

Determining the Influencing Factors of Purchase Intention of the Class 2021 Students of Bina Nusantara University

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Abstract

This paper examined the relationship between E-WOM and Social Media Marketing on purchase intention mediated by brand equity. This paper used SPSS 2.6 version to analyze 130 respondents. This paper confirms the influence of social media marketing on brand equity and concludes the significant impact of brand equity on e-WOM, which ultimately provides the answer to the question of why strong brands can persuade their consumers to spread e-WOM messages and influence and motivate others to buy or the same products. The main limitation in this paper is the sample used only Binus University students, so it is less relevant to generalize the research findings to the entire population of social media users. To deeply understand the role of social media marketing activities, further research is needed on social media users in other regions and platforms such as Facebook, Twitter, and YouTube.

Keywords

Brand Equity, E-WOM, Social Media Marketing and Purchase Intention.

1. Introduction

Education is a crucial matter because it can act as a future investment. Quality education can build and set a person's career and professionalism. Thus, it is very vital by many people, especially for those having higher education backgrounds. To continue their studies to the higher educational levels, people can choose between state or private universities. Ideally, every high school student of the class 2021 must be eager to enroll in the state universities, but their capacity is limited. Therefore, many of them usually decide to go to the private ones that match their criteria and needs. There are more private universities (PTS) than the state ones in Indonesia. Based on data from the Higher Education Database (PDDIKTI), there are 3,129 units of private colleges or 68% of the total universities throughout Indonesia in 2019. This large number triggers tighter competition and raises stronger challenges for each university on how to implement the most effective ways to introduce their advantages and strengths through marketing activities that aim to attract the prospective students' interest (purchase intention) from the class of 2021 to continue to the university. Purchase Intention is a behavior that motivates people to do something (Rezvani et al., 2012). Nowadays, there have been many marketing strategies established by experts, but the latest trend is social media marketing. Social media marketing is one of the digital marketing media that also influence consumer commitment in transactions (Pütter, 2017). Social media marketing that is commonly used includes some platforms like Facebook, Instagram, YouTube, Twitter, LinkedIn, and TikTok. Research conducted by Kim and Ko (2010) found that purchase intention is influenced by social media marketing. Besides social media marketing, purchase intention can also be influenced by E-WOM. Saba Anwar khan et al (2015) stated that E-WOM has a direct and affirmative impact on purchase intention. Another study conducted by Nguyen (2019) proved that overall brand equity significantly influences purchase intention. E-WOM positively affects brand awareness, brand association, brand loyalty, and perceived

quality as the components of brand equity (Murtiasih et al. 2013). Despite the popular use of social media in marketing, less understanding of the impact of social media marketing in many kinds of products and services needs to be explored and studied soon (Ahmed & Zahid, 2014). Therefore, there should be more comprehensive studies on various social media sites (Vries et al., 2012). Chandra and Andrew (2018) also found that the use of social media marketing in universities has not been maximized. Thus, the researchers try to identify the relationship between E-WOM and Social Media Marketing on purchase intention mediated by brand equity.

2. Literature Review

2.1 Purchase Intention

Purchase Intention motivates people to do something (Rezvani et al., 2012). According to Kim & Ko, (2012) Purchase intention is a combination of consumer interest and the possibility of purchasing a product. Purchase Intention is slightly like Purchase Decision, where consumers indicate their possibility, willingness, or plan to buy a certain brand (Mirabi et al. 2015). According to Hawkins & Mothersbaugh (2010), purchase intention means an antecedent that stimulates and encourages the product and service purchase by the consumers (Haque et al. 2015). Purchase Intention is defined as a component of consumer behavior, namely attitudes towards certain products or services (Soebagyo, 2014). This can be identified by several indicators (Putri, 2017), namely: (1). Transactional: a tendency to buy goods or services offered, (2). Bias: a tendency to refer a product or service to another person, (3). Preferential: an interest that defines a primary preference between other products or services behavior. (4). This preference can only be changed if something happens to the product or service, and (5). Explorative: an interest that defines someone interested in finding information about the product or service he is interested in. Younus, Rasheed, and Zia (2015) found that purchase intention correlates with customer knowledge, celebrity endorsement, product packaging, and perceived value. Some other findings show that brand image, brand awareness, and brand equity significantly influence the purchase intention (Azhini & Ajini, 2012; Arslan and Altuna, 2010; Chi et al., 2008; Tariq et al., 2013; Tih and Lee, 2013). Liew and Falahat (2019) found that PU (perceived usefulness), price, and e-WOM strongly influence purchase intention. Therefore, it can be concluded that purchase intention is an individual's attitude towards a product. In this research, purchase intention is defined as the students' attitudes who intend to continue their study to higher education at Bina Nusantara University.

