalty is a form of customer satisfaction with a product or service so that there is repurchase activity. The existence of perceived differential advantages shapes customers to recognize their bank's brand equity thereby building satisfaction and loyalty (Kamath et al., 2020).

Research Thinking Framework & Hypothesis

Based on theoretical studies in previous research, a research model was prepared consisting of three variables which were used to describe the process of forming customer loyalty through the application of Social Media Marketing Activities (SMMA) and Customer Equity Drivers (CED).

Figure 1. Theoretical Research Framework

Source: Yadaf & Rahman, 2018

The Influence of Social Media Marketing Activities on Customer Equity Drivers

Previous research shows that there is a positive relationship between Social Media Marketing Activities (SMMA) and Customer Equity Drivers (CED), which has three equity drivers, namely value, brand and relationship equity (Yadav & Rahman, 2018). Every marketing activity focuses on creating, communicating and providing value so that every marketing activity will try to increase value equity (Yadav & Rahman, 2018). Marketing activities via social media can be used to convey the value of a product to customers. A product or resource that conveys value will be utilized carefully by wise customers (Koay et al., 2021). This makes SMMA influence the Value Equity (VE) of a product. For companies, social media also has the task of establishing relationships between companies and customers and providing opportunities for companies to be able to access their customers, this is done through marketing activities via social media (Seo & Park, 2018). MMA also consists of Word-of-mouth (WOM) which is a tool to influence customers in deciding to buy a product or service, searching for information both offline and online to relieve customer anxiety (Seo & Park, 2018). Many companies are aware that promotions greatly influence consumers in deciding to purchase products, one of which is the WOM strategy which is very effective for carrying out promotions, especially in increasingly competitive business competition. (Langga et al., 2021). Based on the explanation above, the following hypothesis is proposed:

H1. Social Media Marketing Activities have a positive effect on Value Equity

Marketing activities via social media are a good strategy for building brand equity (Ismail, 2017). Marketing activities via social media serve to introduce the brand to customers. Companies that are able to increase their brand equity will be able to convince consumers to pay premium prices and will return to make transactions in the future (Yadav & Rahman, 2018). A brand introduced through social media will build brand equity that is different from

other brands by combining various properties (Seo & Park, 2018). This will have an impact on the emergence of brand awareness and then consumers will know the brand name and make a brand a potential choice (Seo & Park, 2018). Customer perceptions of service quality, value, brand image, trust, influence and resistance will influence the strength of the company's brand equity (Kamath et al., 2020). The existence of online marketing activities can form an online brand community which is also possible to build customer loyalty (Ismail, 2017). Based on the explanation above, the following hypothesis is proposed:

H2. Social Media Marketing Activities have a positive effect on Brand Equity

Social media is a means between company management and customers to communicate with each other. Companies need customers to increase their share of wallet. Meanwhile, customers need products and information about product benefits to meet their needs. SMMA is an effective communication medium for companies to increase relationship equity with customers (Yadav & Rahman, 2018). Marketing activities via social media have an effective impact on developing relationships between companies and customers (Ismail, 2017). Based on the explanation above, the following hypothesis is proposed:

H3. Social Media Marketing Activities have a positive effect on Relationship Equity

The Influence of Customer Equity Drivers on Customer Loyalty

In the Customer Equity Driver, there are three conventional equity drivers that have a direct and positive impact on customer loyalty (Segarra-Moliner & Moliner-Tena, 2016). Customer loyalty is a customer's commitment to a product or company so that the customer will purchase the product repeatedly even though there are situations that can influence it and other marketing efforts that have the potential to cause switching. Value equity is an overall comparison of what customers pay and receive (Razzaq et al., 2017). The existence of a perception of value equity can influence customer decisions, one of which is the influence of the service quality of the e-commerce platform itself (Yadav & Rahman, 2018). Marketing activities carried out through social media build value that can reach customers (Ismail, 2017). This means that value equity can influence customer loyalty preferences for a product. Based on the explanation above, the following hypothesis is proposed:

H4. Value Equity has a positive effect on Customer Loyalty

A brand is an image or characteristic of a company and has an important role in the success of a service or product. Brand equity makes people have strong memories of the brand and can make customers return to the product so that brand equity can create customer loyalty. Brands help companies make it easier to get customers, remind customers of something they consume, and build emotional bonds with the company and customers (Yadav & Rahman,

2018). The existence of online marketing activities can form an online brand community which can then increase customer loyalty to the brand (Ismail, 2017). Based on the explanation above, the following hypothesis is proposed

