

# The Effectiveness of Social Media and Online Marketing in Promoting Indonesian Tourism: Case of Wonderful Indonesia Brand

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Keywords: Social Media, Online, Awareness, Intention, Marketing.

Abstract: Tourism is an important sector in Indonesia. In promoting destinations, the role of social media increases day by day. Promotions through digital media such as websites and social media are believed to provide convenience for all tourists who want to know and explore Indonesia. The research objectives are to analyze the utilization of social media such as Youtube and Instagram and online marketing such as website as a means of promotion that build customer awareness and leads to their intention to choose Indonesian tourism destination. The analysis method used is Partial Least Square (PLS) with sample of 100 respondents. Research results showed that social media marketing and online marketing increase customer awareness, customer awareness increases customer intention, and social media marketing and online marketing increases customer intention directly and indirectly through customer awareness.

## 1 INTRODUCTION

### 1.1 Background of Research

Tourism is an important sector in Indonesia. Indonesia is known as a country with the largest archipelago that has many islands as attractive and beautiful tourist destinations. No wonder, there are many foreign tourists who are interested to come to Indonesia to enjoy the natural beauty of Indonesia, tasting the local culinary, and learning diverse art and culture of Indonesia.

In 2018, many Indonesian tourists are on vacation abroad (Adiakurnia, 2018). The increase in the number of passport requests is considered to be related to the reasons for Indonesian tourists traveling abroad. According to the Directorate General of Immigration, Agung Sampurno, one of the factors was the rise of cheap tickets and cheap transportation abroad. Based on the pre-survey results conducted by researcher, 68% of respondents choose to travel abroad compared to domestic and respondents who had traveled abroad choose to travel abroad again. The only Indonesian destinations they knew were around Bali, Lombok, and Raja Ampat. They do not know the best access to domestic tourism.

In promoting destinations, the role of social media increases day by day. Today, more travelers use online media to learn about travel destinations, service providers, and pricing options to inform and build their purchase intention. The social media is the best tool for raising awareness about tourism destination. It is cheap and effective. However, it requires time, planning, good strategy and innovation (Boz and Unal, 2011).

Wonderful Indonesia is an Indonesian tourism branding launched by the Indonesian Ministry of Tourism in the hope that tourists will travel to these tourist locations so that the economy in the tourist areas visited can continue to increase. Promotions through digital media such as websites ([www.indonesia.travel/gb](http://www.indonesia.travel/gb)) and social media through Youtube ([indonesia.travel](https://www.youtube.com/indonesia.travel)) and Instagram (@indtravel) are believed to provide convenience for all tourists who want to know and explore Indonesia.

Therefore, this research aims to know how effective social media and online marketing is used by Wonderful Indonesia brand to promote Indonesian tourism.

### 1.2 Problems Identification

An increase in the number of domestic tourists who travel abroad in 2018 indicates that it still lacks

Indonesian travellers' intention to travel domestically. This may be caused by the lack of promotions of domestic tourism destinations and lack of information of the best access to travel domestically.

### 1.3 Objectives of Research

The goal of this research is to analyze the utilization of social media such as Youtube and Instagram and online marketing such as website as a means of promotion that build customer awareness and lead to their intention to choose Indonesian tourism destination.

## 2 LITERATURE REVIEW

### 2.1 Applied Theory

Chandio et al., (2015) studied the impact of social media marketing on customer purchase intention. His findings revealed that customer purchase intention was influenced by social media marketing.

Barlakrisnan et al., (2014) studied the impact of social media marketing toward purchase intention and brand loyalty among generation Y. The result indicated that social media platforms are effective in promoting brand and increasing customer purchase intention.

Shahid et al., (2017) studied the impact of brand awareness on the consumers' purchase intention. The result indicated that consumers will prefer to buy the brand they know well (after being well aware of what, where, and how to buy).

Gabriel and Kolapo (2015) studied the impact of online marketing and consumer purchase behavior. The result indicated that there is a significant relationship between online marketing and consumer purchase behavior.

### 2.2 Social Media Marketing

Social media is independent and commercial online communities where people congregate, socialize, and exchange views and information (Kotler and Armstrong, 2016).

Marketers can engage in social media in two ways: they can use existing social media or they can set up their own. They can cost-effectively reinforce other communication activities. (Kotler and Keller, 2016)

### 2.3 Online Marketing

Online marketing refers to marketing via the Internet using Web sites, online advertising and promotions, e-mail marketing, online video, and blogs (Kotler and Armstrong, 2016).