2.2 Social Media Marketing

According to Weber (2007), Social Media is an online environment where people have common interests to share their thoughts, comments, and ideas. Dewing (2012) stated that the term Social Media refers to the Internet and mobile-based services that allow its users to participate in online exchanges, contribute user-generated content, or join online communities such as blogs (e.g. Tumblr), wikis (e.g. Wikipedia), social media sites (e.g. Facebook, Twitter, LinkedIn) and media sharing sites (e.g. YouTube and Instagram). Marketing activity, according to Jo (2013), exists due to the impacts of Social Media Marketing on a ready-to-use platform and classifies Social Media Marketing into entertainment, trend, interaction, advertising, and customization. Entertainment and games are such a pleasure obtained through social media (Agichtein et al., 2018). Some experts describe social media marketing as the basis for achieving business goals because it is strongly connected to customer loyalty, their willingness to buy products, and rights (Felix et al. 2017; Yadav & Rahman, 2017). Social media marketing is also an effort to facilitate connection and interaction with the existing and potential customers (Choi et al. 2016; Pham & Gammoh, 2015; Tuten & Sulaiman, 2017). It can be concluded that social media marketing is the delivery of information to identify a brand or product through several platforms such as youtube, Facebook, Twitter, TikTok, Instagram, etc. Some studies have shown that social media influences purchase intention and brand equity. In this research, the social media marketing that will be studied is the social media marketing used by Bina Nusantara University in promoting the campus' advantages and strengths to attract the 2021 students as the purchase intention.

2.3 E-WOM

Electronic Word of Mouth means the communication and exchange of information between old and new consumers by utilizing information exchange between communicators through certain media such as online forums, bulletin boards, newsgroups, blogs, review sites, and social networking platforms (Dewi & Darma, 2014). e-WOM performs a customer's mode of expression. It is an effective medium to affect the customers' purchasing decisions (Severi, et al., 2014). Some studies show that the consumers commonly will pre-purchase information to consider online product reviews online (Adjei et al., 2009; Zhunand Zhang, 2010), which is not only based on contents but also polarity (from positive to negative comments (Liu, 2006; Sparks and Browning, 2011). The polarity means positive or negative statements made by future, current, or past customers about a product or company which can be easily accessed by

anyone on the Internet (Hennig Thurau et al., 2004). Ladhari and Michaud (2015) stated that exposure to positive online comments about a specific hotel results in significantly higher booking intentions for it. The researchers also conclude that consumers' comments affect others' attitudes towards a brand, because more positive comments lead to a more desirable attitude towards the brand, while the negative ones will also negatively influence the brand sales (Lee et al., 2009). Doh and Hwang (2009) believed that e-WOM has an important influence on consumers' purchase intention, because it is a factor that is trusted by the consumers before they make a transaction or purchase, and we assume that if a product earns positive responses or reviews from consumers through e-WOM, it will affect the others' purchase intentions. P. Yu. Michelle (2018) used six e-WOM factors, namely (i) customers' review, (ii) personality of the reviewer, (iii) characteristics of the website obtainable in reviews, (iv) characteristics of product review, (v) influence of environment and (vi) interpersonal. Of the six factors, customers' review is the most influential for the purchase intention. The relationship between e-WOM and purchase intention is examined based on previous findings, such as Poturak & Softic (2019) on the Effect of Social Media Content on Consumer Purchase Intention: The Effect of Brand Equity Mediation has a very high correlation and impact on customer decisions to buy certain domestic products. Ilhamalimy et al (2021) showed that there is a significant influence of e-WOM on purchase intention. Erkan and Evans (2016) found that social media websites and electronic word-of-mouth directly influence purchase intention. Therefore, it can be concluded that e-WOM is an interaction among individuals in sharing information to provide a positive or negative assessment of a product or brand that influences others' decision to buy or not the product. Several previous studies have also shown that e-WOM influences purchase intention through brand equity. E-WOM that will be studied here is the interaction among individuals (class 2021 students of Bina Nusantara University) in providing an assessment of whether it affects purchase intention through brand equity.

