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Empowering Digital Innovation: The Impact Of Social Media Marketing on Brand Equity Mediated By Consumer Brand Engagement in The Local Perfume Sector Among Gen Z in Jakarta

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Abstract

The emergence of local perfume brands in Indonesia corresponds with the heightened digital engagement of Generation Z, rendering social media an essential platform for cultivating brand equity and consumer loyalty. This study investigates the impact of Social Media Marketing (SMM) and Consumer Brand Engagement (CBE) on Brand Equity (BE) within the framework of local perfume consumption among Generation Z in Jakarta. Employing a quantitative research design and Partial Least Squares–Structural Equation Modeling (PLS-SEM) analysis with 270 participants, the results demonstrate that SMM exerts a significant positive influence on both CBE and BE. Moreover, CBE shows a substantial positive effect on BE, indicating that engaged consumers tend to develop stronger emotional and cognitive associations with local fragrance brands. The findings highlight that interactive, visually appealing, and personalized social media marketing content can enhance consumers' emotional connection and behavioral involvement, thereby reinforcing brand equity. From a managerial perspective, this research underscores the need for local perfume brands to strengthen their digital marketing strategies through creative storytelling, influencer collaboration, and consistent brand messaging. Furthermore, the study emphasizes that sustainable improvements in SMM, CBE, and BE depend on the advancement of digital infrastructure and supportive government policies to enhance internet accessibility and technological adoption, aligning with Sustainable Development Goal 9 (SDG 9) Industry, Innovation, and Infrastructure. Overall, the study contributes to understanding the role of digital innovation in improving user experience and competitiveness within Indonesia's fragrance industry.

Keywords: Social Media Marketing, Consumer Brand Engagement, Brand Equity, Perfume Brand, SDG 9

1. Introduction

The advancement of digital technology has transformed consumer engagement with brands, especially via social media, which has emerged as a crucial component of marketing strategies (Dwivedi et al., 2021). Social media has evolved from a unidirectional communication tool to an interactive platform facilitating real-time engagement between consumers and brands (Kapoor et al., 2018). In this context, Social Media Marketing (SMM) functions not merely as a promotional instrument but also as a conduit that fosters emotional, personal, and sustainable connections between consumers and brands. