



Unraveling the Relationship between Instagram Marketing and Brand Equity in Coffee-to-Go Industry

Zahra Nadhira Khairunnisa, Ratih Hurriyati , and Heny Hendrayati 

Universitas Pendidikan Indonesia, Bandung, Indonesia
zahranadhirakh@upi.edu

Abstract. The widespread use of social media platforms has transformed how consumers shop, including in the coffee-to-go industry, where outlets are proliferating, leading to increased competition among brands. The aim of this study is to find out how Instagram marketing affects brand equity in the coffee-to-go sector. This research employed a quantitative method with an explanatory survey conducted among customers of coffee-to-go brands who had seen a brand's marketing efforts on Instagram, with a sample size of 125 respondents using purposive sampling. All collected data were processed using SPSS Statistics 26 for Windows through tests for normality assumptions, correlation analysis, simple linear regression analysis, and t-tests for hypothesis testing. This study discovered that brand equity was greatly enhanced via Instagram marketing. The managerial implications that can be applied involve focusing specifically on Instagram marketing activities that consistently meet the criteria of interaction, entertainment, customization, and trendiness to enhance brand equity in customers' minds.

Keywords: Instagram Marketing, Brand Equity, Coffee-to-go Industry.

1 Introduction

The way people shop has changed as a result of the growing usage of social media platforms [1], which has now become more behaviorally and perceptually engaged [2]. By 2024, social media users reached 167 million users specifically in Indonesia, with 68.5% of them looking for brand information on social media [3]. Businesses are increasingly using social media platforms as a tool to execute marketing strategies and broaden customer reach to enhance company outcomes as a result of the growth of social media sites [4] [5], as well as enhance company performance [6]. For this reason, social media marketing techniques are employed as a tool to advertise a business's goods and brands [7]. According to We Are Social data [3], Instagram is one of the most popular platforms. It is the second most popular social networking app in Indonesia, following WhatsApp. Therefore, Instagram becomes an innovative social media platform that can greatly assist in implementing social media marketing [8] [9]. The use of Instagram marketing as a marketing strategy is now widely used in various industry sectors, including the coffee industry, which is anticipated to increase further,

reaching US\$237.6 billion by 2025. It is mentioned that coffee-to-go became the most favored type of coffee outlet, ranking first in Indonesia in 2020 with a threefold increase in the number of outlets since 2016 [10].

The proliferation of coffee-to-go outlets has led to increased competition among brands [11]. This gives consumers many options and the potential to easily switch from one brand to another, so a brand must have the right strategy to continue competing with competitors by strengthening its brand [12]. Customers' behavior and perceptions of a brand are greatly influenced by their active participation on its social media channels [13]. When Instagram marketing is viewed positively by customers, company value is formed, ultimately enhancing brand equity [8]. Numerous prior studies have examined the correlation between social media marketing and brand equity and discovered that social media marketing considerably improved brand equity [5] [8] [12] [13] [14]. However, other findings showed that there was no meaningful correlation between social media marketing efforts and brand equity [15]. Additionally, it was stated that social media marketing campaigns will only be very successful if businesses are able to offer customers advantages and satisfying experiences [16].

Even though numerous studies have identified how Instagram marketing affects brand equity, inconsistent results have been found among them. Furthermore, it is mentioned that there is currently little research on how social media marketing, specifically Instagram, affects brand equity in the Asia-Pacific area [17]. Specifically, research on the coffee-to-go industry has also not been extensively explored amid the high competition in the industry. Therefore, the purpose of this research is to ascertain how Instagram marketing affects brand equity in the coffee-to-go industry. It is anticipated that this study will advance management science in the marketing domain, particularly with relation to Instagram marketing and brand equity. This study is also expected to provide utility for coffee-to-go industry brands specifically and the entire industry in general, so that this research can serve as a consideration for implementing Instagram marketing efforts to enhance brand equity in consumer perceptions. Additionally, it is hoped that this research will serve as valuable information for researchers to conduct further studies