H5. Brand Equity has a positive effect on Customer Loyalty

Relationship equity is a driving factor for companies to be able to retain their customers. With established relationships, it will be easier for the company to retain customers and attract them back. Previous research shows a positive relationship between relationship equity and customer loyalty (Yadav & Rahman, 2018;Razzaq et al., 2017). The results of relationship equity and customer loyalty show that companies operating in the e-commerce sector must be able to implement SMMA (Yadav & Rahman, 2018). Customers who feel they have been treated well by the company will increase their trust in the company, and this means the company has high relationship equity (Vogel et al., 2008). Customer satisfaction is an emotional condition or customer feeling that arises after consuming a product (Kamath et al., 2020). Marketing activities through social media have an effective impact on developing relationships between companies and customers and can build brand loyalty and brand communities from social media (Ismail, 2017). Based on the explanation above, the following hypothesis is proposed:

H6. Relationship Equity has a positive effect on Customer Loyalty

3. METHOD

This research is quantitative research with a survey method. The population is Jenius bank customers in Semarang and Yogyakarta. Data collection was carried out using a purposive sampling approach, namely a non-probability sampling method, with the criteria being Bank Jenius customers, male/female, Indonesian citizens, minimum age 17 years, Instagram social media users and willing to be involved in this research. The research instrument used a questionnaire with a 5 (five) Likert scale ranging from Strongly Disagree (value 1), Disagree (value 2), Neutral (value 3), Agree (value 4) and Strongly Agree (value 5), the questionnaire was distributed via googleform. The total sample was 200 respondents with the Partial Least Square Structural Equation Modeling (PLS SEM) analysis technique using SMARTPLS 3.0 tools.

The indicators for each variable are based on previous research. The Social Media Marketing Activity (SMMA) variable uses 5 indicators, namely 1) Interactivity, 2) Informativeness, 3) Word-of-mouth, 4) Personalization, and 5) Trendiness (Yadav & Rahman, 2018). The Customer Equity Driver (CED) variable consists of Value Equity, Brand Equity

and Relationship Equity. Value equity uses 2 indicators, namely 1) ease of access to purchasing, 2) product utilization and time (Ou et al., 2014). The Brand Equity variable uses 2 indicators, namely 1). strong brand 2) innovative brand (Verhoef et al., 2007). Relationship equity uses 3 indicators, namely) Loyalty program, 2) Community formation program, 3) Gift/reward program (Yadav & Rahman, 2018). Customer loyalty uses 3 indicators, namely 1). Possible future use, 2). Possibility of recommending to friends or relatives, and 3). Possibility of Reuse (Wang et al., 2015).

4. ANALYSIS AND DISCUSSION

Respondents consisted of 94 men (47%) and 106 women (53%), with an age range of ≤20 years as many as 44 people (22%), 21-30 years as many as 116 people (53%), and 31- 40 years as many as 40 people (25%). The results of respondents' responses for each variable using a 5 Likert scale show that for the SMMA variable the average is 4.12, Value equity is 4.13; Brand equity of 4.10; Relationship Equity is 4.14 and Customer Loyalty is 4.12.

Evaluation of the measurement model (Outer Model)

Table 1. shows Cronbach's Alpha and Composite reliability > 0.7 so it can be concluded that the Social Media Marketing Activities (SMMA), Customer Equity Driver (CED) variables which consist of Value Equity, Brand Equity and Relationship Equity and Customer loyalty meet the internal consistency reliability criteria. The analysis results also show that each indicator of the five variables, namely SMMA, VE, BE, RE and CL has an outer loading >0.708 and an AVE value >0.5 so it is concluded that it has met convergent validity (Hair et al., 2017).

Table 1. Convergent Validity and Internal Consistency Reliability

Variable	Indicator	Outer Loading	AVE	HTMT	Cronbach's Alpha	Composite Reliability
Social Media Marketing Activities (SMMA)	X1	0.902	0.633		0.958	0.963
	X2	0.749				
	X3	0.818				
	X4	0.794				
	X5	0.768				
	X6	0.791				
	X7	0.800				
	X8	0.804				
	X9	0.808				
	X10	0.772				
	X11	0.754				
	X12	0.831				
	X13	0.772				
	X14	0.771				
	X15	0.788				
Value Equity (VE)	Z1.1	0.922	0.837	0.605	0.806	0.911

	Z1.2	0.908				
Brand Equity (BE)	Z2.1	0.900	0.826	0.601	0.789	0.905
	Z2.2	0.917				
Relationship Equity (RE)	Z3.1	0.902	0.818	0.589	0.778	0.900
	Z3.2	0.907				
Customer Loyalty (CL)	Y1	0.893	0.765	0.646	0.846	0.907
	Y2	0.838				
	Y3	0.892				

