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The Impact of Entertainment, Interactivity, Trendiness, Customization, and EWOM on Consumer's Willingness to Pay a Premium Price for Samsung Smartphones: Mediating Effects of Brand Awareness, Image, and Loyalty through Instagram

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#### **ABSTRACT**

In this research, this study investigates the effect between SMMA and the willingness to pay a premium price for Samsung smartphones. With an emphasis on the mediating functions of brand awareness, brand image, and also brand loyalty. It particularly examines how these activities affect consumer behavior. Data was collected through a survey of 288 participants who own Samsung smartphones and are frequent Instagram users, using a quantitative methodology. To investigate further the use of structural equation modeling (SEM) was employed. The study show that brand awareness and brand image act as mediators between SMMA, brand loyalty, and willingness to pay a premium price. According to these results, social media content that is both personalized and engaging can improve brand perception, which in turn would cause to a rise in customer loyalty and a higher willingness to pay for high-end goods. This study gives marketers valuable information about on how to make use of social media activities in acts to improve pricing and brand value.

Keywords - Willingness To Pay Premium Price, Brand Loyalty, SMMA, Brand Awareness, Samsung Smartphones, Brand Image

#### INTRODUCTION

Social media has transformed marketing strategies, particularly for businesses in the portable gadget sector. Such platforms or apps like Instagram, TikTok, and Facebook allow brands to engage directly with consumers, which makes social media a key tool to promote products and strengthening customer relationships. A strong social media presence is essential for increasing brand awareness and reaching a wider audience, especially in Indonesia (Hermayanto, 2023). Social Media Marketing (SMM) capitalizes on consumer engagement to boost brand visibility, with platforms like Instagram being widely used to promote products and assess consumer interaction through likes, shares, and reviews. As technology advances, demand for gadgets like smartphones has surged. Samsung, a leading brand in Indonesia with a 32.7% market share, has seen its sales decline by 13.8% since 2020 due to pricing concerns and competition from lower-cost brands like Oppo and Xiaomi.

Price would be an important part in consumer willingness to pay. When a product is priced higher than competitors, consumers evaluate whether the additional cost reflects higher quality. Research shows that higher perceived value leads to greater willingness to pay a premium price (Zhang et al., 2020), while lower-priced alternatives increase price sensitivity (Bhatti et al., 2021). Samsung's challenge lies in retaining consumers willing to pay premium prices amid fierce

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competition. The concept of "Willingness to Pay Premium Price" is closely linked to brand loyalty and brand image, as loyal consumers with a positive perception of a brand are more likely to pay more. Social media marketing activities influence this willingness through enhanced brand awareness, image, and customer loyalty, which ultimately drive higher consumer valuation and willingness to pay premium prices

#### LITERATURE REVIEW

# **Willingness to Pay Premium Price**

Willingness to pay premium price would be defined as the consumers' readiness to spend more than the average market price for a specific product or brand (Porrat et al., 2013 dalam Malarvizhi et al., 2022). This concept is vital in marketing strategies, particularly for brands aiming to position themselves as premium or exclusive offerings. According to Farzin and Fattahi (2018), consumers are inclined to pay higher if they perceive the product to deliver higher value in terms of quality, design, or brand image. Premium products are often associated with elevated social status or superior user experience, which creates differentiation in the eyes of consumers.

Key factors influencing this willingness include perceived product quality, where consumers who believe a product or service is of higher quality compared to alternatives are generally more willing to pay extra (Chung et al., 2020). Quality encompasses not only materials or technology used but also user experience, customer service, and emotional aspects like pride in using the product. Furthermore, premium products are often viewed as more reliable and durable, adding long-term value for consumers.

### **Entertainment**

Entertainment pertains to the enjoyment individuals derive from interacting with others on online social networks, aiming to generate enjoyment and positive interactions within an online community (Chen et al., 2019; Ku et al., 2013; Pai & Arnott, 2013 as cited in Naqvi et al., 2020). It involves enjoyable communication that not only serves to entertain but also fosters positive experiences during interactions within online communities. This element of entertainment is a primary motivator for users to actively engage in social media, evoking feelings of joy and emotional satisfaction (Chen et al., 2019). Entertaining content, such as funny videos, memes, or interactive games, enables consumers to connect with others in their social networks in more engaging and personally relevant ways (Naqvi et al., 2020).

## **Interactivity**

Interactivity refers to how a post engages with social media users, creating a dynamic experience where consumers can participate in conversations, ask questions, provide feedback, or simply engage with the content offered by brands (Fortin & Dholakia, 2005; Liu & Shrum, 2002 as cited in Riani et al., 2023). This level of interaction enables consumers to feel more involved in the brand experience and fosters a sense of ownership over the products or services provided (Hollebeek et al., 2017). Another study by Lin et al. (2021) indicates that interactivity has an effect on consumers' perceptions of a brand's value as well as its quality of communication delivered. The higher the level of interactivity on social media, the more likely consumers are to trust the brand in the long term (Zhang et al., 2018).

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### **Trendiness**

Trendiness refers to the provision of the latest updates of information related to a product or service through the use social media (Godey et al., 2016 as cited in Malarvizhi et al., 2022). Consumers who sees a brand or their product as trendy has a high chance to engage with it, as they feel that the brand reflects evolving lifestyles or values (Kim & Ko, 2020). Trendiness is a important as well as significant factor influencing consumer decisions, particularly in dynamic industries like technology and fashion, where trends change rapidly (Chung et al., 2019). Studies indicate that brands perceived as trendy are more appealing to consumers, especially younger generations who are often more attuned to the latest trends (Ahn et al., 2020).

Brands that successfully leverage new trends can create positive perceptions of innovation and relevance, ultimately enhancing consumer trust (Chung et al., 2019). Additionally, consumers are likely to exhibit greater loyalty to brands that consistently keep up with trends, as they feel these brands align with their needs and lifestyles (Kim & Ko, 2020). By staying current and relevant, trendy brands can foster strong connections with consumers, making trendiness a vital element in marketing strategies aimed at engaging today's audiences.

#### Customization

Customization refers to how a product or service would be able to meet consumer preferences or needs (Seo and Park, 2018 as cited in Malarvizhi et al., 2022). In the context of digital marketing, customization allows brands to provide a more personalized experience for consumers, which enhances satisfaction and loyalty (Mclean & Wilson, 2016). By leveraging digital technology and data, companies can deliver relevant and personalized content, including product recommendations, tailored advertisements, or special offers based on previous consumer behavior (Liu & Mattila, 2017). A study states that customization has an important impact on engagement and long-term relationships with brands (Smith et al., 2019). When consumers perceive that the experiences or products they receive align with their personal needs or preferences, they are more likely to feel connected to the brand and demonstrate greater loyalty (Mclean & Wilson, 2016).

