

Conference Paper

The Effect of Instagram on Kisah Kita Ngopi Sidoarjo Customer Retention

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ORCID:Thomas Stefanus Kaihatu: <http://orcid.org/0000-0001-7808-9736>**Abstract**

This research was conducted to examine the influence of social presence, media richness, self-presentation and self-disclosure on Kisah Kita Ngopi Sidoarjo customer retention. Social media is seen as being helpful for interacting with customers. Quantitative data collection was used. Primary data included information about sales, digital marketing and service quality. Secondary data was obtained from the literature and from the internal data of Kisah Kita Ngopi Sidoarjo. The sample was customers of Kisah Kita Ngopi and the purpose was to determine the effect of social media on customer retention.

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1. Introduction

The competition among coffee shops has made entrepreneurs make various efforts in communicating their brands and various product choices. The virtual world, which has become a phenomenon with its social media, is then looked at by producers as an opportunity to attract consumers and communicate with customers. Therefore it is very important for companies to retain consumers or customer retention through social media Instagram which is currently in demand and is widely used by consumers in Indonesia, especially in Sidoarjo. Customer Retention is important to research because it affects business revenue which will affect business development if researchers do not take Customer Retention seriously. Customer retention through social media must be done because the target of Kisah Kita Ngopi Sidoarjo is a group of young people and the community currently using Instagram as the main social media. Based on the description above, the author wants to do research to find out “The Influence of Social Media Instagram on Customer Retention Our Story Ngopi Sidoarjo”

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| Research gap | Researchers | No | Research | Indicator |
|--|-------------|----|--|---|
| There is difference in results Related research with relationship between media research, social process to the research of social media | Richter | 1 | Social media according to Richter et. al (2007) is an online application, means and media intended as a tool to facilitate interaction, collaboration and sharing of material. | <i>Media Research</i> (Kaplan et.al, 2010): 1 <i>social presence</i> , 2 <i>media richness</i> <i>Social processes</i> (Kaplan et.al, 2010): 1 <i>self-presentation</i> , 2 <i>self-disclosure</i> |
| | Zhang | 2 | Zhang et. al (2010) stated that customer retention is the probability that consumers will be active in a business relationship. | <i>Indicator customer retentions</i> (Zhang, et. al (2010): 1. <i>Customer relationship</i> 2. <i>Customer loyalty</i> 3. <i>Re-purchasing</i> |

2. Methods

2.1. Methods

The method that used in data collection is quantitative. The data sources used are primary data and secondary data. Primary data is data obtained directly in research, namely in the form of information about sales, digital marketing, and service quality. Secondary data is data obtained indirectly in the form of previous research, literature, and internal data of Kisah Kita Ngopi Sidoarjo. The variables tested were social presence, media richness, self-presentation, self-disclosure, and customer retention.

2.1.1. Sampling Method

The population in this study was taken from the customers of our story for the period of January 2020, amounting to 1,800 customers. The sampling technique used was simple random sampling. The samples taken in the population are customers who have made purchases in the specified period. To determine the number of samples, the Slovin formula is used, the formula is as follows:

$$n = \frac{N}{1 + Ne^2}$$

Information:

n: sample size

N: population size

e: error rate (in this study 5%)

By using the Slovin formula, it can be seen that the number of samples in this study are as follows:

$$n = \frac{1.800}{1 + (1.800(0,05^2))} = 327.27$$

Based on the above calculations, it can be seen that the sample in this study amounted to 327.27 samples from the customer population of Kisah Kita Ngopi for the period of January 2020, totaling 1,800 customers.

2.1.2. Data analysis method

The data analysis model used multiple linear regression analysis.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$$

Keterangan:

Y = *Customer Retention* $\beta_1 X_1$ = *Media Research*

β_0 = Konstanta $\beta_1 X_2$ = *Sosial Processes*

β_1, β_2 = Koefisien Regresi X_1, X_2 ε = Residual

2.1.3. Validity test

The validity test is used to measure whether a questionnaire is valid or not (Sugiyono, 2016). Pearson Correlation can be used to determine the validity of the questionnaire items by seeing whether the questions in the questionnaire meet the requirements by showing a sig value <0.05, the items in the questionnaire are said to be valid.

