ABSTRACT

The culinary industry in Indonesia continues to experience rapid development until now. This makes the café business increasingly popular and stimulates the emergence of intense competition to become more creative in improving to create a cool and interesting place, both in terms of food presentation and visuals. In order to deal with these conditions, a cafe business also needs to develop an appropriate marketing strategy.

The purpose of this study is to investigate the effect of social media marketing and electronic word of mouth, especially on Instagram, on the purchase intention of Sunday Bowl Cereal Club product. This study uses quantitative methods to achieve these goals. The variables analyzed consisted of exogenous variables namely social media marketing, mediating variables namely electronic word of mouth, and endogenous variables namely purchase intention, and two moderating variables, that are age and gender.

As for the sampling technique, the non-probability sampling is used with the purposive sampling method. Samples were drawn from up to 300 respondents who following Sunday Bowl Cereal Club's social media Instagram, have seen their marketing content for at least the last 3 months, and have never made a product purchase. Method of data collection is done by distributing questionnaires online through the Google Form. To analyze the data, this research employed the Structural Equation Modeling (SEM) that was processed using SmartPLS 3.2.9.

Based on the research results, social media marketing has a positive and significant direct relationship on E-WOM. Age and gender moderate the direct relationship between social media marketing and E-WOM. Social media marketing has a positive and significant direct relationship on purchase intention. Age and gender do not moderate the direct relationship between social media marketing and purchase intention. E-WOM has a positive and significant direct relationship between E-WOM and purchase intention. Age moderate the direct relationship between E-WOM and purchase intention, while gender does not moderate. Social media marketing has a positive and significant indirect relationship on purchase intention through E-WOM. Age moderate the indirect relationship between social media marketing and purchase intention through E-WOM, while gender does not moderate.

Sunday Bowl Cereal Club is advised to improve their social media marketing strategy by taking into account the framework in the customer life cycle: Plan-Reach-Act, which can be done by determining how often the content needs to be updated, increasing affordability, and encouraging customer interaction. Meanwhile, to improve positive electronic word of mouth, it is recommended to improve service quality, provide rewards for every review given by customers, and provide communication and discussion forums. In addition, it is also focused on prospective customers who are young and male to increase purchase intention.

Keywords: social media marketing, electronic word of mouth, purchase intention.