2.4 Brand Equity

Christodoulides and De Chernatony (2010) defined brand equity as the consumers' perceptions, attitudes, knowledge, and behaviors that result in increased utility and enable the brand to achieve a higher margin (Nguyen Hoang Ngan, 2019). According to Ambler (1997), brand equity is an intangible asset created by marketing efforts (Shariq, 2018). From some previous definitions, it can be concluded that brand equity is an added value of a product or service that is built from some dimensions such as brand awareness, brand loyalty, perceived value, and brand associations where they can be achieved based on consumers' experience, perception, attitudes, knowledge, and behavior. According to Leone et al (2006), the success of brand equity lies in the consumers' minds (Siddiqui, 2019). Based on Rungtornkiet and Sirinapatpokin (2019), brand equity influences purchase intention based on brand awareness and brand loyalty (Rungtornkiet, 2019). Jing et.al. (2017) explained brand equity as an important aspect in the consumers' minds that builds a purchase intention (Ahmed, 2020). Research conducted by Nguyen (2019) showed that overall brand equity significantly influences purchase intention. Some other studies have also found the impact of brand image, brand awareness, brand equity on purchase intention (Azhini & Ajini, 2012; Arslan and Altuna, 2012). 2010; Chi et al., 2008; Tariq et al, 2013; Ti & Lee, 2013; Mirabi, Akbariyeh, & Tahmasebifard, 2015). Uthayakumar and Senthilnathan (2011) stated that there is a relationship between brand equity and purchase intention. Brand equity can be concluded as a consumer's perception of a product and can affect other individuals' attitudes towards the product. From some other results, it can be concluded that brand equity can affect purchase intention. In this research, the author will focus on whether Bina Nusantara University's brand equity affects the purchase intention of the class 2021 students.

2.5 E-WOM and Brand Equity

E-WOM is an online interaction and communication to provide an assessment of the quality or performance of a product that influences brand equity, i.e. an added value of a product obtained from the consumer perceptions and behavior which tends to be positive due to the influence of E-WOM. This is supported by some studies which found that there is a relationship between E-WOM and brand equity. Sucherly and Siringoringo (2013) stated that E-WOM positively affects brand awareness, brand association, brand loyalty, and perceived quality as the dimensions of brand equity. Bruhn, Schoenmueller, and Schafer (2012) explained that brand communication through social media (e-WOM) affects brand equity. Syahrivar and Ichlas (2018) showed that E-WOM significantly influences brand equity. Thus, the researchers build the following hypothesis to identify the relationship between E-WOM and Brand Equity. H1: Electronic Word of Mouth significantly influences the Brand Equity of the class 2021 students of Bina Nusantara University Alam Sutera.

2.6 Social Media Marketing and Brand Equity

Social media marketing is a series of efforts made by a company to introduce its product brand to achieve the targeted market. If the people have been familiar with the brand, it is expected that the brand sales will increase significantly. Individuals' positive attitudes and perceptions are closely related to brand equity. Thus, social media marketing has a

strong relationship with brand equity. This is supported by some previous findings. Sharma and Sahni (2015) showed that Facebook and Twitter affect brand equity. Kim and Ko (2012) have studied the effect of Social Media Marketing on luxury brands and found that Social Media Marketing significantly influences the value of Brand Equity. Chae and Han (2015) showed that when consumers are motivated to use hashtags on social media, they tend to perform a positive effect on participation and brand equity. This is following the results of Song (2012) who showed that social media advertising in the foodservice industry significantly influences Brand Equity. Bruno et al. (2016) studied Social Media Marketing carried out by some luxury brands and found that these efforts significantly affect Brand Image and Brand Awareness. Yadav and Rahman (2017) researched the effect of Social Media Marketing Activities on Brand Equity. Therefore, the researchers build the following hypothesis to identify the relationship between social media marketing and brand equity.