When it comes to online marketing strategies, website development plays a crucial role in company's ability to reach its target audience. The reason is simple: potential customers look for information, products, and services that company provides on its website. A website provides an online presence that allows customers to find out more about the company, its services, and the type of product that it sell (Online Marketing, 2013).

### 2.4 Customer Awareness

Customer awareness refers to a buyer's knowledge of a particular product or company, allows the buyer to get the most from what he buys. Consumers can make well informed choices about what to buy and how much to spend when they have product or service information (Thomas, 2018).

### 2.5 Customer Intention

Customer intention is a driving factor in making product purchasing decisions. Customer purchase intention is customer behavior where customers have a desire to buy and consume the products. Customers' purchase intention represents their desire to buy products from a particular shop. Sometimes purchase intention is used to describe customer loyalty (Rana et al., 2015).

### 2.6 Research Framework

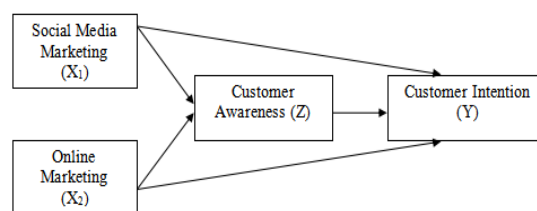


Figure 1: Research Framework.

### 2.7 Hypothesis

The hypothesis in this study are:

1. Social media marketing increases customer awareness.
2. Online media marketing increases customer awareness

3. Customer awareness increases customer intention.
4. Social media marketing directly increases customer intention
5. Online media marketing directly increases customer intention.
6. Social media marketing indirectly increases customer intention through customer awareness as an intervening variable.
7. Online marketing indirectly increases customer intention through customer awareness as an intervening variable.

### 3 RESEARCH METHODOLOGY

#### 3.1 Type and Source of Research Data

This research used a descriptive research with quantitative approach. The sources of the data are primary data (questionnaire) and secondary data (journal, literature study, and internet research).

#### 3.2 Population and Sample

The population of this research is Indonesian people who have heard about Wonderful Indonesia brand but have not explore it further. The sample in this study was 100 respondents.

#### 3.3 Analysis Method

Analysis method used Partial Least Square - Structural Equation Modeling (PLS-SEM). The assessment of outer model (validity and reliability) of the reflective variables is determined as follows:

Table 1: Rule of Thumbs.

Convergent Validity	Average Variance Extracted (AVE)	$AVE \geq 0.50$
Discriminant Validity	Cross-Loading Factor	Loading Indicators > Cross Loading
Indicator Reliability	Loading Factor	Loading factor value $\geq 0.70$
Internal Consistency Reliability	Composite Reliability	Composite Reliability $\geq 0.70$

The assessment of inner model is done using the bootstrap method (non-parametric). The score of path coefficient shown by the t-statistic value must be greater than the two way test t-table value ( $>1,98$ ) with  $\alpha = 5\%$ .

## 4 RESULT AND DISCUSSION

### 4.1 Outer Model

Construct validity test is done using convergent validity and discriminant validity. Convergent validity assessment is done by looking the value of AVE ( $AVE \geq 0,50$  is valid).

Table 2: Average Variance Extracted.

Variable	AVE
Social Media Marketing	0.574
Online Marketing	0.616
Customer Awareness	0.566
Customer Intention	0.679

Source: PLS Result

Discriminant validity test is done by cross loading factor. If the loading indicators value is bigger than cross loading then it is valid.

Table 3: Cross Loading Factors.

	X1	X2	Z	Y
X <sub>11</sub>	0.827	0.599	0.823	0.778
X <sub>12</sub>	0.839	0.809	0.776	0.784
X <sub>13</sub>	0.868	0.662	0.816	0.793
X <sub>21</sub>	0.662	0.832	0.673	0.712
X <sub>22</sub>	0.632	0.891	0.724	0.780
X <sub>23</sub>	0.839	0.910	0.776	0.874
X <sub>24</sub>	0.809	0.828	0.813	0.789
Z <sub>11</sub>	0.827	0.599	0.832	0.778
Z <sub>12</sub>	0.632	0.691	0.724	0.680
Z <sub>13</sub>	0.686	0.662	0.816	0.793
Z <sub>14</sub>	0.809	0.828	0.913	0.889
Y <sub>11</sub>	0.627	0.599	0.732	0.778
Y <sub>12</sub>	0.632	0.681	0.724	0.780
Y <sub>13</sub>	0.839	0.809	0.776	0.874
Y <sub>14</sub>	0.668	0.662	0.716	0.793
Y <sub>15</sub>	0.809	0.828	0.813	0.889

Sources: PLS Result

Construct reliability test is done using internal-consistency reliability and indicator reliability. Internal-consistency reliability is done using composite reliability method. It is reliable if the composite reliability value  $\geq 0,70$  (Hair et al., 2014).