Source: Data Processing Results SmartPLS 3.0 (2024)

The Fornell-Larcker Criterion in Table 2. shows that the square root of the AVE of each construct is greater than its highest correlation with other constructs. Each construct has more variance with related indicators compared to other constructs. This shows that the discriminant validity criteria are met for all variables (Hair et al., 2017). The HTMT value in Table 3 shows a figure below the threshold value of 0.90, it is concluded that all variables meet the discriminant validity criteria. The HTMT value is the average of all indicator correlations across constructs that measure different constructs (i.e. heterotrait-heteromethod correlations) relative to the (geometric) average of the correlations of indicators that measure the same construct (i.e. monotrait-heteromethod correlations (Henseler et al., 2015).

Table 2. Discriminant Validity

Fornell-Larcker Criterion

	BE	CL	RE	SMMA	VE
BE	0,909				
CL	0,835	0,875			
RE	0,833	0,830	0,905		
SMMA	0,732	0,790	0,716	0,796	
VE	0,816	0,835	0,767	0,740	0,915

Source: Data Processing Results SmartPLS 3.0 (2024)

Table 3. Heterotrait-Monotrait Ratio (HTMT)

	BE	CL	RE	SMMA	VE
BE					
CL	**1,017**				
RE	**1,061**	**1,019**			
SMMA	**0,601**	**0,646**	**0,589**		
VE	**1,021**	**1,006**	**0,968**	**0,605**	

Source: Data Processing Results SmartPLS 3.0 (2024)

Structural Model Evaluation (Inner Model)

The structural model or inner model is evaluated with R Square and F Square. In general, Figure 2 shows a picture of the structural model of this research.
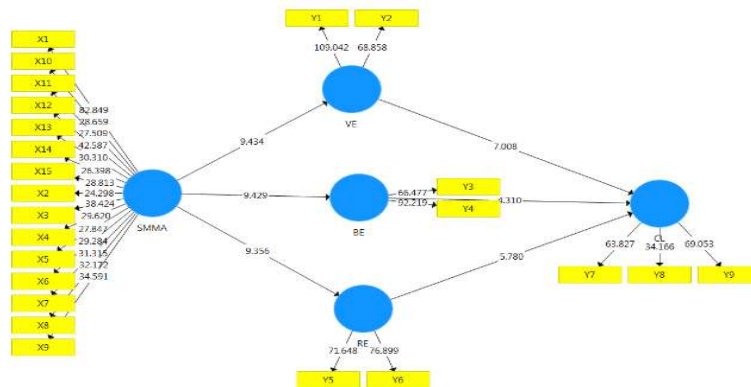

Figure 2. Structural Model

R Square Value

To evaluate the structural model, the coefficient of determination (R^2 value) is used, which is the predictive power of the model and represents the combined influence of exogenous latent variables on endogenous latent variables. The R^2 value ranges from 0 to 1, and the higher the R2 value, the higher the level of prediction accuracy. . In scientific research focusing on marketing issues, R2 values of 0.75, 0.50, or 0.25 for endogenous latent variables can, in general, be described as substantial, moderate, or weak (Hair et al., 2017 ; Henseler et al., 2009).

The analysis results show that SMMA only has a weak level of accuracy in predicting Customer Equity Drivers, which consist of Value Equity, Brand Equity and Relationship Equity, each with an Adjusted R Square value of 28.8%; 28.0% and 26.3%. However, Customer Equity Drivers (namely Value Equity, Brand Equity and Relationship Equity) have a strong predictive ability for Customer Loyalty, namely 79.6%.

Table 4. R Square

	R Square	R Square Adjusted
Brand Equity	0,283	0,280
Customer Loyalty	0,800	0,796
Relationship Equity	0,266	0,263
Value Equity	0,292	0,288

Source: Data Processing Results SmartPLS 3.0 (2024)

The F squared effect size is used to analyze the relevance of the construct in explaining the selected endogenous construct, to analyze how much the predictor construct contributes to the R squared value of the target construct in the structural model (Hair et al., 2017) In

addition to evaluating the R2 values of all endogenous constructs, changes in R^2 values when certain exogenous constructs are removed from the model can be used to evaluate whether the removed constructs have a substantive impact on the endogenous constructs. The guideline for assessing F squared is that the value is 0.02; 0.15; and 0.35, respectively, representing small, medium, and large effects from exogenous latent variables. An effect size value of less than 0.02 indicates that there is no effect (Hair et al., 2017).