H2: Social Media Marketing significantly influences Brand Equity of the 2021 students of Bina Nusantara University Alam Sutera.

2.7 E-WOM and Purchase Intention

E-WOM is done to attract prospective consumers. Devkant Kala and Chaubey (2018) found that the marketing department must follow E-WOM to increase brand popularity which will persuade consumers to purchase it. People who actively hold online shopping activities use reviews from other consumers regarding the advantages or disadvantages of a product so that it will affect their intention to buy it. Erkan and Evans (2016) found that social media websites' electronic word of mouth directly influences purchase intention. Saba Anwar Khan (2015) found that E-WOM influences purchase intention. Tien Wang (2016) also found the influence of E-WOM on purchase intention. Francesca Di Virgilio (2018) stated that social media E-WOM influences consumers' trust and purchase intention. Thus, the authors try to observe the relationship between the two variables by building a hypothesis regarding the relationship between E-WOM and Purchase Intention.

H3: Electronic Word of Mouth significantly influences the Purchase Intention of the 2021 students of Bina Nusantara University Alam Sutera

2.8 Social Media Marketing and Purchase Intention

Abu Bashir et al (2012), conducted a study of 150 online respondents who were active social networks users. The respondents were asked to review social media before making a purchase decision. Sarma et.al (2015) found that social media builds social networks that influence word of mouth on purchasing decisions. It means that before purchasing a product, the consumers will firstly look for relevant information through social media to identify the feasibility of the product to be purchased. Through social media, they try to strengthen their intention to buy a product. Laksamana (2018) conducted a study that showed that social media significantly influences purchase intention and brand loyalty. Kim & Ko (2010) also revealed that Purchase Intention is strongly influenced by Social Media Marketing. Yadav & Rahman (2017) researched the influence of Social Media Marketing on purchase intention. Peruta et al (2017) found that the type of social media and the frequency of content released greatly contribute to the closeness of social media with academics on campus and potential 2021 students off the campus. Therefore, it can be concluded that social media marketing has a strong relationship with purchase intention and that authors have built the following hypothesis to prove this statement.

H4: Social Media Marketing significantly influences the Purchase Intention of the 2021 students of Bina Nusantara University Alam Sutera.

2.9 Brand Equity and Purchase Intention

Brand equity is an added value of a product that depends on consumer perceptions. When a product has good brand equity, it will be able to direct consumer intentions to buy it. According to Leone et al (2006), the success of brand equity lies in the consumers' minds. Based on Rungsisawat and Sirinapatpokin (2019), brand equity affects purchase intention based on brand awareness and brand loyalty. Bian & Liu (2011) concluded brand equity as an important aspect that forms a tendency to make a purchase (purchase intention). Nguyen (2019) showed that overall brand equity has a significant influence on purchase intention. Therefore, the authors try to examine the relationship between brand equity and purchase intention by building the following hypothesis regarding these two variables.

H5: Brand Equity significantly influences the Purchase Intention of the 2021 students of Bina Nusantara University Alam Sutera.

2.10 Mediating Effect of Brand Equity

Tardin and Pelissari (2021), Augusto and Torres (2018) examined the influence of E-WOM on customer-based brand equity in the banking sector. They found that positive perceptions and content of E-WOM positively influence brand equity. Foroudi et al. (2018) studied the relationship among the dimensions or components of brand equity - brand perception, perceived quality, brand association, brand preference, brand image, and country product image - in the behavioral components of brand loyalty and purchase intention. The results showed that all CBBE dimensions significantly affect consumer mindset and behavior. Tardin and Pelissari (2021) found that E-WOM influences purchase intention through several dimensions of brand equity. Syahrivar (2018) stated that E-WOM influences purchase intention mediated by brand equity. Kala and Chaubey (2018) also showed that E-WOM influences purchase intention mediated by brand equity. E-WOM which contains positive comments will strongly affect the brand equity of a product. Later, it will affect individual attitudes in strengthening product purchase intention. Therefore, the researchers try to study the relationship among the three variables, where E-WOM has a relationship with purchase intention mediated by brand equity. Dulek and Aydin (2020) found that social media influences one of the dimensions of brand equity (brand loyalty) and affects purchase intention. Wright et al., (2017) stated that social media marketing influences purchase intention through brand equity. Schivinski & Dabrowski (2014) conducted research and revealed that brand equity influences both social media and purchase intention. Previous research journals from Jalilvand, Mahdavinia & Samiei (2011) stated that Brand Equity significantly and positively influences the consumers' intentions. Furthermore, brand equity has an important role in influencing consumer decision-making (Keller, 1993). H6: Electronic Word of Mouth mediated by Brand Equity significantly influences Purchase Intention of the 2021 students of Bina Nusantara University Alam Sutera

