

Social Media Marketing's Effect on Brand Awareness of Indodax Financial Service

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Abstract

Indodax is the largest crypto asset buying and selling platform in Indonesia. Along with the development of information technology, Indodax took advantage of the opportunity to build brand awareness using Instagram social media marketing. Social media marketing is the implementation of modern marketing to get the purpose of marketing. This research aims to find out the influence of Instagram social media marketing on Indodax brand awareness. Factors tested in the variable (X) of Instagram social media marketing are context, communication, collaboration, connection while the increase in brand awareness as a variable (Y) with indicators of brand recognition, brand recall, purchase, and consumption. The population in this study is Instagram social media users in Indonesia. The sampling technique used is purposive sampling because members of the sample can represent or can provide answers to research problems. Determination of the sample using the formula solving with the results of the calculation obtained a sample of 100. The method used is a simple linear regression analysis using SPSS 26. The results of this study showed that digital marketing and brand awareness fall into the category of both with percentages of 77,42% and 78,95%. The results of the coefficient of determination above state that Instagram social media marketing has a positive and significant effect on Indodax brand awareness of the remaining 44,8% of the remaining 55,2% is a contribution of variables other than social media marketing.

Keywords

Indodax, Social Media Marketing, Brand Awareness, Instagram.

1. Introduction

The development of the internet in Indonesia from year to year has increased significantly. According to statistics, internet users in Indonesia have reached 204.7 million people out of a total population of 277.7 million people. With the number of active social media users as many as 191.4 million people. One of the factors of increasing the internet in Indonesia is the growing technology. The use of the internet and technology brings people to new development and innovation, especially in the field of finance and its products. One of the technologies that is growing today is cryptocurrency. Cryptocurrency is a digital currency built using blockchain technology. Currently cryptocurrency has become a global phenomenon because it is the most desirable investment instrument in the country. This can be seen

from the increasing number of crypto investors, based on the latest data from the Commodity Futures Trading Supervisory Agency (BAPPEBTI) the number of crypto asset investors as of February 2022 reached 12.4 million investors. The majority of investors in crypto assets or 40% are dominated by the age of 25-34 years.

However, this does not make cryptocurrencies recognizable by all circles. Based on the results of a survey conducted by GlobalWebIndex, it is explained that there are only 16.4% of Indonesian internet users who own or know cryptocurrencies. This explains that there are still potential markets that can be used to spread, educate, and invite Indonesian people to invest in crypto. Cryptocurrency is a type of high risk, high return investment because it has extreme volatility, is prone to cybercrime and has a dependence on technology. Therefore, sufficient education is needed about all aspects related to the investment, such as procedures for buying and selling crypto assets to read ongoing trends, determine the right strategy in managing finances and others.

Indodax is the largest exchange platform in Indonesia, which is a place or service provider of digital exchange assets or also called Private Digital Currency (PDC) in crypto transactions in Indonesia. Seeing internet users and the growing market potential, Indodax took the initiative to increase brand awareness to expand and reach more potential investors by using the help of social media marketing through Instagram.

Brand awareness is the ability of consumers to recognize or remember a brand, image, logo, or slogan that has been used in promoting a company's products or services (Zaman et al., 2022). Following the rapid development of digital technology, Indodax strives to increase brand awareness by using digital marketing methods, especially social media marketing. Social media marketing is the implementation of modern marketing to get the purpose of marketing. The development of information technology brings advantages and challenges in the world of marketing. People can easily find references to any product or service they want, this encourages how important the role of marketing in influencing people's preferences in choosing a product, which means awareness of a particular brand (brand awareness) to be more known will have a positive influence on the brand (Rubiyanti et al., 2022).

1.1 Objectives

This research conducted certainly has several objectives. The following are the Introduction of research on the object of Indodax.