2.1.4. Reliability Test

Sujarweni (2016) states that the level of reliability of a variable can be carried out jointly on all question items, if seen from the statistical test results, the Cronbach Alpha value is > 0.6 then the variable is reliable. If the result of the validity test shows the sig. <0.05 and the reliability test shows Cronbach Alpha > 0.6, the dependent and independent variables are declared valid and reliable so that further analysis can be carried out.

2.1.5. Classic Assumption Test

1. Heteroscedasticity Test

The heteroscedasticity test is used to determine whether or not there are deviations from the classic assumption of heteroscedasticity, namely the inequality of variants of the residuals for all observations in the regression model. The prerequisite that must be met in the regression model is the absence of heteroscedasticity symptoms. This study uses the Glejser test which is carried out by regressing between the independent variables and their residual absolute values. If the significance value between the independent variables and the absolute residual is more than 0.05, then there is no heteroscedasticity problem.

2. Multicollinearity Test

To detect the presence or absence of multicollinearity in the regression, it can be seen from: (1) Tolerance value or (2) Variance inflation factor (VIF). If the VIF value is <10 , then multicollinearity does not occur (Sujarweni, 2016: 185).

3. Normality Test

Using the Kolmogorov-Smirnov Test. The basis for decision making: 1) If the significance value is ≥ 0.05 , the residuals are normally distributed. 2) If the significance value <0.05 , the residuals are not normally distributed.

4. Autocorrelation Test

Autocorrelation occurs with consecutive observations over time and is related to one another. Autocorrelation occurs in samples with time series data. The autocorrelation test uses the Durbin Watson (DW) value, if the DW value $>4-DW$ then there is no autocorrelation (Sujarweni, 2016: 186).

5. Linearity Test

Linearity test aims to determine whether two variables have a linear or not significant relationship. This test is usually used as a prerequisite for correlation or linear regression analysis. Tests on SPSS using Deviation from Linearity at a significance level of 0.05. Two variables are said to have a linear relationship if the significance (Deviation from Linearity) is more than 0.05.

2.1.6. Hypothesis Testing

1. F Test (Simultaneous Test)

The F test is used to determine whether the independent variables together have a significant effect on the dependent variable. The decision making criteria are:

- (a) If the significant value of $F < 0.05$, the independent variable has a significant effect on the dependent variable together.
- (b) If the significant value $F > 0.05$, the independent variable does not have a significant effect on the dependent variable together.

2. t test (partial test)

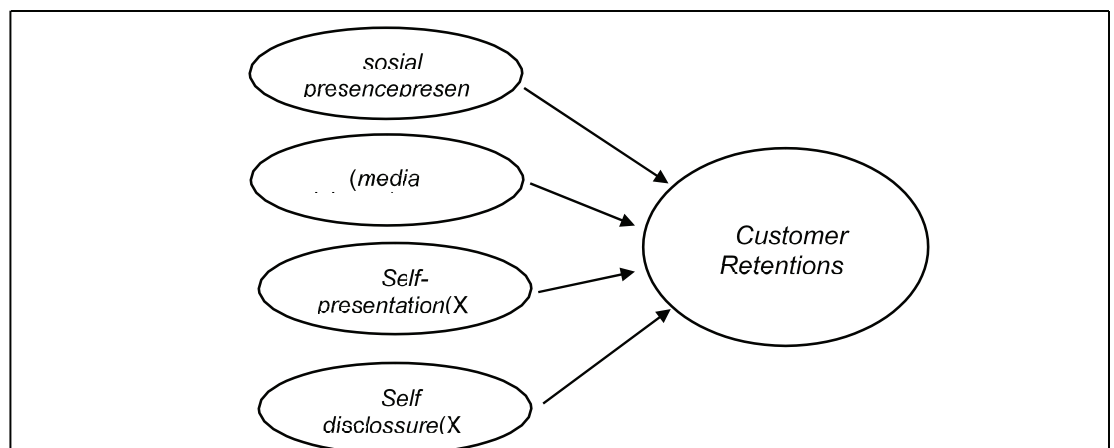
The t test is used to determine whether the independent variable individually or partially has a significant effect on the dependent variable. The decision making criteria are:

- (a) If significant $t > 0.05$, then the independent variable does not have a significant effect individually on the dependent variable.
- (b) If significant $t \leq 0.05$, then the independent variable has a significant influence individually on the dependent variable.