H7: Social Media Marketing through Brand Equity significantly influences the Purchase Intention of the 2021 students of Bina Nusantara University Alam Sutera.

3. Methodology

This paper used non-probability - convenience sampling. Concerning online activities, the convenience sampling approach is more acceptable and relevant for data analysis purposes such as multivariate data analysis (Carlson & O'Cass, 2010; Sheng & Liu, 2010). The analysis unit of this research is the first-year college students of Bina Nusantara University with some specific demographic criteria; living in Indonesia, and female and male students. For collecting the relevant data, an online-based structured questionnaire is chosen due to its rapid and convenient usage (Sekaran & Bougie, 2016). The questionnaire will be distributed using the convenience sampling method in the Greater Jakarta (Jabodetabek) area. The questionnaire will use a 5-point Likert-type scale with points ranging from strongly disagree (1) to strongly agree (5) to collect responses for the dependent to independent variables. The Likert scale is used to see how much respondents agree with a statement and its ease of analysis (McLeod, 2019).

4. Results

The demography of 159 respondents consists of 58.5% male and 41.5% female students. 98.1% are aged 18-27 years old and the remaining 1.9% are over 27 years old. Most of them are majoring in computer science (24.5%) (Table 1).

Table 1. Convergent Validity and Reliability Result

| Variable | Item | Outer Loading | Average Variance Extracted (AVE) | Composite Reliability (CR) | Cronbach's Alpha |
|--------------|------|---------------|----------------------------------|----------------------------|------------------|
| Brand Equity | BE1 | 0.792 | 0.568 | 0.902 | 0.874 |
| | BE2 | 0.702 | | | |
| | BE3 | 0.766 | | | |
| | BE4 | 0.823 | | | |
| | BE5 | 0.736 | | | |
| | BE6 | 0.723 | | | |

| | | | | | |
|------------------------|--------|-------|-------|-------|-------|
| | BE7 | 0.730 | | | |
| E-WOM | E-WOM1 | 0.775 | 0.620 | 0.919 | 0.898 |
| | E-WOM2 | 0.849 | | | |
| | E-WOM3 | 0.788 | | | |
| | E-WOM4 | 0.801 | | | |
| | E-WOM5 | 0.732 | | | |
| | E-WOM6 | 0.749 | | | |
| | E-WOM7 | 0.812 | | | |
| Purchase Intention | PI1 | 0.830 | 0.674 | 0.892 | 0.840 |
| | PI2 | 0.866 | | | |
| | PI3 | 0.821 | | | |
| | PI4 | 0.762 | | | |
| Social Media Marketing | SMM1 | 0.729 | 0.593 | 0.921 | 0.902 |
| | SMM2 | 0.703 | | | |
| | SMM3 | 0.789 | | | |
| | SMM4 | 0.744 | | | |
| | SMM5 | 0.752 | | | |
| | SMM6 | 0.816 | | | |
| | SMM7 | 0.839 | | | |
| | SMM8 | 0.777 | | | |

Based on the data presentation in the table above, it is known that the indicators on each dimension have an outer loading value. $> 0,7$; *average variance extracted (AVE)*, *composite reliability (CR)* and Cronbach's Alpha that AVE for all variables $>0,5$, CR and Cronbach's Alpha values on each variable show reliable results because they are more than 0.7 (Hair et al., 2019).

