

ABSTRACT

Currently, e-commerce in Indonesia is experiencing rapid development. The number of MSME players who use e-commerce in early 2021 increases up to 4 million. This increase occurred because many Indonesians bought products online for example via Shopee. Shopee is an e-commerce platform that offers social media elements, where users can interact directly through the Shopee application.

The aim of this study was to investigate the influence of social media marketing activities on customer loyalty through customer equity drivers with three dimensions: value equity, brand equity, relationship equity contained in local MSME products in the Shopee application.

The sampling technique used is non-probability sampling with purposive sampling. The number of respondents was 275 respondents who were Shopee application users in Indonesia and had purchased local products. The data analysis technique used in is descriptive analysis and SEM analysis.

The results of the descriptive analysis based on the respondents' answers show that the SMMAS and VE dimensions are in the very good category. Meanwhile, BE dimension, RE dimension, and CL variable are in a good category. The result of SEM-PLS shows perceived SMMAs have a positive significant influence on VE, BE, and RE. VE, BE, and RE have a positive significant effect on customer loyalty. VE, BE, and RE will mediate the relationship between perceived social media marketing activities and customer loyalty.

The suggestions in this study are the local MSMEs products should improve further in terms of social media marketing activities, value equity, relationship equity, and customer loyalty at Shopee application which is explained in the conclusion and suggestion chapters.

Keywords: Brand Equity; Customer Loyalty; Relationship Equity; Social Media Marketing Activities; Value Equity.