### **Electronic Word of Mouth**

eWOM (electronic word of mouth) can be described as a way consumers convey their experiences, opinions, or recommendations regarding online products or services. (Leong et al., 2021 as cited in Zahra et al., 2024). eWOM is often perceived as more trustworthy by consumers compared to traditional advertising because it comes from independent sources—other consumers sharing their genuine experiences with a product or service (Rosario et al., 2020). Comments and reviews from fellow consumers significantly influence purchasing decisions, especially in highly competitive industries e.g technology or e-commerce (Ismagilova et al., 2020).

### **Brand Awareness**

Brand awareness can be defined to the capability to remember or identifying a brand, or simply their familiarity with it (Keller, 2008 as cited in Zhang, 2020). This brand recognition would be a important as well as significant part in the purchasing decision, as customers has a high chance to choose products or brands they recognize over those they do not (Borges et al., 2020).

Keller (2020) indicates that brand awareness is a fundamental element of brand equity, influencing not only consumer choices but also their perceptions of product quality. Brands with

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high levels of awareness are often perceived as more reliable and of better quality compared to lesser-known brands (Borges et al., 2020). Furthermore, brand awareness enables consumers to form emotional associations with the brand, ultimately strengthening brand loyalty (Muniz et al., 2021). By fostering a strong brand presence, companies can enhance their competitive edge and build lasting connections with consumers.

# **Brand Image**

Brand image refers to consumers' overall perceptions and feelings about a brand, which can significantly influence consumer behavior (Zhang, 2015 as cited in Išoraitė, 2018). A strong brand image can foster loyalty among consumers, ultimately increasing the likelihood of purchase and their willingness to pay premium prices (Zhang et al., 2020).

### **Brand Loyalty**

Brand loyalty would be defined as the emotional attachment and positive attitude consumers have toward a brand, extending beyond mere purchase decisions and encouraging them to continue supporting the brand over the long term (Chaudhuri & Holbrook, 2021). This loyalty encompasses more than just repeat purchasing behavior; it also reflects consumers' beliefs in the brand's value and their tendency to remain unaffected by competitors (Dick & Basu, 1994 as cited in Kumar & Shah, 2022).

### Variable Relationships

# A. Brand Awareness Has a Mediating Effect between Entertainment and Brand Loyalty

Brand awareness plays an important role as a mediator for the effect between entertainment and brand loyalty in social media marketing. Entertainment captures consumer attention through engaging and interactive content like videos, challenges, and memes, thereby enhancing consumer interaction with the brand (Khairani et al., 2023). Khairani et al. (2023), states that the use of entertainment in marketing not only increases engagement but also strengthens brand awareness, which refers to how well consumers recognize and recall a brand. This heightened brand awareness role as a mediator, meaning the effect of entertainment on brand loyalty is largely driven by increased brand recognition (Khairani et al., 2023). Consumers who engage with entertaining content are much likely to remember the brand, therefore enabling them to boosts their loyalty. Several studies have demonstrated that brand awareness significantly mediates the link between entertainment and brand loyalty, as supported by Malarvizhi et al. (2022), Nurhadi et al. (2024), and others. Therefore, the hypothesis would be identified as:

H1a: There is a significant effect between entertainment and brand loyalty, mediated by brand awareness.

## B. Brand Awareness Has a Mediating Effect between Interactivity and Brand Loyalty

Brand awareness would be an important part as a mediator for the relationship between interactivity and brand loyalty in social media marketing. Interactivity, which allows consumers to directly engage with a brand through social media features like comments, content sharing, and feedback, enhances consumer engagement with the brand (Syahputra et al., 2023). According to Syahputra et al. (2023), the higher the level of interactivity a brand offers, the more likely consumers are to recognize and remember the brand. This increased interaction helps build brand



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awareness, which, in turn, contributes to brand loyalty. Prior research has confirmed that brand awareness has a mediating effect between interactivity and brand loyalty, as shown by studies from Malarvizhi et al. (2022), Nurhadi et al. (2024), and others. Therefore, the hypothesis would be identified as:

H2a: There is a significant effect between interactivity and brand loyalty, mediated by brand awareness.

### C. Brand Awareness Has a Mediating Effect between Trendiness and Brand Loyalty

Brand awareness would be an important part as a mediator for the relationship between trendiness and brand loyalty. When a brand is perceived as trendy, it not only enhances the brand's appeal but also strengthens brand awareness among consumers. Fionna et al. (2023) emphasize that brand awareness acts as a vital mediator in the effect between social media marketing activities and brand loyalty. In other words, when consumers view a brand as part of an ongoing trend, their awareness of the brand increases, which positively impacts brand loyalty (Fionna et al., 2023). Prior studies have confirmed that brand awareness has a mediating effect between trendiness and brand loyalty, as demonstrated by Malarvizhi et al. (2022), Nurhadi et al. (2024), and others. Therefore, the hypothesis would be identified as:

H3a: There is a significant effect between trendiness and brand loyalty, mediated by brand awareness.

## D. Brand Awareness Has a Mediating Effect between Customization and Brand Loyalty

Brand awareness plays a pivotal role as a mediator for the relationship between customization and brand loyalty. When brands offer consumers the ability to customize products according to their preferences, it fosters emotional engagement and creates a more personalized experience. Syahputra et al. (2023) explain that personalization helps consumers feel more connected to the brand, which in turn enhances brand awareness. By allowing consumers to tailor products, they are more likely to recognize and remember the brand, strengthening their loyalty to it. Previous studies have confirmed that brand awareness has a mediating effect between customization and brand loyalty, as demonstrated by Malarvizhi et al. (2022), Nurhadi et al. (2024), and others. Therefore, the hypothesis would be identified as:

H4a: There is a significant effect between customization and brand loyalty, mediated by brand awareness.

# E. Brand Awareness Has a Mediating Effect between Electronic Word of Mouth and Brand Loyalty

Brand awareness is defined as consumers' capability to recognize and recall a brand (Malarvizhi et al., 2022 in Syahputra et al., 2023). When consumers are aware to the positive eWOM about a brand, their awareness of the brand tends to increase. According to Malarvizhi et al. (2022 in Syahputra et al., 2023), a brand's presence on social media platforms effectively enhances brand awareness by familiarizing potential customers with the brand.