1. To find out and review Indodax Instagram social media marketing.
2. To measure Indodax brand awareness.
3. To find out the great influence of Instagram social media marketing on Indodax brand awareness

2. Literature Review

Digital marketing is a process of utilizing the internet network accompanied using interactive technology that can connect two-way communication between companies and consumers. There are several types of digital marketing that are formed. The most important types in the digital marketing element are online advertising, social media, email marketing, text messaging, affiliates, pay per click, and SEO. Content is the content or information of a product through a medium. There are six characteristics as a benchmark for how great digital content is, namely, educating, entertaining, persuasive, storytelling, sharing, easy to find (SEO). Content is the content or information of a product through a medium. There are six characteristics as a benchmark for how great digital content is, namely, educating, entertaining, persuasive, storytelling, sharing, easy to find (SEO).

Social media is a means to share information in the form of text, images, audio, and video with each other between consumers and companies or vice versa. Instagram is an application that can share photos and videos with a caption or caption feature that can be added by its users, this makes Instagram one of the popular social media. Social media marketing is a form of marketing approach by utilizing social media as a marketing channel such as Instagram, Facebook, Twitter, YouTube to create direct interaction with consumers. Social media marketing has a 4C theory as a component in the use of social media, which is expected to meet its usage goals, namely 1) Context, 2) Communication, 3) Collaboration, 4) Connection (Willayat et al., 2022).

The brand is an important part of a product. The success and success of a product is not only judged in terms of quality, the existence of the brand also has a big role in it. A brand is an identifier for a product or service with various characteristics such as symbols, logos, or packaging designs that distinguish between products or services from other sellers. Brand awareness is the ease with which consumers recognize and remember a brand in sufficient detail that

leads to a purchasing decision. Attracting the attention of consumers is an important role that needs to be done in the introduction of a brand to consumers before the buying and selling process occurs. The brand awareness indicator is explained as follows: 1) Brand recognition, how far consumers can recognize brands in certain categories, 2) Brand recalls, how far consumers can remember brands when asked what brands are remembered, 3) Purchase, how far consumers make brands as an option when buying products. 4) Consumption, how far consumers remember brands when they use competitor's products

3. Methods

In this research the method used is quantitative research method. Quantitative methods are used because of their compatibility to test models or hypotheses. Based on the type of investigation, this research is included in causal research. Causal research is the relationship between variables and objects that are cause-and-effect. This method is appropriately used for proof. The research that the authors conducted will look for causal relationships between Social Media Marketing and Brand Awareness.

The population in this study is an individual Instagram social media user in Indonesia while the sample is part of the number and characteristics of the population that is representative of the entire population. The sampling technique used in this study is non-probability sampling with purposive sampling. The population of all Indodax Instagram followers when the study began was 433000. Then the calculation uses the formula, Stovin. The results of the above calculations obtained a sample number of 99.99 rounded up to 100 respondents using the spread of questionnaires.

The data analysis techniques carried out are:

1. Descriptive analysis is an analysis that is done by describing or describing data that has been collected without any intention to make conclusions in general. Descriptive analysis is used to describe your data
2. Classical Instrument and Assumption Test, Measurement of as Classical assumptions used include normality test, and heteroscedasticity test.
3. Simple Linear Regression Analysis Test is based on causal relationships (the causation of one variable bound to a free variable. Here is a simple linear regression formula according to Sugiyono (2007):
$$Y = a + bX$$
4. Partial test is used to test the significance of each independent variable on the dependent variable partially. To show the significance of the effect of the independent variables (X_1) on the dependent variable (Y), so that the t-test was carried out. This study has a hypothesis, namely:
 H_1 : There is an influence of Instagram Social Media Marketing (X) on Brand Awareness (Y) on the Indodax platform.
5. Coefficient of Correlation and Determination test. The correlation coefficient is the association between two variables. The correlation coefficient indicates the relationship of two random variables. If the coefficient of the variable is positive, then the relationship of the two variables is unidirectional while if the coefficient of the variable is negative then it has a relationship that is not unidirectional. If the coefficient is squared, it will be a coefficient of determination, which means that the cause of the change in the bound (independent) variable comes from the free variable (dependent), as large as the correlation coefficient.

4. Data Collection

Data collection can be done using several means and sources. This research uses primary and secondary data sources as its research data. Primary data is obtained by using filling out questionnaires to respondents by answering questions asked by researchers. For secondary data researchers use library studies related to theories and variables as materials used in research.