2 Methods

Through hypothesis testing and cross-sectional data collection, this study used a quantitative approach and a causal research design with an explanatory survey to explain the cause-and-effect relationship between variables. The instrument distribution was conducted using a self-administered questionnaire. A semantic differential scale with a scoring range of 1-5 was used to measure each indicator. Twelve items were created to measure Instagram marketing (IM) activities undertaken by coffee-to-go industry brands, comprising interaction, entertainment, customization, and trendiness [18], whereas thirteen factors—such as perceived quality, brand loyalty, brand awareness, and brand image—were used to gauge the brand equity (BE) of companies in the coffee-to-go industry [8]. The subjects of this study were brands in the coffee-to-go industry that have engaged in marketing via the Instagram social media platform, such as Kopi Kenangan, Janji Jiwa, Kopi Kulo, Kopi Tuku, Kopisoe, and others. Customers of brands in the coffee-to-go industry who have seen marketing efforts on Instagram were the population of this study, with an undefined number chosen using purposive sampling. The following is the hypotheses of this study:

H : Instagram Marketing (IM) has a significant positive influence on Brand Equity (BE).

Using SPSS Statistics 26 for Windows, the collected data were analyzed using correlation analysis, simple linear regression analysis, normality assumption testing, and hypothesis testing with t-tests.

3 Results and Discussion

3.1 Results

Characteristics and Experiences of Respondents.

After the questionnaire distribution process, responses were obtained from 129 respondents; however, four of them had never seen content/accounts of coffee-to-go industry brands on Instagram. Therefore, the data from these respondents could not be used as they did not meet the sampling criteria. Thus, the usable dataset consisted of responses from 125 respondents.

The collected data show that women make up the majority of respondents, accounting for 65% of the total respondents. Respondents aged 18-25 years dominate, comprising 59.2%, while in terms of occupation, 30.4% of respondents are private employees. The characteristics of the research respondents are presented in the following Table.

Table 1. Characteristics and experiences of the respondents

Characteristics/ Experiences	Description	Frequency	Percentage
Gender	Male	44	35,0%
	Female	81	65,0%
Age	12 – 27 years old (Gen Z)	74	59,2%
	28 – 43 years old (Gen Y)	23	18,4%
	44 – 59 years old (Gen X)	24	19,2%
	Above 59 years old (Boomers)	4	3,20%
Occupation	Civil Servant	3	2,40%
	Private Employee	38	30,4%
	Entrepreneur	26	20,8%
	Student	32	25,6%
	State-Owned Enterprise (SOE) Employee	11	8,80%
	Others	15	12,0%
Frequency of viewing brand content/Instagram in the coffee-to-go industry	Very often	9	7,20%
	Often	54	43,2%
	Rarely	41	32,8%
	Occasionally	21	16,8%
	Once	37	29,6%
	2 – 3 times	49	39,2%

Frequency of product purchases per month	4 – 5 times	17	13,6%
	More than 5 times	22	17,6%

Table 1 shows that in terms of respondents' experiences, most respondents (43%) often view content/accounts of coffee-to-go industry brands on Instagram. From the questionnaire, it can be seen that 88% of respondents make purchases more than once a month.

Research Instrument Testing

Validity and reliability tests were used to evaluate the instrument. Thirty respondents participated in a validity test of the instrument with degrees of freedom $df = n - 2$ ($df = 30 - 2 = 28$) and a significance threshold of 5%. As a result, 0.361 is the r-table value. According to the validity test results, each R-value is higher than the r-table value, so all instruments are valid.

Additionally, from the instrument testing, it is known that all instruments are considered reliable because all Cronbach's alpha values are > 0.600 [19]. Based on these two results, it can be said that every research instrument is valid and reliable, so the data collected is appropriate, accurate, and of good quality.

Normality Test

The significance value that was obtained via the Kolmogorov-Smirnov test is 0.200. Consequently, since the significance value is higher than the probability value (0.05), it is determined that the residual data is normally distributed.

Correlations Test

Table 2 shows that the correlation coefficient between Instagram marketing and brand equity is 0.707, indicating that the relationship between the two variables is very strong.

Table 2. Pearson correlation test results

		IM	BE
IM	Pearson Correlation	1	0,707
	Sig. (2-tailed)		0.000
	N	125	125
BE	Pearson Correlation	0,707	1
	Sig. (2-tailed)	0,000	
	N	125	125

The findings of the correlation test demonstrate that brand equity and Instagram marketing have a significance value of 0.000. It can be concluded that they are significantly correlated because the significance value is less than 0.05.