In this context, eWOM serves as a powerful tool for building brand awareness. Research by Yang et al. (2022 in Syahputra et al., 2023) confirms that social media marketing activities, including eWOM, interaction, and promotions, can positively impact brand awareness. As brand

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awareness increases, brand loyalty is likely to follow. Zhao et al. (2021 in Syahputra et al., 2023) highlights that companies that successfully cultivate high brand awareness will find their consumers more likely to demonstrate loyalty to the brand. Previous research has demonstrated that brand awareness has a mediating effect between eWOM and brand loyalty, as evidenced by Malarvizhi et al. (2022) and others. Therefore, the hypothesis would be identified as:

H5a: There is a significant effect between electronic word of mouth and brand loyalty, mediated by brand awareness.

# F. Brand Awareness Has a Mediating Effect between Entertainment and Willingness to Pay Premium Price

Brand awareness would be an important part as a mediator for the effect between entertainment and willingness to pay a premium price. When a brand incorporates entertainment elements into its social media marketing strategy, it captures consumer attention through engaging and enjoyable content (Syahputra et al., 2023). Entertainment, presented in the form of videos, challenges, or memes, enhances consumer engagement and helps to strengthen brand awareness. According to Syahputra et al. (2023), consumers with greater awareness of a brand tend to better recognize and recall the brand, which, in turn, increases their willingness to pay a premium price.

Ayu (2022) further highlights that a strong brand image can influence consumer purchasing decisions, including their willingness to pay higher prices. In her study, Ayu (2022) revealed that loyal consumers are often willing to pay 20% to 25% more for their preferred brand compared to competitors. This indicates that brand awareness, bolstered by entertainment elements, indirectly elevates consumers' perception of the brand's value, making them more comfortable with paying premium prices. Previous research has demonstrated that brand awareness has a mediating effect between entertainment and willingness to pay a premium price, as shown by Malarvizhi et al. (2022) and others. Therefore, the hypothesis would be identified as:

H1b: There is a significant effect between entertainment and willingness to pay a premium price, mediated by brand awareness.

# G. Brand Awareness Has a Mediating Effect between Interactivity and Willingness to Pay Premium Price

Brand awareness acts as a mediator for interactivity and willingness to pay a premium price. When consumers actively engage with a brand through social media interactions, such as commenting, sharing content, or providing feedback, it enhances their recognition of the brand (Syahputra et al., 2023). According to Syahputra et al. (2023), interactivity offers a more personalized experience, making consumers feel more connected to the brand, ultimately increasing their awareness of it.

Ayu (2022) explains that a strong brand image, formed through active interaction, can influence consumer decisions to pay a premium price. Strong brand awareness enhances consumers' perception of the value offered by a brand, making them interested in paying higher price. According to Kotler and Keller (2008 in Ayu, 2022), consumers with high levels of trust and satisfaction through active interaction are more likely to pay a premium price, even up to 20% to 25% higher than competitor brands. Previous studies have proven that brand awareness has a mediating effect between interactivity and willingness to pay a premium price, as shown by Malarvizhi et al. (2022), Nurhadi et al. (2024), Purba et al. (2024), Jelita et al. (2024), Kholifah et

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al. (2023), Utami & Sugiati (2023), Barkah et al. (2023), Anselmsson et al. (2014), Hyun & Kim (2011), and Bougenville & Ruswanti (2017). Therefore, the hypothesis would be identified as:

H2b: There is a significant effect between interactivity and willingness to pay a premium price, mediated by brand awareness.

# H. Brand Awareness Has a Mediating Effect between Trendiness and Willingness to Pay Premium Price

Brand awareness plays a significant role as a mediator for the relationship between trendiness and willingness to pay a premium price. Brands perceived as trendy tend to capture consumer attention by giving them updated information, making them more easily recognized by consumers. According to Syahputra et al. (2023), trendiness creates the impression that a brand is always in tune with current developments, which enhances consumer awareness of the brand. This awareness helps build a deeper connection between the consumer and the brand, eventually enabling them to willingly pay higher for a product.

Consumers who perceive a brand as part of a trend feel more confident in paying a higher price. According to Kotler and Keller (2008 in Ayu, 2022), strong brand awareness makes consumers more willing to pay 20% to 25% more compared to competing brands because they see additional value in a trendy brand that aligns with their lifestyle. Therefore, the hypothesis would be identified as:

H3b: There is a significant effect between trendiness and willingness to pay a premium price, mediated by brand awareness.

# I. Brand Awareness Has a Mediating Effect between Customization and Willingness to Pay Premium Price

When brands offer customization options that allow consumers to personalize products based on their preferences, it creates a more personal experience and enhances the emotional engagement of consumers with the brand (Syahputra et al., 2023). Consumers who can personalize products tend to recognize the brand more, thus increasing their awareness of it.

Ayu (2022) notes that brands with high awareness tend to generate consumers willing to pay a premium price. When consumers feel that a product is tailored specifically to their needs, the value of that product increases in their eyes, prompting them to pay more compared to products from other brands. According to Ayu (2022), brand awareness built through customization strengthens consumers' perceptions of the exclusivity and quality of the brand, which ultimately increases willingness to pay a premium price. Therefore, the hypothesis would be identified as:

H4b: There is a significant effect between customization and willingness to pay a premium price, mediated by brand awareness.

# J. Brand Awareness Has a Mediating Effect between Electronic Word of Mouth and Willingness to Pay Premium Price

Brand awareness acts as an important mediating factor in the relationship between electronic word of mouth (eWOM) and willingness to pay a premium price. When consumers are exposed to positive reviews and recommendations through eWOM, it significantly enhances their awareness

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of a brand (Syahputra et al., 2023). The higher the brand awareness, the stronger the consumer's trust in that brand, which in turn encourages them to be more willing to pay premium prices.

Ayu (2022) emphasizes that consumers with high brand awareness are often more prepared to pay higher prices compared to competing products. eWOM, with its rapid and effective information dissemination, plays a key role in building this brand awareness. When consumers feel the positive impact of eWOM, they perceive the brand as more valuable and are comfortable paying a premium price (Ayu, 2022). Therefore, the hypothesis would be identified as:

H5b: There is a significant effect between electronic word of mouth and willingness to pay a premium price, mediated by brand awareness.