The F Square value in Table 5 shows that the effect of SMMA on Customer Equity Driver (CED) which consists of Value Equity, Brand Equity and Relationship Shop Equity has a large effect (> 0.35), namely 0.412; 0.395; and 0.363. All equity drivers (CED) only have a moderate effect on Customer Loyalty, namely 0.214 for Value Equity; 0.074 for Brand Equity and 0.157 for Relationship Equity.

Table 5. F Square

	BE	CL	RE	SMMA	VE
Brand Equity (BE)		0,074			
Customer Loyalty (CL)					
Relationship Equity (RE)		0,157			
SMMA	0,395		0,363		0,412
Value Equity (VE)		0,214			

Source: Data Processing Results SmartPLS 3.0 (2024)

Hypothesis test

The Path Coefficient results in Table 6 for the original sample show that Value Equity has the greatest influence on Customer Loyalty (0.373), followed by Relationship Equity (0.333) and Brand Equity (0.254) which have the smallest influence. The influence of SMMA on Value Equity shows the original sample value of 0.540 with P Values 0.000 (below 0.05), it is concluded that SMMA has a positive effect on Value Equity, hypothesis 1 is supported. The better the SMMA according to consumers, the more Value Equity will increase. Conversely, the worse the SMMA according to consumers, the more the Value Equity will decrease. Marketing activities that focus on creating, communicating and providing value will have an impact on increasing value equity. Marketing activities via social media can be used to convey the value of a product to its customers, and this will be utilized by wise customers (Koay et al., 2021). The findings of this study support the results of previous research (Yadav & Rahman, 2018).

The influence of SMMA on Brand Equity is shown by the original sample value of 0.532 and P Values < 0.05 (0.532), this shows that hypothesis 2 states that SMMA has a

positive effect on supported Brand Equity. A brand introduced through social media will build brand equity that is different from other brands by combining various properties (Seo & Park, 2018). Social media marketing activities can help strengthen brand image and increase brand awareness among consumers. Social media marketing activities can also help create positive experiences for customers who interact with brands via social media platforms. With these positive interactions, customers tend to feel more connected and have an emotional bond with the brand, which in turn can increase brand loyalty and help create higher brand value.

By increasing brand equity, banks are able to convince consumers of their products by paying premium prices and returning transactions in the future (Yadav & Rahman, 2018). Social media marketing activities can help increase brand awareness, strengthen brand image, and increase consumer trust in the brand. Through social media, companies can interact directly with consumers, build closer relationships, and obtain feedback quickly and easily. By carrying out positive interactions, companies can strengthen consumer loyalty to the brand and form stronger emotional bonds. Apart from that, social media marketing can also help companies build a strong brand reputation by publishing quality content, informing about the products or services offered, and continuously introducing the brand to potential consumers. Thus, it can be concluded that SMMA can have a strong connection with Brand Equity because social media marketing activities can help increase brand awareness, strengthen brand image, build brand reputation, and strengthen consumer loyalty to the brand.

The influence of SMMA on Relationship Equity is shown by the original sample value of 0.516 with a P Value of 0.000 (< 0.05), so it can be concluded that SMMA has a positive effect on Relationship Equity, hypothesis 3 is supported. The better the SMMA, the more Relationship Equity will increase. Conversely, the worse the SMMA, the more Relationship Equity will decrease. Social media is a means between company management and customers to communicate with each other. Companies need customers to increase their share of wallet. Meanwhile, customers need products and information about product benefits to meet their needs. SMMA is an effective communication medium for companies to increase relationship equity with customers (Yadav & Rahman, 2018). The way for companies to strengthen relationships with customers through social media is by providing content that is useful and relevant to them, direct interactions, promotions and contests that engage customers. All of these factors are important to help companies build trust and credibility in the eyes of customers, as well as increasing brand awareness and making customers more interested in continuing to interact with the brand and building strong Relationship Equity.

The influence of Value Equity on Customer Loyalty is shown by the original sample

value of 0.373 and the P Value of 0.000 (0.005), this shows that Value Equity has a positive effect on Customer Loyalty, it can be concluded that hypothesis 4 is supported. The stronger Value Equity, the more Customer Loyalty will increase. In CED there are three conventional equity drivers that have a direct and positive impact on customer loyalty (Segarra-Moliner & Moliner-Tena, 2016). Customer loyalty is a customer's commitment to a product or company so that the customer will purchase the product repeatedly even though there are situations that can influence it and other marketing efforts that have the potential to cause switching. Value equity is an overall comparison of what customers pay and receive (Razzaq et al., 2017). This makes the equity value influence customer loyalty preferences for a product. Equity value includes all elements that add value to a product or service, such as quality, price, performance, and so on. When customers feel that they are getting good value from the products or services provided by the company, they are more likely to become loyal customers.