Simple Linear Regression Analysis

Based on the simple linear regression test shown in Fig. 1, the performed research yielded an R-squared score of 0.500. Therefore, it can be said that Instagram marketing has an impact on 50% of the brand equity developed among consumers of the coffee-to-go industry. Meanwhile, other factors not included in this study have an impact on the remaining 50%.

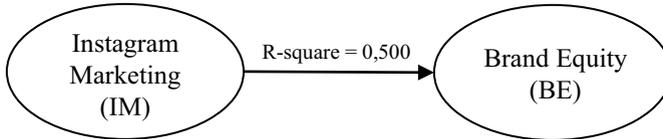


Fig. 1. The influence of Instagram marketing on brand equity

Hypothesis Testing

Table 3 shows that Instagram marketing has a significance value of 0.000, which is less than 0.05. Furthermore, 11.087 is the determined t-value for Instagram marketing, while the t-table value with a significance level of 5% for $df = 123$ ($df = \text{number of respondents} - \text{number of variables} = 125 - 2 = 123$) is 1.97944 for the positive direction.

Table 3. Hypothesis testing results t-test

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	16,393	3.267		5,018	0,000
IM	0,748	0,067	0,707	11,087	0,000

It can be said that the hypothesis is accepted because the computed t-value is higher than the t-table value. Therefore, it is determined that Instagram marketing significantly improves the brand equity of companies in the coffee-to-go industry.

3.2 Discussion

This research yielded results indicating that Instagram marketing significantly influenced brand equity in coffee-to-go industry brands based on a series of tests and analyses conducted. It illustrates that marketing coffee-to-go industry brands on Instagram can create brand equity in the minds of customers. These findings are consistent with previous research [5] [8] [12] [13] [14] but are not consistent with the results of some other studies, as opposed to the study [15] [16].

Based on these results, it can be said that Instagram marketing by coffee-to-go companies has made it easier for consumers to interact with other users and share information and ideas [14] on their Instagram accounts regarding related products and brands (interaction) [13]. Additionally, the Instagram marketing efforts have successfully formed emotional connections [8] that enhance participatory behavior to create

strong emotional relationships between the brand and customers (entertainment) [14]. The Instagram marketing conducted by coffee-to-go brands is also considered successful since it offers customized services to suit consumer preferences and a platform where users can openly voice their opinions and get the information they require (customization) [8], as well as presenting information in line with ongoing trends (trendiness) [5] [13].

The Instagram marketing conducted by brands in the coffee-to-go industry ultimately succeeds in building 50% brand equity in the customers' minds. By engaging in Instagram marketing, coffee-to-go brands can make customers remember and recognize the related brand, thus establishing associations between the brand and customers (brand awareness) [20]. Brand associations, encompassing attributes, benefits, and attitudes, formed in the minds, can help drive sustainable brand growth (brand image) [13]. Customers will also subjectively evaluate the quality and superiority of the products and services of the related brand compared to competitors (perceived quality) [21]. Most importantly, using Instagram as a marketing tool can also evoke cognitive, emotional, and behavioral feelings in customers towards a brand, thereby fostering repeat purchase commitment and the likelihood of not switching to other brands (brand loyalty) [22].

4 Conclusion

Considering the study conducted on 125 customers of coffee-to-go industry brands who have seen content/accounts on Instagram from coffee-to-go industry brands, it was found that Instagram marketing significantly influences brand equity. Therefore, it can be concluded that Instagram marketing conducted by brands in the coffee-to-go industry can shape brand equity in the customers' minds.

Therefore, the managerial implications that can be applied involve specifically focusing on Instagram marketing activities that consistently meet the criteria of interaction, entertainment, customization, and trendiness to enhance brand equity in the customers' minds.