## K. Brand Image Has a Mediating Effect between Entertainment and Brand Loyalty

Brand image would be an important part as a mediator for the relationship between entertainment and brand loyalty. When companies present engaging entertainment through social media, such as interactive videos, creative content, or entertaining memes, it not only captures consumers' attention but also helps shape a positive brand image in their minds. According to Khairani et al. (2023), enjoyable entertainment can create a positive perception of the brand, ultimately strengthening brand loyalty.

In this context, the brand image formed through entertaining content acts as a link between the entertainment activities conducted by the firmand consumer loyalty to the brand. Consumers who enjoy entertaining content from a brand tend to develop a strong brand image, which in turn makes them more loyal to that brand. Malarvizhi et al. (2022, as cited in Khairani et al., 2023) add that when consumers perceive a brand as having an appealing and credible image through entertainment on social media, they are likely to continue choosing and recommending that brand to others. In this framework, the hypothesis would be identified as:

H6a: There is a significant effect between entertainment and brand loyalty mediated by brand image.

## L. Brand Image Has a Mediating Effect between Interactivity and Brand Loyalty

Brand image would be an important part as a mediator for the relationship between interactivity and brand loyalty. When companies actively engage with consumers through social media—such as comments, content sharing, and answering questions—consumers feel more connected and involved with the brand. This positive interaction can create a strong and appealing brand image in consumers' minds (Khairani et al., 2023). According to Syahputra et al. (2023), as level of interactivity increase, the greater the likelihood that consumers will develop a positive perception of that brand. Malarvizhi et al. (2022) also state that a positive brand image would also enhance consumer loyalty.

In this context, brand image serves as a bridge connecting the interactions carried out by the company with consumer loyalty. When consumers actively engage and perceive the brand as having a positive image, they will feel more satisfied and trusting, encouraging them to remain loyal to that brand (Ayu, 2022). Additionally, a strong brand image also makes consumers more willing to recommend the brand to others, creating a lasting effect to brand loyalty itself. A strong brand image helps consumers differentiate the brand from competitors and enhances their desire



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to continue interacting and purchasing products from that brand (Malarvizhi et al., 2022). n this framework, the hypothesis would be identified as:

H7a: There is a significant effect between interactivity and brand loyalty mediated by brand image.

## M. Brand Image Has a Mediating Effect between Trendiness and Brand Loyalty

Brand image would be an important part in bridging the relations between trendiness and brand loyalty. When a brand is perceived as trendy, its appeal increases, and a positive brand image begins to form in consumers' minds. This is consistent with research showing that a strong brand image would be able to enhance loyalty of the consumers (Malarvizhi et al., 2022, as cited in Khairani et al., 2023). When consumers see a brand as a leader in the latest trends, they are more likely to trust the innovation as well as the quality of the products offered. This positive brand image, built through brand recognition as part of the trend, reinforces consumer attachment. According to Khairani et al. (2023), marketing activities that create a positive perception of the brand contribute to brand loyalty. When consumers feel satisfied and trust a brand they consider trendy, they are more inclined to remain loyal and repeatedly choose products from that brand.

Thus, the brand image shaped by trendiness serves as a significant mediator in building brand loyalty. Companies looking to enhance brand loyalty should consider how they can create and maintain a relevant and appealing brand image. Through innovative marketing activities aligned with trends, brands can build a strong image that ultimately leads to higher consumer loyalty. A strong brand image helps foster a sense of emotional attachment and deeper loyalty, so consumers not only purchase the products but also recommend them to others (Malarvizhi et al., 2022). In this framework, the hypothesis would be identified as:

H8a: There is a significant effect between trendiness and brand loyalty mediated by brand image.

### N. Brand Image Has a Mediating Effect between Customization and Brand Loyalty

When brands offer customization options that allow consumers to tailor products to their personal preferences, it creates a unique and personalized experience that enhances emotional engagement with the brand. According to Khairani et al. (2023), the ability to customize products can foster a positive perception of the brand, ultimately strengthening brand loyalty.

In this context, the brand image developed through customization acts as a link between the customization activities carried out by the company and the loyalty of consumers towards the brand. Consumers who engage in product customization are likely to develop a strong brand image, which in turn makes them more loyal to the brand. Malarvizhi et al. (2022, as cited in Khairani et al., 2023) highlight that when consumers perceive that a brand offers a personalized experience through customization, they tend to associate the brand with exclusivity and higher value, motivating them to stay loyal. In this framework, the hypothesis would be identified as:

H9a: There is a significant effect between customization and brand loyalty mediated by brand image.

# O. Brand Image Has a Mediating Effect between Electronic Word of Mouth and Brand Loyalty

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Brand image serves as a important as well as significant link in the relationship between (eWOM) and brand loyalty. When consumers receive positive reviews and recommendations about a brand through eWOM, it would create a stronger perception in their minds. According to Khairani et al. (2023), positive eWOM not only helps increase brand awareness but also shapes an attractive and credible brand image in the customer's perspective.

A positive brand image formed by eWOM can enhance consumer loyalty. Malarvizhi et al. (2022, as cited in Khairani et al., 2023) state that when consumers feel satisfied and trust a brand due to the positive information they receive, they are more likely to remain loyal and choose products from that brand. A good brand image, built through trustworthy reviews and recommendations, gives consumers confidence in the quality and value of the product.

When consumers feel that they have a strong perception towards a brand, it encourages them to have repetitive purchases as well as suggesting the brand to their relatives. Thus, this makes brand image a significant mediating role in reinforcing the impact of eWOM on brand loyalty. In this framework, the hypothesis would be identified as:

H10a: There is a significant effect between electronic word of mouth and brand loyalty mediated by brand image.

# P. Brand Image Has a Mediating Effect between Entertainment and Willingness to Pay Premium Price

Brand image serves as an important link in the relationship between entertainment and willingness to pay a premium price. When companies use entertainment elements in their marketing strategies, such as engaging and interactive content on social media, it not only captures consumers' attention but also helps build a positive brand image. According to Khairani et al. (2023), engaging entertainment can create enjoyable experiences for consumers, contributing to a stronger brand image

Consumers has a high chance to feel connected to the brand, if they had a positive perception to it. Ayu (2022) demonstrates that consumers with high awareness and trust in a brand are more willing to pay a premium price for the products offered. When the entertainment presented successfully enhances the brand image, it encourages consumers to feel that they are getting more value from the product, thus increasing their willingness to pay a higher price. Additionally, Malarvizhi et al. (2022, as cited in Khairani et al., 2023) note that a strong brand image, formed through positive experiences derived from entertainment, contributes to consumer loyalty. When consumers are satisfied with the entertainment experience and perceive the brand as credible and attractive, they are more likely to purchase products at premium prices and recommend them to others. In this framework, the hypothesis would be identified as:

H6b: There is a significant effect between entertainment and willingness to pay a premium price mediated by brand image.

