The Influence of Social Media Marketing To Gen-Z’s Purchase Intention to Stay in a Hotel

Nyoman Indah Kusuma Dewi  
Business Administration Department  
Bali State Polytechnic  
Badung, Indonesia  
ikdewi@pnb.ac.id

I Wayan Wirga  
Business Administration Department  
Bali State Polytechnic  
Badung, Indonesia

Upayana Wiguna Eka Putra  
Business Administration Department  
Bali State Polytechnic  
Badung, Indonesia

Gede Pradiva Adiningrat  
Business Administration Department  
Bali State Polytechnic  
Badung, Indonesia

Ida Ayu Putri Widiasuari Riyasa  
Business Administration Department  
Bali State Polytechnic  
Badung, Indonesia

Abstract—Social media is getting attention as a new marketing strategy in the digitalize business. Hotels are making benefits of this trend to reach and influence their customers to purchase. The purpose of this research was to find out the influence of social media marketing towards intention to stay in a hotel, particularly for Gen-Z. The social media marketing consists of entertainment, interaction, trendiness, advertisement, customization, and electronic word of mouth (e-WOM). This research applied SmartPLS 3.2.9 as data analysis device. The findings revealed that customization, entertainment, and trendiness have positive influence whilst advertisement, e-WOM and interaction have negative influence towards purchase intention of a hotel. The theoretical framework of the relationships of Social Media Marketing can be implemented in different cases.

Keywords— social media marketing; purchase intention; gen-Z; hotel

I. INTRODUCTION

The innovation of Web 2.0 and the Social Web known as social media have changed every aspect of business and social life in terms of communicating with others [1]. This phenomenon extended the usage of social media as a marketing strategy to markets products and services. Social media becomes a popular marketing tool to reach out customers such as for enhancing promotions, strengthening marketing communication, creating positive public relations, and creating brand awareness. The company performance is influenced by social media marketing on various platforms including blogs, online discussion forums, and online communities. Social Media Marketing (hereinafter SMM) has become an object of studies by many researchers since its introduction. General topics of SMM research include advertising activities [2,3], e-WOM [4,5], customer relationship management [6,7,8], branding strategy [9,10], and customer behavior [11,12]. However, to date only few explored the relationships of SMM (six indicators namely entertainment, interaction, trendiness, advertisement, customization, and e-WOM) and purchase intention of generation Z. Thus, the purpose of this research is to determine the relationships of SMM and purchase intention (for staying) in the hotel.

II. LITERATURE REVIEW

A. Defining Social Media Marketing

Social media refers to online platforms used for sharing content such as text, images, audio, and information and facilitating collaboration among community members [10]. The examples of social media are Facebook, Instagram, LinkedIn, Blog, Twitter, Tik Tok, YouTube, and WhatsApp. Social media marketing allows marketers to create brand awareness and presence on the web, and also strengthen other communication activities.
B. Dimensions of Social Media Marketing

Chung and Cho [13], Wijaya et al. [14], Cheung et al. [15], and Laksamana [16] state that the dimensions of social media marketing are entertainment, customization, interaction, e-WOM, and trendiness. Meanwhile [17] in the context of e-commerce suggests that interactivity, informativeness, personalization, trendiness, and e-WOM are dimensions of digital marketing. Aji et al. [18] suggests that there are 5 social media marketing activities, namely entertainment, customization, interaction, trendiness, and advertisement. Entertainment influences customer perception either positive or negative. Customers tend to share positive information with other group members that influence their purchase intention. Entertainment is the main reason for using social media [19, 20]. Interaction on social media occurs if users can communicate and exchange opinions or information easily with other users in online communities [15]. Interactions in SMM do not only occur from client to client or client to company, but companies can also quickly respond to inquiries from consumers. Social media can promote interaction with other users through bulletin boards, chat rooms, or available websites, thereby effectively increasing knowledge [21]. Trendiness is related to providing the latest information about products to customers [14]. Many consumers turn to various types of social media platforms to get information, because consumers are more concerned with finding reliable sources of information rather than company-sponsored information through traditional promotions [22]. Advertisement refers to advertising and promotion campaigns that have been carried out by marketers through social media to increase sales [23]. Alalwan et al. [24] and [25] conducted a survey on the effect of social media advertising on customer perception and awareness and concluded that advertising is an important part of social media marketing activities. Compared to traditional mass media advertising, social media advertising is more interactive. As long as customers feel that social media advertising is related to their preferences and interests, they will be more likely to buy the products advertised in social media. Customization of social media according to Wang et al. [26] must not only provide interesting information, but must also provide a place for users to increase interaction by allowing them to express their preferences. Ebrahim [27] added that customization on social media leads to customer satisfaction resulting in purchase intention and brand loyalty. With the rapid development of the Internet and the growing popularity of social media, e-WOM has become one of the most commonly used digital media for communication between consumers and gained immense attention as social media advertising [28]. e-WOM is defined as positive or negative comments made by past, present and future customers on a product or brand, provided to consumers and other organizations through social media platforms. e-WOM can change buying preferences and behavior [19].