3. Coefficient of Determination (R²)

The coefficient of determination (R²) in essence measures how far the model's ability to explain the variation in the dependent variable. The coefficient of determination is between zero and one ($0 < R^2 < 1$). Small R² value means that the ability of the independent variables to explain the variation in the dependent variable is very limited. A value close to one means that the independent variables provide almost all the information needed to predict the variation in the dependent variable.

Analysis Model



3. Results

TABLE 1: The result of mean and standard deviation Social Presence

| Item Kuesioner | Mean | Std. Deviasi |
|---|-------------|--------------|
| Social Media of Kisah Kita Ngopi can represent in interacting with customer | 4.26 | 0.637 |
| Social Media of Kisah Kita Ngopi can represent the sound of customer | 3.97 | 0.643 |
| Social Meda is a media for customer and owner's intercatons | 4.02 | 0.614 |
| Total Mean | 4,08 | |

TABLE 2: The result of mean and standard deviation Media Richness

| Item Kuesioner | Mean | Std. Deviasi |
|---|-------------|--------------|
| Social Media of Kisah Kita Ngopi can reduce the obscurity of Information | 4.11 | 0.694 |
| Social Media of Kisah Kita Ngopi can increase the confidence in product and service | 4,09 | 0.746 |
| Social Meda is a media for reduce the inforance of product and service | 4.22 | 0.802 |
| Total Mean | 4,14 | |

TABLE 3: The result of mean and standard deviation Self-presentation

| Item Kuesioner | Mean | Std. Deviasi |
|---|-------------|--------------|
| Social Media of Kisah Kita Ngopi can represent in interacting with customer | 4.14 | 0.851 |
| Social Media of Kisah Kita Ngopi can represent the sound of customer | 4.20 | 0.641 |
| Social Meda is a media for customer and owner's intercatons | 4.17 | 0.779 |
| Total Mean | 4.17 | |

TABLE 4: The result of mean and standard deviation Self-disclosure

| Item Kuesioner | Mean | Std Deviasi |
|---|-------------|-------------|
| Customer can reveal the things that they dislikes to Social Media of Kisah Kita Ngopi | 4.22 | .724 |
| Customer can reveal the things that they like to Social Media of Kisah Kita Ngopi | 4.41 | .624 |
| Customer can give their idea to Social Media of Kisah Kita Ngopi | 4.35 | .545 |
| Mean Total | 4,37 | |

1. Social Presence (X1) has a significant value of 0.046 which is smaller than 0.05, so it can be stated that Social Presence has a significant effect on Customer Retention partially, because it can be concluded that the H1 hypothesis is accepted.
2. Media Richness (X2) has a significant value of 0.000 less than 0.05, so it can be stated that Media Richness has a significant effect on Customer Retention partially, because it can be concluded that the H2 hypothesis is accepted.

TABLE 5: The result of mean and standard deviation Customer Retention

| Item Kuesioner | Mean | Std Deviasi |
|--|------|-------------|
| Customer can be satisfied by the service of Kisah Kita Ngopi | 4.38 | .552 |
| Customer can be convinced that the product of Kisah Kita Ngopi is a high quality product | 4.28 | .615 |
| Customer choose Kisah Kita Ngopi as the best coffee shop | 4.23 | .690 |
| Mean Total | 4,30 | |

TABLE 6: Results of the Validity Test of Independent Variables

| Item Kuesioner | Nilai Korelasi | Signifikan | Keterangan |
|-------------------|----------------|------------|------------|
| Social presence | | | |
| X1.1 | 0,752 | 0,000 | Valid |
| X1.2 | 0,791 | 0,000 | Valid |
| X1.3 | 0,880 | 0,000 | Valid |
| Media Richness | | | |
| X2.1 | 0,817 | 0,000 | Valid |
| X2.2 | 0,825 | 0,000 | Valid |
| X2.3 | 0,696 | 0,000 | Valid |
| Self-Presentation | | | |
| X3.1 | 0,852 | 0,000 | Valid |
| X3.2 | 0,867 | 0,000 | Valid |
| X3.3 | 0,875 | 0,000 | Valid |
| Self-Disclosure | | | |
| X4.1 | 0,846 | 0,000 | Valid |
| X4.2 | 0,822 | 0,000 | Valid |
| X4.3 | 0,860 | 0,000 | Valid |