## Q. Brand Image Has a Mediating Effect between Interactivity and Willingness to Pay Premium Price

Brand image plays an important role in linking interactivity with willingness to pay a premium price. When a brand creates engaging interactions with consumers, it enhances consumers' emotional engagement and builds a positive perception of the brand. According to Khairani et al.

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(2023), effective interactions not only make consumers feel valued but also strengthen the image in their eyes. A positive brand image is important as well as significant because it can influence consumers' decisions to pay more. Ayu (2022) notes that consumers with a strong brand image tend to have higher trust in the products, making them more willing to pay higher price. When consumers feel emotionally connected to a brand due to enjoyable interactive experiences, the value they perceive in the products increases. In this framework, the hypothesis would be identified as:

H7b: There is a significant effect between interactivity and willingness to pay a premium price mediated by brand image.

# R. Brand Image Has a Mediating Effect between Trendiness and Willingness to Pay Premium Price

Brand image would be an important part in bridging the effect between trendiness as well as willingness to pay a premium. When a brand successfully positions itself as trendy in the market, it not only enhances the brand's appeal but also shapes a positive image in consumers' minds. According to Khairani et al. (2023), a strong brand image that arises from being recognized as a trend-following brand can influence how consumers perceive the value of the products offered. When consumers feel that a brand is at the forefront of current trends, they are likely to associate the brand with quality, innovation, and relevance. Ayu (2022) demonstrates that a good brand image can increase consumers' willingness to pay more, even by 20% to 25% higher than competing brands. This means that when a brand successfully creates and maintains a trendy image, consumers would be more inclined to pay a higher for the products offered.

Furthermore, Malarvizhi et al. (2022, as cited in Khairani et al., 2023) emphasize that a positive brand image, formed through marketing activities that reflect trends, plays a vital role in building consumer loyalty. Consumers who feel connected to brands they consider trendy are more likely to remain loyal and repeatedly choose products from that brand. A positive brand image not only helps differentiate the brand from competitors but also fosters deep loyalty, encouraging consumers to prefer that brand over alternatives (Malarvizhi et al., 2022). In this framework, the hypothesis would be identified as:

H8b: There is a significant effect between trendiness and willingness to pay a premium price mediated by brand image.

# S. Brand Image Has a Mediating Effect between Customization and Willingness to Pay Premium Price

Brand image plays a significant role as a mediator for the relationship between customization and willingness to pay a premium price. When a brand offers personalized experiences or products tailored to individual preferences, it enhances the perceived value of the brand in the eyes of consumers. According to Khairani et al. (2023), customization creates a unique consumer experience that strengthens the brand image by making consumers feel valued and understood.

A positive brand image resulting from effective customization can lead to increased consumer trust and loyalty. Ayu (2022) indicates that when consumers perceive a brand as attentive to their preferences and needs through customization, there is a high chance that they would develop a positive impression of that brand, therefore increases their willingness to pay a premium for the products offered. Consumers who feel that a brand invests in customization are likely to perceive



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greater value in its offerings, leading them to be more inclined to pay higher prices. Based on this framework, the hypothesis would be identified as:

H9b: There is a significant effect between customization and willingness to pay a premium price mediated by brand image.

# T. Brand Image Has a Mediating Effect between Electronic Word of Mouth and Willingness to Pay Premium Price

Brand image would be an important part as a mediator for the relationship between electronic word of mouth (eWOM) and willingness to pay a premium price. When consumers receive positive information through eWOM, such as reviews and recommendations on digital platforms, it can strengthen their brand image (Zhu & Chen, 2021). Research indicates that positive eWOM contributes to the formation of a strong brand image, as consumers associate the brand with high quality and a good reputation (Huang et al., 2022).

When the brand image is reinforced by the positive influence of eWOM, consumers feel more trust and emotional connection with the brand, enhancing their willingness to pay for a higher price. A strong brand image not only helps differentiate the brand from competitors but also creates a deeper sense of loyalty, encouraging consumers to choose that brand's products despite the availability of cheaper alternatives (Malarvizhi et al., 2022). Based on this framework, the hypothesis would be identified as:

H10b: There is a significant effect between electronic word of mouth and willingness to pay a premium price mediated by brand image.

# U. Brand Loyalty Has a Mediating Effect between Brand Awareness and Willingness to Pay Premium Price

When consumers have high brand awareness, they tend to recognize and trust the brand more, which in turn increases their loyalty (Deng et al., 2023). Research indicates that strong brand awareness not only fosters trust but also builds a deeper emotional connection between consumers and the brand (Wang et al., 2022).

When brand loyalty is reinforced by high levels of brand awareness, consumers feel more confident in choosing products from that brand over others, even when there are lower-priced alternatives available (Malarvizhi et al., 2022). Strong brand loyalty helps create a profound sense of attachment, encouraging consumers to spend more on products they perceive as high value. Therefore, the hypothesis would be identified as:

H11: There is a significant effect between brand awareness and willingness to pay a premium price mediated by brand loyalty.

## V. Brand Loyalty Has a Mediating Effect between Brand Image and Willingness to Pay Premium Price

Brand loyalty would be an important part as a mediator for the relationship between brand image and willingness to pay a premium price. When a brand successfully establishes a positive image in the eyes of consumers, it can enhance consumer loyalty towards that brand (Khan et al., 2023). Research indicates that a strong brand image creates a perception of higher value in the

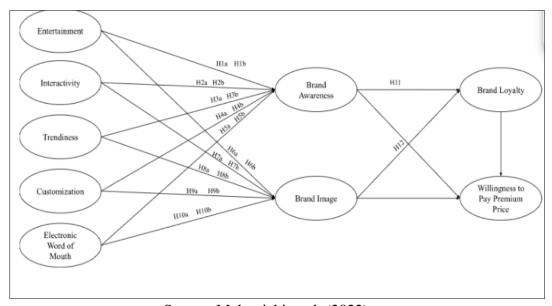
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minds of consumers, making them more likely to choose products from that brand, even at higher prices (Kumar & Sethi, 2022).