4.1 Descriptive Statistics

The results of data collection using a questionnaire, the characteristics of the respondents can be known as follows in figure 1:

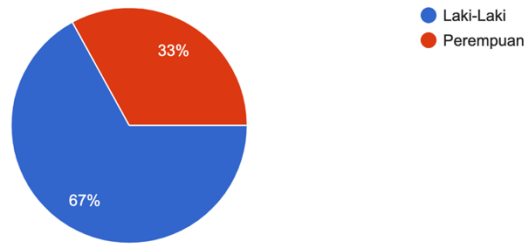


Figure 1. Respondents Identify by Gender

According to the figure 1, from the 100 respondents studied, most respondents are male by 67 respondents or 67%. On the other hand, the number of female respondents was 33 respondents or 33%. It can be interpreted that the majority of respondents are male.

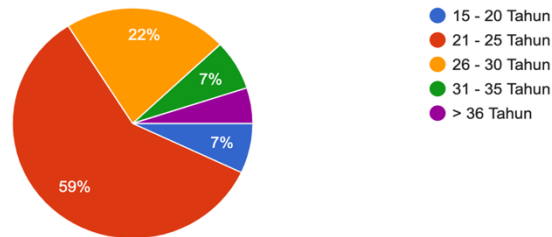


Figure 2. Respondents Identify by Age

Based on the figure 2, from the 100 respondents studied, 59 respondents or 59% are between 21-25 years old, 22 respondents or 22% are between 26-30 years old, 7 respondents or 7% are between 15-20 and 31-35 years old, then 5 respondent or 5% aged > 36 years. This can be interpreted that the majority of user of indodax investment platform are the younger generation

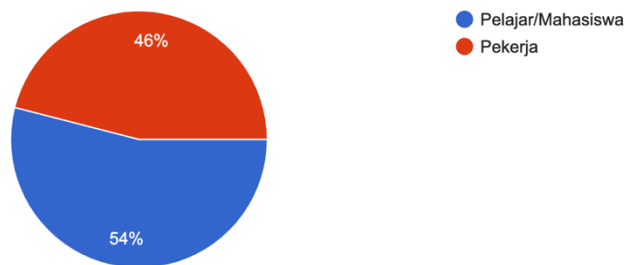


Figure 3. Respondents Identify Based on Status

According to the figure 3, from the 100 respondents studied, most respondents are student by 54 respondents or 54%. On the other hand, the number of worker respondents was 46 respondents or 46%. It can be interpreted that the majority of respondents are students (Figure 3).

5. Results and Discussion

5.1 Descriptive Analysis

5.1.1 Descriptive Analysis of Social Media Marketing Variables

Based on the results of the study, it was concluded that the average overall score of social media marketing variables of 77.17% belongs to the good category.

- Context with an average score of 78.07% of 100 respondents belongs to the good category, but there are constraints on the content presented on Indodax Instagram is considered a little less interesting and gets a score of 75.2%. Although the difference was not so significant with scores of 79.6% and 79.4% where respondents felt that the messages and content Instagram presented were easy to understand.
- Communication with an average score of 78.8% of 100 respondents belongs to the good category, but there are obstacles because only 72.2% of respondents want to find more information about the information conveyed by Indodax through its Instagram content. Respondents also agreed to information statements that are easy to understand and considered reliable with scores of 80.4% and 83.8%. This indicates that the communication conveyed is quite influential on the attitude and subsequent actions that will be carried out by the respondent.
- Collaboration with an average score of 75.8% of 100 respondents belongs to the good category, but with the lowest score of 68% against the form of cooperation between Instagram followers and Indodax in promoting Indodax. However, the collaboration carried out was considered to follow the ongoing trend by obtaining a score of 83.6%. Through this, it is hoped that collaboration can make things better, effective and efficient.
- Connection with an average score of 76% of 100 respondents belongs to the good category, but with the lowest score of 70.4% respondents think that communication is well established between Indodax and its followers. This shows that some respondents still feel less connected to the relationship that Indodax is trying to build. However, 81.6% of respondents agreed that the frequency of dissemination of information shared by Indodax on Instagram was done quite routinely. It can be concluded that Indodax needs to improve their relationship with their followers.