In this research the method used in *the discriminant validity test* is to look at the value of *the heterotrait-monotrait ratio (HT / MT Ratio)* as proposed by Henseler et al. (2015). The value of discriminants with this method is considered more precise when compared to the discriminant value of Fornell Larcker which was first used. (Hair et al., 2019; Hair et al., 2020). In the assessment with this method if it is found that the HT / MT ratio is less than 0.9, a construct has a valid discriminant value. Therefore, it can be said that the indicators on one variable have been the most appropriate and specific to measure the construction. (Henseler et al., 2015). After data processing using SmartPLS *results of Discriminant Validity* with HTMT method can be shown in the following table 2 (below).

Table 2. Discriminant Validity (HTMT)

| Variabel | Brand Equity | E-WOM | Purchase Intention | Social Media Marketing |
|------------------------|--------------|-------|--------------------|------------------------|
| Brand Equity | | | | |
| E-WOM | 0.573 | | | |
| Purchase Intention | 0.658 | 0.629 | | |
| Social Media Marketing | 0.482 | 0.601 | 0.522 | |

In the table above in the matrix output of the validity and reliability test with the HTMT method, as stated by Henseler et al (2015), if the HTMT matrix value for the variable studied < 0.9 then it can be stated that the construct has discriminant validity. All HTMT values in the above matrix are eligible because all variables have an HTMT value of < 0.9 , so all variables pass the validity and reliability test (Figure 1)

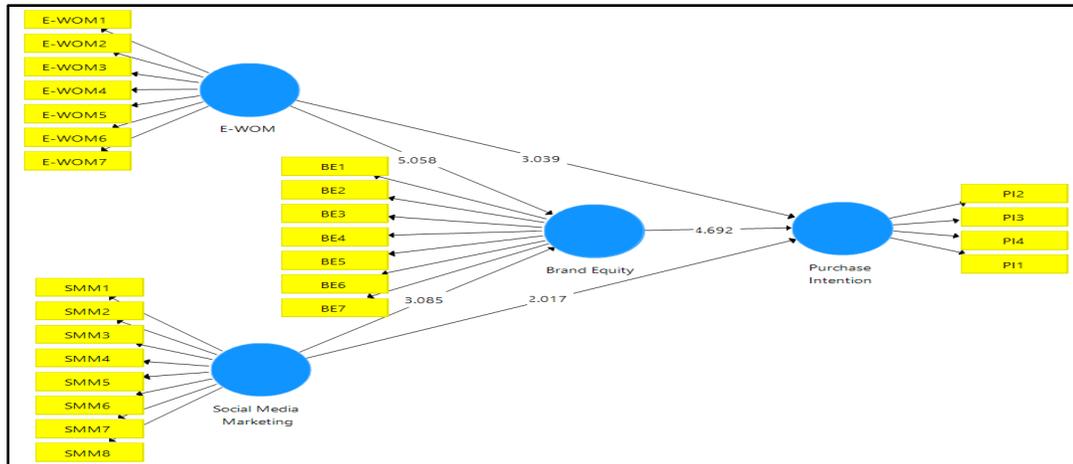


Figure 1. Measurement model

The results of table below show that, E-WOM has a positive and significant effect on Brand Equity (H1 supported), because has a t-statistical value of $5.058 > t\text{-table } 1.645$ (P-value $0.000 < 0.05$). Meanwhile, SMM has a positive and significant effect on Brand Equity (H2 supported), because has a t-value of $3.085 > T\text{-Table } 1.645$ (P-value $0.002 < 0.05$). EWOM has a positive and significant effect on Purchase intention (H3 supported), because has a statistical t-value of $3,039 > t\text{-table } 1,645$ (P-value $0.002 < 0.05$). SMM has a positive and significant effect on Purchase intention (H4 supported), because has a t-statistical value of $2.017 > T\text{-Table } 1.645$ (P-value $0.044 < 0.05$). Brand Equity has a positive and significant effect on Purchase intention (H5 supported) because has a t-statistical value of $4,692 > t\text{-table } 1,645$ (P-value $0.000 < 0.05$) (Table 3).