The influence of Brand Equity on Customer Loyalty is shown by the original sample value of 0.254 and P Value of 0.000 (<0.05), it can be concluded that hypothesis 5 is supported. The stronger Brand Equity, the more Customer Loyalty will increase(Yadav & Rahman, 2018). A brand is an image or characteristic of a company and has an important role in the success of a service or product. Brand equity makes people have strong memories of the brand and can make customers return to the product so that brand equity can create customer loyalty. Determining business excellence can be seen from the influence of brand equity. Brand equity includes the values associated with a brand, such as brand awareness, brand perception, brand associations, and brand loyalty. When a brand has strong equity in the eyes of customers, customers tend to become loyal customers. Brand equity is related to good awareness in the eyes of customers, positive perceptions, good associations, and strong loyalty, so customers tend to feel more attached to a brand and will be more likely to maintain a relationship with that brand, which will give rise to customer loyalty.

The influence of Relationship Equity on Customer Loyalty is shown by the original sample of 0.333 with a P value of 0.000 (< 0.05), it can be concluded that hypothesis 6 is supported. The better the Relationship Equity, the more Customer Loyalty will increase. Relationship equity is a driving factor for companies to be able to retain their customers. With established relationships, it will be easier for the company to retain customers and attract them back. Previous research shows a positive relationship between Relationship Equity and customer loyalty (Yadav & Rahman, 2018; Razzaq et al., 2017). Customers who feel they have been treated well by the company will also increase their trust in the company, this means the company has high relationship equity (Vogel et al., 2008). Relationship equity includes

elements related to interactions between customers and companies, such as trust, communication, responsiveness, and empathy. When the relationship between customers and the company is well established, customers tend to become loyal customers.

Table 6. Path Coefficients

	Original Sample (O)	T Statistics (|O/STDEV|)	P Values	Test Results
Brand Equity -> Customer Loyalty	0,254	4,310	0,000	Supported
Relationship Equity -> Customer Loyalty	0,333	5,780	0,000	Supported
SMMA -> Brand Equity	0,532	9,429	0,000	Supported
SMMA -> Relationship Equity	0,516	9,356	0,000	Supported
SMMA -> Value Equity	0,540	9,434	0,000	Supported
Value Equity -> Customer Loyalty	0,373	7,008	0,000	Supported

Source: Data Processing Results SmartPLS 3.0 (2024)

Table 7. shows that Customer Equity Drivers (CED) consisting of Value Equity, Brand Equity and Relationship Shop Equity mediate the influence of Social Media Marketing Activities (SMMA) on Customer Loyalty.

Table 7. Specific Indirect Effects

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
SMMA -> BE -> CL	0,135	0,137	0,036	3,764	0,000
SMMA -> RE -> CL	0,172	0,172	0,034	5,030	0,000
SMMA -> VE -> CL	0,201	0,203	0,039	5,130	0,000

Source: Data Processing Results SmartPLS 3.0 (2024)

5. CONCLUSION

Research findings show that increasingly strong Social Media Marketing Activities will encourage customer equity, both Value Equity, Brand Equity and Relationship Equity. The impact of a strong Customer Equity Driver (CED) will influence the formation of loyal customers. An important indicator of Social Media Marketing Activities that marketing practitioners need to pay attention to is the need to provide complete, varied and up-to-date

information to strengthen product Equity. The quality of two-way interaction communication between customers and social media admins who represent company management needs to be improved.

The formation of Customer Loyalty through Value Equity is carried out by emphasizing information that customers feel comfortable making transactions using the Jenius digital bank application, besides that it is necessary to strengthen the strategy, especially by emphasizing the ease of transactions, namely that they can be done anytime and anywhere. Forming customer loyalty through brand equity places more emphasis on perceptions about the digital banking application. Jenius is an innovative brand, however, efforts are still needed to create a stronger brand. From the relationship equity side, there is a commitment from customers to continue using digital bank applications, while facilities need to continue to be developed and expanded (for example for purchasing credit, electricity payments, etc.).

6. LIMITATIONS AND RECOMMENDATION

Several limitations in this research are first, the research results cannot be generalized directly because they are limited to the digital banking industry, future research can develop in other industrial contexts. Second, research respondents were only limited to Jenius digital bank customers, using Instagram social media who were domiciled in the cities of Semarang and Yogyakarta, Indonesia. The next research target could be to expand the target respondents in various digital banks with other social media and a wider area. Third, the variables used are limited to Social Media Marketing Activities (SMMA) and Customer Equity Driver (CED) and Customer Loyalty. Future research can explore broader variables so as to provide a more comprehensive understanding regarding the formation of customer loyalty, especially for digital services.

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