Based on the results of descriptive analysis, the highest average score is in communication with a score of 78.8%. This shows that the information conveyed by Indodax is easy to understand and considered trusted by respondents. But Indodax is still lacking in terms of creating collaborations to promote further with its Instagram followers, this is seen in the average collaboration score of 75.8%.

Ideally, the expected score result of 10 statements is 5000, while the calculation results show that the total score is worth 3871 or 77.17% thus the worst social media marketing variable in the good category. This indicates that the promotion carried out by Indodax is good and Indodax has managed to attract attention and introduce the brand.

5.1.2 Descriptive Analysis of Brand Awareness Variables

Based on the results of the study, it was concluded that the average overall score of brand awareness variables of 78.95% belongs to the good category.

- Brand Recognition with an average score of 81.73% of 100 respondents falls into the good category, but with the lowest score of 79.4%, only about 79.4% makes Indodax a crypto investment platform. However, respondents can easily recognize the Indodax logo and karakeristics with a score of 83.2% and easily remember Indodax compared to other crypto investment platforms with a score of 82.6%.
- Brand Recall with an average score of 79.27% of 100 respondents belongs to the good category, with the lowest score of 77.8%, only about 77.8% of respondents agreed with the Instagram statement to help remember the Indodax brand. Although the difference is not so significant with a score of 79.2% where respondents know information that Indodax is one of the crypto investment platforms from Instagram. In addition, 80.8% of respondents felt that Instagram helped convince the decision to invest crypto assets on the Indodax platform.
- Purchases with an average score of 78.4% of 100 respondents fall into the good category, with the lowest score of 77.4% stating that Indodax is the platform of choice when it comes to buying and selling crypto assets. The majority of respondents are interested and will invest crypto assets in Indodax, this is seen in the average score values worth 80% and 77.8%.
- Consumption with an average score of 76.4% of 100 respondents belongs to the good category, with the lowest score of 74%, only about 74% of respondents feel the Indodax platform is better than other crypto brand investment platforms. However, 76.8% of respondents liked the features on the Indodax platform and 78.4% of respondents already understood and understood the services offered by the Indodax platform.

Based on the results of descriptive analysis, the highest average score is in brand recognition with a score of 81.73%. This shows the Indodax brand as one of the crypto asset investment platforms known by respondents. But still lacking in making Indodax as the number one platform when compared to other competitors, this can be seen from the average consumption score of 76.4%.

Ideally the expected score result of 12 statements is 6000, while the calculation results show that the total score is worth 4737 or 78.95% thus the brand awareness variable is included in the good category. This indicates that respondents already know and know the Indodax brand.

5.2 Test Classical Assumptions

Table 1. Kolmogrov-Smirnov Test

		Unstandardized Residual
N		100
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	6.36981796
Most Extreme Differences	Absolute	.063
	Positive	.039
	Negative	-.063
Test Statistic		.063
Asymp. Sig. (2-tailed)		.200 ^{c,d}

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.
- d. This is lower bound of the true significance (table 1).

Analysis of normality tests based on Kolmogorov-Smirnov showed a normal curve of 0.200 with a significance value of 0.063. In this case indicates that the significance value of $0.063 > 0.05$ and the data is distributed normally (table 2).

Table 2. Heteroscedasticity Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std Error	Beta		
1	(Constant)	8.823	2.743	-.147	3.217	.002
	Social Media Marketing	-.103	.70		-1.470	.145

The results of the heteroskedasticity test obtained independent variables in the regression model have a significance value above 0.05 so it can be said that the regression model has no symptoms of heteroskedasticity (table 2).