C. Generation Z (Gen Z)

The age range of Gen Z are those who born between year of 1997-2012 or ages between 10-25 years in 2022[30].

III. METHODOLOGY

This research has been conducted in quantitative manner. The location of research was the hotels with star classification located in Badung and Gianyar Regency since these two areas are the main area of hotels establishment in Bali. Research questionnaire has been administered to the hotel’s Gen Z customers that used SMM provided by the hotels. Likert scale was utilized for scoring the answer: 1 = strongly disagree; 2 = disagree; 3 = neutral; 4 = agree; and 5 = strongly agree. Samples were determined by non-probability convenience sampling and the minimum samples refer to 10-times rule method [31]. Therefore, the minimum sample was 70. The outer model evaluation was run to ensure the validity and reliability of the questionnaires. 116 questionnaires have been returned and analyzed using the SmartPLS 3.2.9. Research questions for entertainment based on [14, 16, 32], Interaction based on [14, 16, 17, 25, 32], Trendiness based on [14, 17, 32], Advertisement based on [17, 32], Customization based on [14, 16, 17, 25, 32, 34], e-WOM based on [14, 16, 17, 32], and Purchase Intention based on [16, 25, 28, 33, 34, 35].

IV. RESULT AND DISCUSSION

A. Demography of Respondents

The respondents in this study are 116 Gen-Z who stay in the hotel who have used social media to find information about products/services. The profiles of the 116 respondents: (1) Gender: male 12% and female 88%; (2) Age between 18-24 years 100%; (3) Use of social media: 2 years 7.62%, 3 years 9.48%, >4 years 12.90%; and (4) Social media platforms: YouTube 4.32%, Facebook 1.72%, Instagram 77.59%, Twitter 3.42% and TikTok 12.93%.

B. Outer Model Evaluation

1) Validity test: This validity test is conducted to determine whether the items presented in the questionnaire are reliable to explain with certainty what will be studied. The validity test in this study consisted of two stages, namely convergent validity and discriminant validity. Convergent validity testing is done by assessing the results of the loading factor and the Average Variance Extracted (AVE) value. The requirements for convergent validity are the value of 24 outer loading > 0.7 and Average Variance Extracted (AVE) > 0.5 to ensure that the indicator variables are valid and consistent. The second stage was to test discriminant validity, which aims to test the extent to which a construct was really different from other constructs. The discriminant validity test was assessed based on the measurement of cross loading. The following table is the results of the convergent and discriminant validity tests:

<table>
<thead>
<tr>
<th>TABLE I. OUTER LOADING FACTOR OF INDICATORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advert1</td>
</tr>
<tr>
<td>Advert2</td>
</tr>
</tbody>
</table>


The results of the convergent validity test through the cross-loading output can be seen in Table I, it shows that each research indicator obtains a value according to the criteria above 0.7. Therefore, it can be concluded that the research data has met the convergent validity test and the research data can be used in the next process.

The results of the convergent validity test through the Average Variance Extracted (AVE). The AVE value for each research construct has obtained a value above the specified criteria of 0.5 (Advertisement: 0.859; Customization: 0.893; e-WOM: 0.907; Entertainment: 0.918; Interaction: 0.898; Purchase Intention: 0.876; Trendiness: 0.874). It can be said that the variables used in the study were valid.

Table II presents the correlation value of the indicator to the construct is higher than the correlation value of the indicator with other constructs. Thus, it can be concluded that the cross-loading value of the data in Table II indicates good discriminant validity.

### TABLE II. CROSS LOADING RESULT

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Advertisement</th>
<th>Customization</th>
<th>e-WOM</th>
<th>Entertainment</th>
<th>Purchase Intention</th>
<th>Trendiness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adver1</td>
<td>0.922</td>
<td>0.837</td>
<td>0.841</td>
<td>0.843</td>
<td>0.848</td>
<td>0.775</td>
</tr>
<tr>
<td>Adver2</td>
<td>0.932</td>
<td>0.864</td>
<td>0.948</td>
<td>0.954</td>
<td>0.923</td>
<td>0.791</td>
</tr>
</tbody>
</table>

Source: Primary Data (2022)

In addition, Table III shows that the discriminant validity test through the Fornell-Larcker Criterion method also reflects good results because the square root value of AVE is higher than the correlation between latent variables.