When brand loyalty is reinforced by a positive brand image, consumers feel more connected to and trust the brand, encouraging them to spend more on products they perceive as high value (Malarvizhi et al., 2022). Strong brand loyalty not only helps retain consumers but also creates a solid foundation for enhancing willingness to pay a premium price in a competitive market. Therefore, the hypothesis would be identified as:

H12: There is a significant effect between brand image and willingness to pay a premium price mediated by brand loyalty.

### 1.2 Research Model



Source: Malarvizhi et al. (2022)

### **METHODOLOGY**

The researcher utilized a quantitative research method, whereas the information gathered from respondents who are active Instagram users and owners of Samsung smartphones in Indonesia. This research non-probability purposive sampling method, involving a total of 310 respondents..

#### **RESULTS**

In this study, the researcher distributed a total of 310 questionnaires using Google Forms as the survey instrument. Respondents had to go through several screening questions while filling out the questionnaire. Some of these questions included: "Are you willing to complete this questionnaire?", "Are you currently using or have you ever used a Samsung smartphone?", and "Do you follow the Samsung Instagram account?" From the distribution, the researcher achieved a 100% response rate. However, out of the 310 questionnaires distributed, only 289 responses were valid and usable for this research.

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In this study, the researcher will conduct reliability and validity tests. These tests are conducted to determine if collected data is valid. the reliability tests will utilize Cronbach's Alpha as well as (Rho A) and (Rho C) for composite reliability while the validity tests will include convergent and discriminant validity assessments. The results of these tests will be discussed in the following section.

The table below shows the result of the descriptive statistics gathered when conducting the analysis through (PLS -SEM). The results show each indicators along with it's mean, minimum and maximum values, as well as the standard deviation.

TABEL 4.1 DESCRIPTIVE STATISTICS

Name	Mean	Min	Max	Standard deviation
ENT2	4.104	3	5	0.556
ENT3	4.021	2	5	0.777
ENT4	4	2	5	0.726
INT1	4.264	3	5	0.722
INT2	3.858	2	5	0.844
INT3	3.837	3	5	0.715
TREN1	4.458	3	5	0.551
TREN2	4.344	2	5	0.709
TREN3	4.372	3	5	0.587
TREN4	3.729	2	5	1.032
CUS1	4.156	2	5	0.755
CUS2	4.052	3	5	0.732
CUS3	4.181	2	5	0.801
EWOM1	4	2	5	0.736
EWOM2	3.674	2	5	0.84
EWOM3	3.507	1	5	1.155
EWOM4	3.906	2	5	0.817
BA1	4.566	3	5	0.637
BA2	4.649	3	5	0.622
BA3	4.299	1	5	0.883
BA4	4.646	3	5	0.577
BI1	4.333	2	5	0.736
BI2	4.413	3	5	0.666
BI3	4.142	3	5	0.7
BI4	3.865	2	5	0.877
BL1	3.517	1	5	1.187
BL2	3.486	1	5	1.255
BL3	2.969	1	5	1.337
WTTP2	3.083	1	5	1.161
WTTP3	2.757	1	5	1.276
WTTP4	3.087	1	5	1.308

For reliability testing, this research uses cronbach's alpha as well as composite reliability as a measurement for each variable as shown below:

TABLE 4.2 RELIABILITY TESTING (CRONBACH'A ALPHA AND (RHO A) & (RHO C))

Variables	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)
Brand Awareness	0.887	0.893	0.921
Brand Image	0.801	0.804	0.87
Brand Loyalty	0.881	0.885	0.926
Customization	0.767	0.806	0.86
Entertainment	0.792	0.849	0.876
Electronic Word of Mouth	0.815	0.873	0.87
Interactivity	0.748	0.783	0.841
Trendiness	0.728	0.759	0.842
Willingness to Pay Premium Price	0.912	0.912	0.945

From the analysis above, it concludes that each of the variable has a Cronbach's Alpha value above 0.7 as well as Composite reliability also above 0.7 which makes this analysis reliable.

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Validity test will be accepted if outer loading values are > 0.70 which is presented in the table below.

TABLE 4.3 OUTER LOADINGS

Variable	Indicators	Outer Loadings	Results
	ENT2	0.754	Valid
	ENT3	0.864	Valid
Entertainment	ENT4	0.892	Valid
	INT1	0.834	Valid
	INT2	0.762	Valid
Interactivity	INT3	0.8	Valid
	TREN1	0.779	Valid
	TREN2	0.863	Valid
Trendiness	TREN3	0.757	Valid
	CUS1	0.742	Valid
	CUS2	0.893	Valid
Customization	CUS3	0.818	Valid
	EWOM1	0.823	Valid
	EWOM2	0.71	Valid
Electronic Word	EWOM3	0.802	Valid
of Mouth	EWOM4	0.827	Valid
	BA1	0.876	Valid
	BA2	0.867	Valid
Brand	BA3	0.855	Valid
Awareness	BA4	0.856	Valid
	BII	0.816	Valid
	BI2	0.758	Valid
	BI3	0.819	Valid
Brand Image	BI4	0.769	Valid
	BL1	0.882	Valid
	BL2	0.912	Valid
Brand Loyalty	BL3	0.902	Valid
Willingness to	WTPP2	0.938	Valid
Pay	WTPP3	0.915	Valid
Premium Price	WTTP4	0.914	Valid

Other than outer loadings, the research also uses AVE to measure the validity as well as shown below.

TABLE 4.4 AVE VALUES

Variables	Average variance extracted (AVE)
Brand Awareness	0.746
Brand Image	0.625
Brand Loyalty	0.807
Customization	0.672
Entertainment	0.704
Electronic Word of Mouth	0.627
Interactivity	0.639
Trendiness	0.641
Willingness to Pay Premium Price	0.851

As for discriminant validity, the researcher uses HTMT. To measure the discriminant validity, the values of each correlation should not exceed 0.90. which can be senn as below.

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TABLE 4.5 HTMT ANALYSIS

HTMT	BA	BI	BL	CUS	ENT	EWOM	INT	TREN	WTTP
BA									
BI	0.585								
BL	0.221	0.612							
CUS	0.332	0.573	0.609						
ENT	0.757	0.389	0.163	0.561					
EWOM	0.431	0.516	0.721	0.895	0.439				
INT	0.378	0.257	0.199	0.61	0.615	0.467			
TREN	0.479	0.534	0.413	0.677	0.499	0.555	0.362		
WTTP	0.075	0.477	0.848	0.334	0.147	0.457	0.225	0.237	

As a second method of this study, the researcher also uses Fornell-Larcker criterion in order to measure the discriminant validity of this research. The results are shown below.