5.3 Simple Linear Regression

The coefficient of regression of social media marketing variables has a positive effect on brand awareness, with the use of social media marketing variables increased, brand awareness will also increase by 0.979.

$$\text{Brand Awareness} = 9,487 + 0.979 \text{ X Social Media Marketing (Table 3)}$$

Table 3. Regression Test Result Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std Error	Beta		
1	(Constant)	9.487	4.292	0.670	2.211	.029
	Social Media Marketing	.979	.110		8.927	.000

a. Dependent Variable: Brand Awareness

5.4 Hypothesis test or partial t.

The t value of the table obtained is 1.984. The social media marketing variable has a value of 8.927 with a significance of 0.000 so that the significance value is smaller than 0.05. If included in the hypothesis test criteria then $8,927 > 1,984$ then it can be concluded that there is a significant influence of social media marketing variables on brand awareness (Table 4).

Table 4 Test Result T Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std Error	Beta		
1	(Constant)	9.487	4.292	0.670	2.211	.029
	Social Media Marketing	.979	.110		8.927	.000

a. Dependent Variable: Brand Awareness

5.5 Coefficient of Determination and Correlation

The coefficient of determination aims to find out the magnitude of the influence of independent variables on dependent variables. The result of the coefficient of determination above is 0.448, which can be said to be a variable of social media marketing together able to affect brand awareness by 44.8% (Table 5).

Table 5. Determination and Correlation Coefficient Results Model Summary^b

Model	R	R Square	Adjusted R Square	Srd. Error of the Estimate
1	.670 ^a	.448	.443	6.402

a. Predictors: (Constant), Social Media Marketing

b. Dependent Variable: Brand Awareness

6. Conclusion and Suggestion

Based on the results of research that has been conducted on social media marketing Instagram against Indodax brand awareness, several conclusions are obtained as follows:

1. The influence of social media marketing on Indodax Instagram followers Indodax's Instagram social media marketing is in the good category with a total overall score of 77.17%. This indicates that the promotion carried out

by Indodax through Instagram social media is good and the information provided can be accepted and understood by Indodax Instagram followers.

2. The influence of brand awareness on Indodax Instagram followers Indodax's brand awareness platform is in a good category with a total overall score of 78.95%. This indicates that the Indodax platform already has a good brand image, most Instagram followers already recognize and understand Indodax as a crypto asset investment platform.

3. The influence of Instagram social media marketing on Indodax brand awareness The regression coefficient value of 0.979 indicates that there is a significant partial influence of social media marketing variables on brand awareness which means that the higher the value of social media marketing, the higher the positive brand awareness value. The correlation coefficient value (R) of 0.670 is used to calculate the value of the coefficient of determination. The determination coefficient is 0.448 which means the influence of social media marketing on brand awareness is 44.8% while the rest is influenced by other variables outside the scope of research.

4. Investing in cryptocurrencies has a high risk, as it has extreme volatility, is prone to cybercrime and has a dependence on technology.

6.2 Suggestion

6.2.1 Practical Advice

1. Based on the results of descriptive analysis on social media marketing variables on Instagram collaboration dimension with the statement "there is a form of cooperation between followers and Indodax in promoting Indodax" obtained a percentage value of 68% of the statement has the lowest percentage value compared to other statements. For this reason, it is recommended for the Indodax platform to always involve its Instagram followers in all activities regarding activities or campaigns in an effort to promote Indodax, related to crypto asset investment in the hope that there will be a good and mutually beneficial relationship for both parties.

2. Based on the results of descriptive analysis on the consumption dimension brand awareness variable with the statement "I feel the Indodax platform is better than crypto investment platforms or other brands" obtained a percentage value of 74% the statement has the lowest percentage value compared to other statements. Indodax platform should strive to keep providing information and improving its services both in terms of the use of applications and websites regarding crypto asset trading. This is done so that public trust increases so that the Indodax platform remains the best investment platform compared to other competitors.

6.2.2 Theoretical Advice

1. For readers who will research about factors that can affect brand awareness, it can be done by adding other independent variables, such as marketing mix, price and others.

2. For subsequent researchers with the same variables are expected to use different objects and research methods to see different points of view for the reader.

3. For readers who will make crypto investments should be equipped with sufficient education about all aspects related to the investment, such as procedures for buying and selling crypto assets, reading ongoing trends, determining the right strategy in managing finances and others in order to always get returns that are in line with expectations and do not experience losses.

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