2) Reliability Test: The reliability test in this study was conducted to measure the consistency and accuracy instruments in measuring a concept. Reliability test on PLS can be done by measuring the value of Cronbach’s Alpha and Composite Reliability. The criteria for passings the reliability

### TABLE III. FORNELL-LARCKER CRITERION

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Advertisement</th>
<th>Customization</th>
<th>e-WOM</th>
<th>Entertainment</th>
<th>Purchase Intention</th>
<th>Trendiness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adver1</td>
<td>0.927</td>
<td>0.838</td>
<td>0.841</td>
<td>0.831</td>
<td>0.842</td>
<td>0.783</td>
</tr>
<tr>
<td>Customization</td>
<td>0.913</td>
<td>0.945</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e-WOM</td>
<td>0.946</td>
<td>0.899</td>
<td>0.952</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entertainment</td>
<td>0.945</td>
<td>0.902</td>
<td>0.898</td>
<td>0.958</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interaction</td>
<td>0.940</td>
<td>0.936</td>
<td>0.976</td>
<td>0.985</td>
<td>0.948</td>
<td></td>
</tr>
<tr>
<td>Purchase Intention</td>
<td>0.845</td>
<td>0.854</td>
<td>0.831</td>
<td>0.824</td>
<td>0.840</td>
<td>0.935</td>
</tr>
<tr>
<td>Trendiness</td>
<td>0.944</td>
<td>0.905</td>
<td>0.965</td>
<td>0.981</td>
<td>0.975</td>
<td>0.842</td>
</tr>
</tbody>
</table>

Source: Primary Data (2022)
test are the Cronbach’s Alpha and composite reliability values are greater than 0.7. The following table is the result of the reliability test:

<table>
<thead>
<tr>
<th>Construct</th>
<th>Cronbach's Alpha</th>
<th>Composite Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertisement</td>
<td>0.918</td>
<td>0.948</td>
</tr>
<tr>
<td>Customization</td>
<td>0.940</td>
<td>0.962</td>
</tr>
<tr>
<td>E-WOM</td>
<td>0.949</td>
<td>0.967</td>
</tr>
<tr>
<td>Entertainment</td>
<td>0.911</td>
<td>0.957</td>
</tr>
<tr>
<td>Interaction</td>
<td>0.962</td>
<td>0.972</td>
</tr>
<tr>
<td>Purchase Intention</td>
<td>0.964</td>
<td>0.972</td>
</tr>
<tr>
<td>Trendiness</td>
<td>0.929</td>
<td>0.955</td>
</tr>
</tbody>
</table>

Source: Primary Data (2022)

The results of Cronbach’s Alpha and Composite Reliability analysis in Table IV show that each construct has met the reliability requirements. This can be seen from the value of Cronbach's Alpha and Composite Reliability on each construct which is greater than 0.7. Thus, it can be concluded that the research data is reliable. Overall, the following is a picture of the algorithm measurement model from the outer model.

C. Inner Model Evaluation

1) R-Square (Coefficient of Determination): R-Square analysis aims to measure the level of variation of changes in the independent variable to the dependent variable. The higher the value of $R^2$ means that the better the predictive model of the research model. The results of the R-square test show that the purchase intention value obtained is 0.774. This result means that the variation of decision variables can be explained by 77.4% by independent variables which include advertisement, customization, e-WOM, entertainment, interaction, and trendiness. While the remaining 22.6% can be explained by other factors outside the research model.

2) Q-Square Predictive Relevance Test ($Q^2$): Q-Square Predictive Relevance ($Q^2$) is a measure of how well the observations made give results to the research model. The value of $Q^2$ ranges from 0 to 1. The closer to 0 the value of $Q^2$, it gives an indication that the research model is getting worse, while on the contrary it is getting further away from 0 and getting closer to the value of 1, this means the research model is getting better. The criteria for the strength of the model are measured based on the $Q^2$ as follows: 0.35 (strong model), 0.15 (moderate model), and 0.02 (weak model). The formula for Q-Square Predictive Relevance ($Q^2$) is:

$$Q^2 = 1 - (1 - R^2 Y_1^2) = 1 - (1 - 0.774) = 1 - (0.226) = 0.774$$

Based on these results, the estimated model results are included in the strong criteria, meaning that 77.4% of the variation of endogenous constructs can be predicted by variations of exogenous constructs.

3) Goodness of Fit (GoF) Test: Goodness of Fit (GoF) is a measurement of the accuracy of the overall model, because it is considered a single measurement of the measurement of the outer model and the inner model. The measurement value based on GoF has a range of values between 0 to 1. The GoF value which is getting closer to 0, indicates the model is getting less good, on the contrary the farther away from 0 and closer to 1, the better the model. The criteria for the strength of the model based on the measurement of GoF are as follows: 0.36 (GoF large), 0.25 (GoF medium), and 0.10 (GoF small).

$$Q_2 = 1 - (1 – R^2) = 1 - (1 – 0.774) = 1 - (0.226) = 0.774$$

Based on these results, the estimated model results are included in the strong criteria, meaning that 77.4% of the variation of endogenous constructs can be predicted by variations of exogenous constructs.