References

1. Kim, N. & Kim, W. Do your social media lead you to make social deal purchases? Consumer-generated social referrals for sales via social commerce. *Int. J. Inf. Manage.* **39**, 38–48 (2018).
2. We Are Social. *Digital 2024: Indonesia explores the country's evolving digital and social landscape.* <https://wearesocial.com> (2025).
3. Dolega, L., Rowe, F. & Branagan, E. Going digital? The impact of social media marketing on retail website traffic, orders and sales. *J. Retail. Consum. Serv.* **60**, (2021).
4. Yadav, M. & Rahman, Z. The influence of social media marketing activities on customer loyalty: A study of e-commerce industry. *Benchmarking* **25**, 3882–3905 (2018).
5. Andrews, L. et al. Segmenting Brands' Social Network Site (Sns) Consumers: A Four-Country Study. *J. Int. Consum. Mark.* **31**, 22–38 (2019).

6. Savitri, C., Hurriyati, R., Wibowo, L. A. & Hendrayati, H. The role of social media marketing and brand image on smartphone purchase intention. *Int. J. Data Netw. Sci.* **6**, 185–192 (2022).
7. Park, C. I. & Namkung, Y. The Effects of Instagram Marketing Activities on Customer-Based Brand Equity in the Coffee Industry. *Sustainability* **14**, (2022).
8. Belanche, D., Cenjor, I. & Pérez-Rueda, A. Instagram Stories versus Facebook Wall: an advertising effectiveness analysis. *Span. J. Mark. ESIC* **23**, 69–94 (2019).
9. Toffin & Majalah MIX. 2020 *Brewing in Indonesia - Insight for Successful Coffee Shop Business*. www.insight.toffin.id (2024).
10. Gumilang, M. F. et al. Repurchase Intention of Millennial Generation in Coffee Shop with the Coffee-To-Go Concepts. *Int. J. Res. Rev.* **8**, 347 (2021).
11. Koay, K. Y. et al. Perceived social media marketing activities and consumer-based brand equity: Testing a moderated mediation model. *Asia Pac. J. Mark. Logist.* **33**, 53–72 (2021).
12. Seo, E. J. & Park, J. W. A study on the effects of social media marketing activities on brand equity and customer response in the airline industry. *J. Air Transp. Manag.* **66**, 36–41 (2018).
13. Aji, P. M., Nadhila, V. & Sanny, L. Effect of social media marketing on instagram towards purchase intention: Evidence from Indonesia's ready-to-drink tea industry. *Int. J. Data Netw. Sci.* **4**, 91–104 (2020).
14. Ebrahim, R. S. The Role of Trust in Understanding the Impact of Social Media Marketing on Brand Equity and Brand Loyalty. *J. Relatsh. Mark.* **19**, 287–308 (2019).
15. Zollo, L., Filieri, R., Rialti, R. & Yoon, S. Unpacking the relationship between social media marketing and brand equity: The mediating role of consumers' benefits and experience. *J. Bus. Res.* **117**, 256–267 (2020).
16. Jayasuriya, N. A. & Azam, S. M. F. The Impact of Social Media Marketing on Brand Equity: A Study of Fashion-Wear Retail in Sri Lanka. *Int. Rev. Manag. Mark.* 178–183 (2017).
17. Cheung, M. L., Pires, G. D., Rosenberger, P. J. & De Oliveira, M. J. Driving COBRAs: the power of social media marketing. *Mark. Intell. Plan.* **39**, 361–376 (2021).
18. Sekaran, U. *Metode Penelitian untuk Bisnis*. (Salemba Empat, 2019).
19. Çifci, S. et al. A cross validation of Consumer-Based Brand Equity models: Driving customer equity in retail brands. *J. Bus. Res.* **69**, 3740–3747 (2016).
20. Sürücü, Ö., Öztürk, Y., Okumus, F. & Bilgihan, A. Brand awareness, image, physical quality and employee behavior as building blocks of customer-based brand equity: Consequences in the hotel context. *J. Hosp. Tour. Manag.* **40**, 114–124 (2019).
21. Algharabat, R. et al. Investigating the antecedents of customer brand engagement and consumer-based brand equity in social media. *J. Retail. Consum. Serv.* **53**, (2020).

Open Access This chapter is licensed under the terms of the Creative Commons Attribution-NonCommercial 4.0 International License (<http://creativecommons.org/licenses/by-nc/4.0/>), which permits any noncommercial use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter's Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter's Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