Table 4: Composite Reliability.

Variabel	Composite Reliability
Social Media Marketing	0.837
Online Marketing	0.881
Customer Awareness	0.861
Customer Intention	0.913

Source: PLS Result

Indicator reliability is done using loading factor. It is reliable if the loading factor value  $\geq 0.70$  (Hair et al., 2014)

Tabel 5: Loading Factor.

	X1	X2	Z	Y
X <sub>11</sub>	0.827			
X <sub>12</sub>	0.839			
X <sub>13</sub>	0.868			
X <sub>21</sub>		0.832		
X <sub>22</sub>		0.891		
X <sub>23</sub>		0.910		
X <sub>24</sub>		0.828		
Z <sub>11</sub>			0.832	
Z <sub>12</sub>			0.724	
Z <sub>13</sub>			0.816	
Z <sub>14</sub>			0.913	
Y <sub>11</sub>				0.778
Y <sub>12</sub>				0.780
Y <sub>13</sub>				0.874
Y <sub>14</sub>				0.793
Y <sub>15</sub>				0.889

Source: PLS Result

## 4.2 Inner Model

Hypothesis testing is done by looking at the path coefficient value that shows the level of significance. The score of path coefficient or inner model shown by the t-statistic value must be greater than the two way test t-table value ( $>1.98$ ) with  $\alpha = 5\%$ .

First hypothesis has a positive path coefficient value of 0.682, t-statistics value of 8.936 ( $> 1.98$ ) and significance value of 0.000 ( $< 0.05$ ). Therefore, H1 is accepted.

Second hypothesis has a positive path coefficient value of 0.321, t-statistics value of 4.214 ( $> 1.98$ ) and significance value of 0.000 ( $< 0.05$ ). Therefore, H2 is accepted.

Third hypothesis has a positive path coefficient value of 0.498, t-statistics value of 9,208 ( $> 1.98$ ) and significance value of 0.000 ( $< 0.05$ ). Therefore, H3 is accepted.

Fourth hypothesis has a positive path coefficient value of 0.193, t-statistics value of 3.209 ( $> 1.98$ ) and significance value of 0.001 ( $< 0.05$ ). Therefore, H4 is accepted.

Fifth hypothesis has a positive path coefficient value of 0.330, t-statistics value of 8.338 ( $> 1.98$ ) and significance value of 0.000 ( $< 0.05$ ). Therefore, H5 is accepted.

Sixth hypothesis has a positive path coefficient value of 0.339, t-statistics value of 7.248 ( $> 1.98$ ) and significance value of 0.000 ( $< 0.05$ ). Therefore, H6 is accepted.

Seventh hypothesis has a positive path coefficient value of 0.160, t-statistics value of 3.760 ( $> 1.98$ ) and significance value of 0.000 ( $< 0.05$ ). Therefore, H7 is accepted.

Path coefficient is shown in Table 6.

Table 6: Path Coefficient:

	Path Coefficient	t-statistics > 1,98	Sig. < 0,05
Social Media Marketing $\rightarrow$ Customer Awareness	0.682	8.936	0.000
Online Marketing $\rightarrow$ Customer Awareness	0.321	4.214	0.000
Customer Awareness $\rightarrow$ Customer Intention	0.498	9.208	0.000
Social Media Marketing $\rightarrow$ Customer Intention	0.193	3.298	0.001
Online Marketing $\rightarrow$ Customer Intention	0.330	8.279	0.000
Social Media Marketing $\rightarrow$ Customer Awareness $\rightarrow$ Customer Intention	0.339	6.511	0.000
Online Marketing $\rightarrow$ Customer Awareness $\rightarrow$ Customer Intention	0.160	3.840	0.000

Source: PLS Result

## 4.3 Mediation Effect Test

Mediation effect test is done by comparing the indirect effect value to total effect value. The result is summarized in Table 7 and Table 8.

Table 7: Mediation Effect Test.