4) Hypothesis testing: Hypothesis testing in this study was conducted by measuring the path coefficient value which indicates the level of significance. The path coefficient in this study was carried out through the bootstrapping process. The
requirements that must be met are the t-statistics value obtained must be greater than or above 1.96 for testing the two-sided hypothesis.

<table>
<thead>
<tr>
<th>Table VI. HYPOTHESIS TESTING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>Advertisement &amp; Purchase Intention</td>
</tr>
<tr>
<td>Customization &amp; Purchase Intention</td>
</tr>
<tr>
<td>E-WOM &amp; Purchase Intention</td>
</tr>
<tr>
<td>Entertainment &amp; Purchase Intention</td>
</tr>
<tr>
<td>Interaction &amp; Purchase Intention</td>
</tr>
<tr>
<td>Trendiness &amp; Purchase Intention</td>
</tr>
</tbody>
</table>

Source: Primary Data (2022)

The results of the bootstrapping analysis in Table VI explain the influence relationship between the independent variable and the dependent variable as follows:

a) The Effect of Advertisement on Purchase Intention: The first hypothesis in this study states that advertisements have a negative effect on purchase intention. In Table VI, it can be explained that the path coefficient value obtained is 0.178. The t-statistics and p-values obtained are 0.979 and 0.328, respectively. These results indicate that the first hypothesis in this study is rejected. This is because the t-statistics and p-values obtained are below 1.96 and above the significance level of $=0.05$.

b) The Effect of Customization on Purchase Intention: The second hypothesis in this study states that customization has a positive effect on purchase intention. Based on Table VI, it can be seen that the path coefficient value obtained is 0.450. Meanwhile, the t-statistics and p-values obtained were 2.661 and 0.008, respectively. These results indicate that the second hypothesis in this study is acceptable. This is because the t-statistics and p-values obtained have met the requirements, namely above the t-table 1.96 and below the significance level of $=0.05$.

c) The Effect of E-WOM on Purchase Intention: The third hypothesis in this study states that e-WOM has a negative effect on purchase intention. Table VI demonstrates the path coefficient value obtained is 0.703. Meanwhile, the t-statistics and p-values obtained were 2.732 and 0.007, respectively. These results indicate that the third hypothesis in this study is accepted. This is because the t-statistics and p-values obtained have met the requirements, namely above the t-table 1.96 and below the significance level of $=0.05$ which indicates positive results.

d) The Effect of Entertainment on Purchase Intention: The fourth hypothesis in this study states that entertainment has a positive effect on purchase intention. Table VI presents, that the path coefficient value obtained is -1.104. Meanwhile, the t-statistics and p-values obtained were 2.549 and 0.011, respectively. These results indicate that the fourth hypothesis in this study is acceptable due to the t-statistics and p-values obtained have met the requirements, namely above the t-table 1.96 and below the significance level of $=0.05$ which indicates positive results.

e) The Effect of Interaction on Purchase Intention: The fifth hypothesis in this study states that advertisements have a negative effect on purchase intention. Table VI explains that the path coefficient value obtained is -0.059. The t-statistics and p-values obtained are 0.174 and 0.862, respectively. These results indicate that the fifth hypothesis in this study is rejected. This is because the t-statistics and p-values obtained are below 1.96 and above the significance level of $=0.05$.

f) The Effect of Trendiness on Purchase Intention: The sixth hypothesis in this study states that trendiness has a positive effect on purchase intention. Table VI present the path coefficient value obtained is 0.704. Meanwhile, the t-statistics and p-values obtained were 2.395 and 0.017, respectively. These results indicate that the sixth hypothesis in this study is acceptable because the t-statistics and p-values obtained have met the requirements, namely above the t-table 1.96 and below the significance level of $=0.05$.

The SMM has influence to Gen-Zs’ purchase intention in certain extend. SMM has significant influence towards purchase intention of Gen-Z, however, the relationship could be positive or negative. Customization, entertainment, and trendiness have positive effect whilst advertisement, e-WOM and interaction have negative influence towards purchase

V. CONCLUSION

The SMM has influence to Gen-Zs’ purchase intention in certain extend. SMM has significant influence towards purchase intention of Gen-Z, however, the relationship could be positive or negative. Customization, entertainment, and trendiness have positive effect whilst advertisement, e-WOM and interaction have negative influence towards purchase
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