TABLE 7: Result of Bound Variable Validity Test

| Item Kuesioner | Nilai Korelasi | Signifikan | Keterangan |
|----------------|----------------|------------|------------|
| Y.1 | 0,705 | 0,000 | Valid |
| Y.2 | 0,736 | 0,000 | Valid |
| Y.3 | 0,797 | 0,000 | Valid |

TABLE 8: Research Variable Reliability Test Results

| Variabel dan Indikator | Cronbach Alpha | Keterangan |
|------------------------|----------------|------------|
| Social presence (X1) | 0,732 | Reliabel |
| Media Richness (X2) | 0,668 | Reliabel |
| Self-Presentation (X3) | 0,821 | Reliabel |
| Self-Disclosure (X4) | 0,785 | Reliabel |
| Customer Retention (Y) | 0,603 | Reliabel |

TABLE 9: The result of Multiple Linier Regression

| Coefficients ^a | | | | | | |
|---------------------------|-------------------|-----------------------------|------------|---------------------------|--------|------|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 3.700 | .519 | | 7.132 | .000 |
| | Social presence | -.066 | .039 | -.073 | -1.723 | .046 |
| | Media Richness | .387 | .042 | .483 | 9.152 | .000 |
| | Self-Presentation | .084 | .034 | .119 | 2.442 | .015 |
| | Self-Disclosure | .319 | .036 | .365 | 8.818 | .000 |

a. Dependent Variable: *Customer Retention*

TABLE 10: The result of F test

| ANOVA ^a | | | | | | |
|--------------------|------------|----------------|-----|-------------|---------|-------------------|
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 379.929 | 4 | 94.982 | 121.533 | .000 ^b |
| | Residual | 251.655 | 322 | .782 | | |
| | Total | 631.584 | 326 | | | |

a. Dependent Variable: *Customer Retention*

The Fcount value obtained is 121,533 with a significant level of 0,000 which is less than 5% (0.05). Because the significance value of 0.000 < 0.05 is in accordance with the linear regression analysis based on the basis of decision making in the F test, it can be concluded that Social Presence (X1), Media Richness (X2), Self-Presentation (X3) and Self-Disclosure (X4) simultaneously (together) affect Customer Retention (Y).

b. Predictors: (Constant), Self-Disclosure, Social presence, Self-Presentation, Media Richness

TABLE 11: The result of T Test

| Coefficients ^a | | | | | | |
|---------------------------|-------------------|-----------------------------|------------|---------------------------|--------|------|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 3.700 | .519 | | 7.132 | .000 |
| | Social presence | -.066 | .039 | -.073 | -1.723 | .046 |
| | Media Richness | .387 | W.042 | .483 | 9.152 | .000 |
| | Self-Presentation | .084 | .034 | .119 | 2.442 | .015 |
| | Self-Disclosure | .319 | .036 | .365 | 8.818 | .000 |

a. Dependent Variable: *Customer Retention*

- Self-Presentation (X3) has a significant value of 0.015 which is smaller than 0.05, so it can be stated that Self-Presentation has a significant effect on Customer Retention partially, because it can be concluded that the hypothesis H3 is accepted.
- Self-Disclosure (X4) has a significant value of 0.000 less than 0.05, so that it can be stated that Self-Disclosure has a significant effect on Customer Retention partially, because it can be concluded that the hypothesis H4 is accepted.

3.1. Correlation Coefficient (R) and Coefficient of Determination (R²)

The correlation coefficient value of 0.776 means that there is a strong relationship between the independent variables consisting of Social presence (X1), Media Richness (X2), Self-Presentation (X3) and Self-Disclosure (X4) with Customer Retention (Y). The result of the determination coefficient of 0.602 indicates that the ability of the model to explain Customer Retention (Y) is 60.2%, while 39.8% (based on the calculation of 100% - 60.2%) is influenced by other factors that were not examined in this study.

3.2. Normality Test

The results of the normality test showed that the Kolmogorov-Smirnov statistical value obtained was 0.098 with the Asymp. Sig. (2-tailed) of 0.000 which is smaller than 5% (0.05). Due to the value of Asymp. Sig. obtained is greater than 0.05, the residual distribution is declared to meet the normality assumption.

3.3. Heteroscedasticity Test

Each independent variable has a significant value greater than 0.05. So it can be said that there is no heteroscedasticity deviation in the independent variables studied at the 5% significant level.