TABLE 4.6 FORNELL-LARCKER CRITERION ANALYSIS

Fornell Larcker	BA	BI	BL	CUS	ENT	<b>EWOM</b>	INT	TREN	WTTP
BA	0.863								
BI	0.48	0.791							
BL	0.181	0.52	0.899						
CUS	0.29	0.487	0.5	0.82					
ENT	0.662	0.329	0.017	0.441	0.839				
EWOM	0.437	0.454	0.581	0.697	0.435	0.792			
INT	0.331	0.201	0.178	0.466	0.491	0.387	0.799		
TREN	0.415	0.42	0.327	0.463	0.393	0.471	0.273	0.801	
WTTP	0.056	0.413	0.765	0.285	-0.045	0.385	0.221	0.197	0.922

For the next step, hypotesis testing was carried out through the use of SEM-PLS software to measure the significance of each hypothesis of this study. The research will use  $R^2$  as the form of measurements. The results can be shown as below:

TABLE 4.7 R-SQUARE VALUES

	R-square	R-square adjusted
BA	0.504	0.495
BI	0.308	0.296
BL	0.276	0.271
WTTP	0.596	0.592

Aside from  $\mathbb{R}^2$ , the researcher also uses VIF testing as a form of measurement to determine cases of severe multicollinearity. The results could be shown below:

TABLE 4.8 VIF TESTING

VIF	BA	BI	BL	CUS	ENT	EWOM	INT	TREN	WTTP
BA			1.3						1.311
BI			1.3						1.738
BL									1.382
CUS	2.226	2.226							
ENT	1.529	1.529							
EWOM	2.111	2.111							
INT	1.469	1.469							
TREN	1.403	1.403							
WTTP									

The last step would be hypotheses testing, which is conducted to indicate the significance of each variable's relationship with one another. The results could be seen in the table below:

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### TABLE 4.9 HYPOTHESES TESTING

		Path			
Hypotheses	Relationship	Coefficients	T-Value	P-Value	Decision
Hla	ENT -> BA -> BL	-0.052	1.619	0.105	Not Supported
H2a	INT -> BA -> BL	-0.001	0.09	0.929	Not Supported
H3a	TREN -> BA -> BL	-0.015	1.525	0.127	Not Supported
H4a	CUS -> BA -> BL	0.021	1.494	0.135	Not Supported
H5a	EWOM -> BA -> BL	-0.023	1.655	0.098	Not Supported
Hlb	ENT -> BA -> WTTP	-0.069	3.224	0.001	Supported
H2b	INT -> BA -> WTTP	-0.001	0.103	0.918	Not Supported
H3b	TREN -> BA -> WTTP	-0.02	2.589	0.01	Supported
H4b	CUS -> BA -> WTTP	0.028	2.524	0.012	Supported
H5b	EWOM -> BA -> WTTP	-0.032	2.957	0.003	Supported
H6a	ENT -> BI -> BL	0.059	1.665	0.096	Not Supported
H7a	INT -> BI -> BL	-0.055	1.921	0.055	Not Supported
H8a	TREN -> BI -> BL	0.113	2.666	0.008	Supported
H9a	CUS -> BI -> BL	0.162	3.329	0.001	Supported
H10a	EWOM -> BI -> BL	0.084	1.922	0.055	Not Supported
H6b	ENT -> BI -> WTTP	0.009	1.244	0.213	Not Supported
H7b	INT -> BI -> WTTP	-0.008	1.453	0.146	Not Supported
H8b	TREN -> BI -> WTTP	0.017	1.724	0.085	Not Supported
H9b	CUS -> BI -> WTTP	0.025	2.167	0.03	Supported
H10b	EWOM -> BI -> WTTP	0.013	1.076	0.282	Not Supported
H11	BA -> BL -> WTTP	-0.066	1.749	0.08	Not Supported
H12	BI -> BL -> WTTP	0.417	10.389	0	Supported

### **DISCUSSION**

Based on the analysis conducted for each hypothesis, there are 5 out of 22 hypotheses that are significant and supported for this analysis. The first hypothesis (H1a) states that brand awareness mediates the effect of entertainment on brand loyalty. The results indicate that this relationship is not supported. While entertainment can engage consumers, it may not be enough to significantly increase brand awareness, which is necessary for building brand loyalty. This suggests that Samsung may need to look beyond entertainment-focused strategies to strengthen consumer loyalty.

The second hypothesis (H2a) posits that brand awareness mediates the effect of interactivity on brand loyalty. This hypothesis is not supported. Although interactivity can create engagement on social media, it does not appear to significantly enhance brand awareness to foster brand loyalty. For Samsung, interactive features alone may not be a sufficient driver of consumer loyalty.

The third hypothesis (H3a) suggests that brand awareness mediates the effect of trendiness on brand loyalty. The results indicate that this hypothesis is not supported. While trendiness can

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attract attention and keep the brand relevant, it does not seem to substantially enhance brand awareness in a way that would lead to stronger loyalty. Samsung may need to integrate other factors to build loyalty beyond merely following trends.

The fourth hypothesis (H4a) proposes that brand awareness mediates the effect of customization on brand loyalty. This relationship is not supported. Customization is typically expected to improve brand awareness by providing personalized experiences, but it does not appear to significantly impact loyalty in this case. For Samsung, customization may need to be combined with other marketing strategies to boost loyalty.

The fifth hypothesis (H5a) states that brand awareness mediates the effect of electronic word of mouth (eWOM) on brand loyalty. The results show that this relationship is not supported. While eWOM can influence consumer perceptions and spread awareness, it does not seem to significantly increase brand loyalty. For Samsung, other forms of social media engagement might be needed to create a stronger connection with consumers.

The sixth hypothesis (H1b) suggests that brand awareness mediates the effect of entertainment on willingness to pay a premium price. This hypothesis is supported. Entertainment successfully enhances brand awareness, which positively influences consumers' willingness to pay a premium price. For Samsung, utilizing entertainment-focused strategies can help increase brand awareness and lead to a higher perceived value, encouraging consumers to pay more for the brand's products.