Effect	Indirect Effect	Total Effect	VAF	Type of Mediation
SM $\rightarrow$ CI*	0.339	0.532	63.72%	Partial Mediator

Sources: PLS Result

\*SM = Social Media Marketing

\*CI = Customer Intention

Table 7 showed that customer awareness become a partial mediator for the impact of social media marketing to customer intention with VAF score of 63.72%.

Table 8: Mediation Effect Test.

Effect	Indirect Effect	Total Effect	VAF	Type of Mediation
OM $\rightarrow$ CI*	0,160	0,489	32.71%	Partial Mediator

Sources: PLS Result

\*OM = Online Marketing

\*CI = Customer Intention

Table 8 showed that customer awareness become a partial mediator for the impact of online marketing to customer intention with VAF score of 32.71%.

## **4.4 Discussion**

### **4.4.1 Impact of Social Media Marketing to Customer Awareness**

Research result showed that social media marketing increases customer awareness. It means the more vigorous social media marketing carried out by Wonderful Indonesia, the more aware Indonesian people on tourism destination in Indonesia. Descriptive statistical analysis result show that the average respondents feel the video displayed by Wonderful Indonesia on social media has shown a variety of beauty of Indonesian tourism, provides recommendations for the best tourist attractions, complete descriptions of the experience of traveling in Indonesia, and provides information about Indonesian tourist attractions which they did not know, thus opening their awareness that there are still many tourist attractions in Indonesia as attractive as abroad that have not been explored.

### **4.4.2 Impact of Online Marketing to Customer Awareness**

Research results showed that online marketing increases customer awareness. It means, the more incessant online marketing carried out by Wonderful Indonesia, the more aware the Indonesian people on tourism destination in Indonesia. Descriptive statistical analysis result shows that the average respondents feel Wonderful Indonesia website which can open their awareness to Indonesia's beautiful and unexplored tourism destinations.

### **4.4.3 Impact of Customer Awareness to Customer Intention**

Research result showed that customer awareness increases customer intention. It means, the more aware the respondents with many beautiful tourist destinations in Indonesia with many tour promotion packages provided by Wonderful Indonesia, the higher customer intention to choose domestic tourism destination as a vacation spot.

### **4.4.4 Impact of Social Media Marketing to Customer Intention Directly**

Research result showed that social media marketing directly increases customer intention. This means

that the more intense social media marketing carried out by Wonderful Indonesia, the higher customer intention to choose Indonesia as a tourism destination. As we know, society likes the audiovisual. Through photography and videos posted on social media and supported by captions make customers choose Indonesia as their next destination.

### **4.4.5 Impact of Online Marketing To Customer Intention Directly**

Research result showed that online marketing directly increases customer intention. This means that the more intense online marketing conducted by Wonderful Indonesia through website, the higher customer intention to choose Indonesia as a holiday destination. The interesting content presented by Wonderful Indonesia and the complete information available on the destination places makes customers want to choose Indonesia as the primary destination choice.

### **4.4.6 Impact of Social Media Marketing to Customer Intention Indirectly**

Research result showed that social media marketing indirectly increases customer intention through customer awareness. Customer awareness becomes a partial mediation where social media marketing still has a significant impact on customer intention even though there is no customer awareness as a mediating variable. But through customer awareness, the total impact of social media marketing on customer intention is greater. It can be seen from the promotion conducted by Wonderful Indonesia through social media, and it will open customer awareness that there are still many tourist attractions in Indonesia that are good and not yet explored, so it has an impact on the interest of customers who are interested in choosing Indonesia as a tourism destination.

### **4.4.7 Impact of Online Marketing to Customer Intention Indirectly**

Research result showed that online marketing indirectly increases customer intention through customer awareness. Customer awareness becomes a partial mediation where online marketing still has a significant impact on customer intention even though there is no customer awareness as a mediating variable. However, through customer awareness, the total impact of online marketing on customer intention is greater. It can be seen from



promotion, information, and tour packages available on Wonderful Indonesia website, and it will open consumer awareness about the number of destinations in Indonesia that have not been visited and make customers interested and choose to travel in Indonesia.

## 5 CONCLUSIONS

The results of the study can be summarized as follows:

1. Social media marketing increases customer awareness.
2. Online media marketing increases customer awareness
3. Customer awareness increases customer intention.
4. Social media marketing directly increases customer intention
5. Online media marketing directly increases customer intention.
6. Social media marketing indirectly increases customer intention through customer awareness as intervening variable.
7. Online marketing indirectly increases customer intention through customer awareness as intervening variable.

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