3.4. Autocorrelation Test

The Durbin Watson value is 1.983, while in this study the dU value for $n = 327$, $k = 5$ is 1.8199 and $4 - dU = 2.1201$. These results indicate that the Durbin Watson value of 1.983 lies between dU and $(4 - dU)$, so it is concluded that there is no autocorrelation.

4. Discussion

4.1. The influence of Social Presence to Customer Retention

The results of research in the Multiple Linear Regression Analysis show that the Social presence regression coefficient (X1) has a negative value of -0.066 indicating that if Social Presence has increased, Customer Retention will decrease, this is because content development has not touched relationships personally, is still in the a short

period of time so it is not able to build personal social interactions. The social media Instagram Kisah Kita Ngopi provides more information and needs to improve because personal social interaction with customers is still lacking.

4.2. The influence of Media Richness to Customer Retention

The results of this study are in accordance with the research conducted by Hanaysha Research (2018) which shows that the influence of Media Research on customer retention is positive and statistically significant. This shows that Richness Media has an important role in providing added value to Customer Retention Kisah Kita Ngopi Sidoarjo.

4.3. The influence of Self-presentation to Customer Retention

The results of this study are in accordance with research conducted by Sashi et al. (2018) which shows that customer retention and calculative commitment are the most important factors that influence advocacy. This shows that Self-Presentation has an important role in providing added value to Customer Retention, Kisah Kita Ngopi Sidoarjo.

4.4. The influence of Self-disclosure to Customer Retention

The results of this study are in accordance with research conducted by Sashi et al. (2018) which shows that customer retention and calculative commitment are the most important factors that influence advocacy. Efforts to keep customers using social media increase advocacy. This shows that Self-Disclosure has an important role in providing added value to Customer Retention, Kisah Kita Ngopi Sidoarjo.

5. Managerial Implication & Conclusion

| No. | Variabel dan Item Kuesioner | Implikasi Manajerial |
|-------------------------------|---|--|
| <i>Social presence (X1)</i> | | |
| 1 | Media social of Kisah Kita Ngopi can represent in interacting with customers | Customizing social media content to build personal social relationships with customers |
| 2 | Media social of Kisah Kita Ngopi makes the customer's voice represented | The frequency for greeting customers via Instagram needs to be increased |
| 3 | Social media is an intermediary for customer and owner interactions | Improve coordination between owners through social media |
| <i>Media Richness (X2)</i> | | |
| 1 | Social media reduces obscurity of information | Always post promotional information clearly and completely |
| 2 | Social media adds confidence in product and service information | Fast response (minimum reply within 1 hour) in answering DM or consumer questions |
| 3 | Social media reduces customers' ignorance of products and services | Highlight questions that are frequently asked by consumers such as menu, location and others. |
| <i>Self-Presentation (X3)</i> | | |
| 1 | Social media represent the character of Kisah Kita Ngopi | Post information and promotions that describe our story |
| 2 | Social media is a part of customer's life style | Update igs every day |
| 3 | Social media expresses the lifestyle of Kisah Kita Ngopi and customer | Update igs every hour to tell consumers the atmosphere of Kisah Kita Ngopi |
| <i>Self-Disclosure (X4)</i> | | |
| 1 | Customer can expresses the things that they dont like to social media of Kisah Kita Ngopi | Read and reply to DM or comments every criticism there is a maximum of one hour after DM or comments are sent. |
| 2 | Customer can expresses the things that they like to social media of Kisah Kita Ngopi | Read and reply to DM or comments that are complimenting there |
| 3 | Customer can give their idea to social media of Kisah Kita Ngopi | Read and reply to suggestions and ideas given by netizens |

6. Conclusion

Kisah Kita Ngopi needs to build good content every week, the content has to inspire and satisfy the customer.

Management of Kisah Kita Ngopi is suggested to further build content that can strengthen the real Social Presence, namely personal interactions with customers.

Management of Kisah Kita Ngopi is advised to be more active in educating consumers about how to get the latest information related to our story products. Then, Kisah Kita Ngopi is also advised to be more active in posting content that provides information about products and promotions that are currently being run. The management of Kisah Kita Ngopi is also recommended to increase good customer retention. This is a response to the results of this research which shows that Social presence, Media Richness, Self-Presentation, and Self-Disclosure have a significant effect on Customer Retention.

Further research can be carried out to further test each indicator that affects Customer Retention so that the relationship between consumers and business actors is better. Meanwhile, further research can also be carried out to see consumer preferences related to what promotions consumers are interested in.

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