Table 3. Direct Effect

| Path | Path Coefficient | ST-Dev | t-statistics | P-values | Result |
|--|------------------|--------|--------------|----------|----------|
| H1: E-WOM -> Brand Equity | 0.400 | 0.079 | 5.058 | 0.000 | Accepted |
| H2: SMM -> Brand Equity | 0.237 | 0.077 | 3.085 | 0.002 | Accepted |
| H3: E-WOM -> Purchase Intention | 0.283 | 0.093 | 3.039 | 0.002 | Accepted |
| H4: SMM -> Purchase Intention | 0.151 | 0.075 | 2.017 | 0.044 | Accepted |
| H5: Brand Equity -> Purchase Intention | 0.367 | 0.078 | 4.692 | 0.000 | Accepted |

Table 4. Indirect Effect

| Path | Path Coefficient | ST-Dev | t-statistics | P-values | Result |
|---|------------------|--------|--------------|----------|----------|
| H6: E-WOM -> Brand Equity -> Purchase Intention | 0.147 | 0.042 | 3.504 | 0.000 | Accepted |
| H7: SMM -> Brand Equity -> Purchase Intention | 0.087 | 0.036 | 2.450 | 0.015 | Accepted |

The results of the table above show that, Brand equity has a significant influence on the relationship between E-WOM and Purchase intention (H6 supported) because has a t-statistical value of 3,504 > t-table 1,645 (P-value 0.000 <0.05) (Table 4). Brand equity has a significant influence on the relationship between SMM and Purchase intention (H7 supported) because has a t-statistical value of 2,450 > t-table 1,645 (P-value 0.015 <0.05).

5. Conclusion

The current digital era has pushed social media to become an indispensable part of people's daily life. Social media functions to communicate with each other and the people can their consumption behavior, product preferences, opinions, and experiences with other users. This large communication area offers significant opportunities for many companies to promote their products. They offer products and services with lower costs, faster delivery time, and are affordable for the consumers. Many companies and business entities have started creating their brand profiles on social media platforms and have been developing their activities well to engage targeted consumers by sharing relevant content such as product information, discounts, advertisements, and promotions. This research is conducted to develop an understanding of social media marketing in the context of Instagram users in Indonesia. This research confirms the influence of social media marketing on brand equity and concludes the significant impact of brand equity on e-WOM, which ultimately provides the answer to the question of why strong brands can persuade their consumers to spread e-WOM messages and influence and motivate others to buy or the same products. Being focused on product promotion activities through Instagram will increase people's brand awareness and build brand equity in their minds. From the research findings, it can be concluded that E-WoM significantly and positively influences Brand Equity. Social Media Marketing significantly and positively influences Brand Equity. E-WoM has a direct and significant effect on Purchase Intention. Brand Equity significantly influences Purchase Intention. Social Media Marketing has direct significant effect on Purchase Intention. Brand Equity does significantly mediate the relationship between the E-WoM to Purchase Intention. Brand equity variable is significant in mediating the relationship of Social media marketing to Purchase Intention. Based on these findings, it can be concluded that Indonesian consumers have become are heavy users of social media and are strongly affected by social media messages in their purchasing process. Companies and business actors must understand the importance of Instagram for the Indonesian people as an effective tool for marketing their products. Social media marketing channels will be effective media to market products, where most Indonesian consumers get information and buy products through these channels.

6.1 Limitations and Recommendation

The main limitation or weakness in this research lies in the data collection process. The sample used in this study is only Binus University students, so it is less relevant to generalize the research findings to the entire population of social media users. Besides, although there have been a lot of social media that can be used by companies for conducting marketing activities, this research only examines the impact of social media activities on one platform, which is Instagram. To deeply understand the role of social media marketing activities, further research is needed on social media users in other regions and platforms such as Facebook, Twitter, and Youtube. Second, the business field involved in this research is limited to the educational industry. On the other hand, there are many typical characteristics of the consumers in each industry, so further research should consider these limitations to provide more useful information not only for the educational aspects but also for the marketers in other fields. Finally, other factors that might influence consumers' purchase intentions can also be included in the model to understand the influence of social media activities in a broader scope and more detailed ways. Further research can be done by adding mediating and moderating variables from the consumer side such as gender, age, and social media usage frequency.

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