BAB I
INTRODUCTION

New opportunities arise as the business world adapts to changes occurring in the digital realm. Factors contributing to shaping consumer choices is being done through social media, especially in the EdTech industry. The purpose of this study is to explore this phenomenon and at the same time enrich the discussion on strategies in digital marketing, focusing on the complex relationship between customer engagement, branding, and consumption The previous studies have pointed out the importance that SMM has on consumer behavior. Previous studies illustrated how SMM encourages interactions between brands and consumers (Kaplan & Haenlein, 2010). High levels of engagement on social media platforms positively correlate with increased purchase intention. (Emini & Zeqiri, 2021) High engagement on social media platforms is also positively correlated with increased purchase intentions. In this context, the more active a brand is in utilizing social media to communicate with its audience, the more likely consumers are to become emotionally involved and lead to purchasing decisions.

Although these insights have been widely studied, there is still a gap in the existing literature. Most previous research have focused more on general consumer products or markets in Western countries, leaving a void in research on the impact of SMM on EdTech consumers, especially in developing countries like Indonesia. Furthermore, although many literatures claim to have integrated the concept of Consumer Brand Engagement (CBE), no studies have specifically examined the mediating role of CBE in the relationship between SMM and purchase intention in the digital education industry. Therefore, this study seeks to fill this gap by examining the relationship between the three variables in the context of the Indonesian EdTech industry. The value of the EdTech industry in Indonesia has experienced very rapid growth, especially after the COVID-19 pandemic. This creates various opportunities for companies to optimize their digital marketing strategies. According to a report from East Ventures, the Indonesian EdTech industry is valued at USD 906 million in 2022 and is projected to continue growing at a CAGR of 15%. (East Ventures, 2025). This growth indicates that there is great potential for companies to develop their digital marketing to increase customer engagement and strengthen their brand positioning in the market.

Let's take a history lesson, in the past decade education has been transformed enormously. Back then, students could only rely on conventional ways of studying (i.e going to school, reading textbooks, and can only get an audio in person by listening to their teachers) this created a huge problem of efficiency and accessibility. But things have changed, the involvement of technology has increased efficiency and access tremendously. Students can learn from anywhere, anytime. This advancement also happens in Indonesia, we can see that there is a rising trend of EdTech platforms such as Ruangguru, Zenius, Quipper, Pahamify and many more. These companies ensure that everyone in Indonesia has the same chance of obtaining proper education by providing accessible yet high quality learning experience through online platforms.

Let’s break down the key leaders of this industry in Indonesia. Starting with Ruangguru, the biggest platform in Indonesia. It’s founded in 2014 and has grown exponentially due to its accuracy with the current Indonesia’s curriculum and the usage of social media really helps expand their market reach. One of the initiatives they’re currently having is Clash of Champions–a reality game show that goes viral immediately. One of the foundations of this study is to investigate whether or not it is incredibly significant to raise the purchase intention of an individual. Another big hit in the Indonesian EdTech industry is Zenius. Unlike the fun approach in Ruangguru, Zenius takes one step deeper on this. They managed to go deeper and breakdown the core of the studies in Indonesia, providing the most insightful contents. This has hugely impacted the mindset of their customers, to not just memorize but truly understand what it means to learn a certain subject. Next is the pioneer of flexibility, Quipper. Quipper is a Japan based company that not only expands the idea of flexibility, but they force their competitor to do the same. They managed to create a system where students can save the material and watch it offline anywhere, anytime. This helps hugely with the accessibility in Indonesia’s education. Lastly, a viral newcomer, Pahamify. Pahamify is a pioneer in creating interactive games and fun animation to ensure comfortability and relatability in studying. Their content makes this newcomer rise to the top because of how much people enjoy using their services. Overall the trend is currently rising, it makes it even more important to have a proper strategy to stay relevant in this Industry.

The involvement of the government is also crucial supporting this growing trend. Indonesia’s government has openly supported this, by implementing and encouraging students to use more technology within their learning experience. Furthermore the government also integrates technology that is student friendly on the recent curriculum, ensuring awareness and familiarity. The initiative taken by the government is support and also subsidies for the platforms, to ensure quality is enhance. Given the context, the competition is not only rising, but very tight. In the fight of the fittest, a great strategy is urgently needed. This is where social media plays a crucial role to boost the relevance of the platforms. But the question becomes, is it really social media that drives people to buy the products? or is there any other factor? This research will answer those questions.

Despite these insights, gaps remain in the literature. Most prior studies focus on general consumer goods or western markets (Zeqiri et al., 2024). leaving a research void regarding the impact of SMM on EdTech consumers, particularly in emerging economies like Indonesia. Moreover, while the existing literature claims to incorporate CBE (L. Hollebeek & Brodie, 2014), none have truly explored its mediating impact between SMM and purchase intention within the scope of the digital education industry, This study seeks to address these gaps by exploring the relationships in the context of Indonesia's EdTech industry. The value of the EdTech industry in Indonesia has grown massively especially after the COVID-19 pandemic, providing tons of opportunity to maximize digital marketing efforts by companies. That is why this research is incredibly important to not only for theoretical purposes, but also this is really important to give insights for real life practitioners to strengthen their strategies.