The seventh hypothesis (H2b) posits that brand awareness mediates the effect of interactivity on willingness to pay a premium price. The results indicate that this hypothesis is not supported. Although interactivity can create an engaging brand experience, it does not significantly improve brand awareness enough to influence premium pricing decisions among consumers.

The eighth hypothesis (H3b) examines whether brand awareness mediates the effect of trendiness on willingness to pay a premium price. This hypothesis is supported. Trendiness helps enhance brand awareness, leading to a greater willingness among consumers to pay a premium price. For Samsung, keeping the brand aligned with trends can lead to higher perceived value and justify premium pricing.

The ninth hypothesis (H4b) suggests that brand awareness mediates the effect of customization on willingness to pay a premium price. This relationship is supported. Customization enhances brand awareness, which positively influences consumers' willingness to pay a premium price. Samsung can leverage personalized experiences to increase consumers' perceived value and justify charging higher prices.

The tenth hypothesis (H5b) posits that brand awareness mediates the effect of eWOM on willingness to pay a premium price. This hypothesis is not supported. Although eWOM can spread brand awareness, it does not significantly impact consumers' willingness to pay a premium price. For Samsung, additional strategies may be necessary to enhance the brand's perceived premium value.

The eleventh hypothesis (H6a) states that brand image mediates the effect of entertainment on brand loyalty. The results show that this hypothesis is not supported. Entertainment does not significantly influence brand image to drive stronger brand loyalty. Samsung may need to explore other aspects of social media marketing to improve brand image and loyalty.

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The twelfth hypothesis (H7a) suggests that brand image mediates the effect of interactivity on brand loyalty. This hypothesis is not supported. While interactivity can engage consumers, it does not significantly improve brand image in a way that fosters brand loyalty. Samsung may need to focus on additional branding elements to strengthen customer loyalty.

The thirteenth hypothesis (H8a) posits that brand image mediates the effect of trendiness on brand loyalty. The results indicate that this relationship is supported. Trendiness enhances brand image, which in turn leads to stronger brand loyalty. For Samsung, aligning the brand with current trends can help foster loyalty among its customer base.

The fourteenth hypothesis (H9a) proposes that brand image mediates the effect of customization on brand loyalty. This hypothesis is not supported. Customization, while important for personalized experiences, does not significantly impact brand image to strengthen loyalty. Samsung may need to further explore how customization can be better integrated to boost loyalty.

The fifteenth hypothesis (H10a) states that brand image mediates the effect of eWOM on brand loyalty. This hypothesis is supported. eWOM significantly enhances brand image, which in turn strengthens brand loyalty. For Samsung, encouraging positive eWOM can be an effective way to build a strong brand image and foster consumer loyalty.

The sixteenth hypothesis (H6b) suggests that brand image mediates the effect of entertainment on willingness to pay a premium price. This relationship is not supported. Entertainment does not significantly improve brand image in a way that influences consumers' willingness to pay a premium price for Samsung products.

The seventeenth hypothesis (H7b) posits that brand image mediates the effect of interactivity on willingness to pay a premium price. The results show that this hypothesis is not supported. While interactivity can create engagement, it does not significantly enhance brand image to a point where consumers are willing to pay more for the brand's products.

The eighteenth hypothesis (H8b) proposes that brand image mediates the effect of trendiness on willingness to pay a premium price. This hypothesis is supported. Trendiness positively impacts brand image, leading to a greater willingness to pay a premium price. For Samsung, staying trendy can create a perception of high value among consumers.

The nineteenth hypothesis (H9b) suggests that brand image mediates the effect of customization on willingness to pay a premium price. This hypothesis is not supported. Customization, while important, does not significantly enhance brand image to the point of influencing consumers' willingness to pay more for Samsung products.

The twentieth hypothesis (H10b) posits that brand image mediates the effect of eWOM on willingness to pay a premium price. This hypothesis is supported. eWOM significantly improves brand image, which leads to a greater willingness to pay a premium price. For Samsung, promoting positive eWOM can help reinforce the brand's premium image and justify higher prices.

The twenty-first hypothesis (H11) examines whether brand loyalty mediates the effect of brand awareness on willingness to pay a premium price. The results indicate that this relationship is not supported. While brand awareness contributes to brand loyalty, it does not significantly impact consumers' willingness to pay a premium price.

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The final hypothesis (H12) proposes that brand loyalty mediates the effect of brand image on willingness to pay a premium price. This hypothesis is supported. Strong brand image leads to brand loyalty, which in turn increases consumers' willingness to pay a premium price. For Samsung, enhancing both brand image and loyalty is essential to maintaining a premium pricing strategy.

#### CONCLUSION

The findings of this research indicate that, while various SMMA are important in the digital marketing landscape, not all of them significantly contribute to brand loyalty or consumers' willingness to pay a higher price. Brand awareness as well as brand image play important as significant roles as mediators, but their influence is not uniformly strong across different social media marketing activities. For example, entertainment and interactivity, despite their potential to engage users, were not found to significantly enhance brand awareness or image to influence loyalty or premium price willingness.

Specifically, only trendiness and customization showed a consistent influence through both brand awareness and brand image, positively affecting consumers' willingness to pay a premium price. Trendiness was particularly influential, improving both brand awareness and image, which would also led to stronger brand loyalty as well as a higher willingness to pay. Customization, which personalizes the consumer experience, also helped to enhance brand awareness and subsequently increased consumers' willingness to pay. These results suggest that marketing strategies focused on staying relevant to current trends and providing tailored experiences are likely to succeed in enhancing the brand's perceived value.

Furthermore, (eWOM) demonstrated a significant effect on brand image, therefore fostered brand loyalty and also willingness to pay a premium price. Companies like Samsung can benefit from encouraging and managing positive eWOM to strengthen brand image and loyalty. However, for other social media marketing activities like interactivity and entertainment, the path to loyalty and premium pricing was less clear, suggesting the need for a more integrated marketing approach.

In conclusion, while not all hypotheses were supported, this study still signify the importance of trendiness, customization, and eWOM in driving brand value and consumer behavior. These elements, when effectively managed, contribute significantly to brand loyalty as well as consumers' willingness to pay a premium price, emphasizing the need for marketers to stay attuned to current trends, offer personalized experiences, and facilitate positive consumer interactions to build a stronger brand. For Samsung, leveraging these factors can enhance both the brand's image and perceived value, creating a loyal customer base willing to invest more in the brand's products.

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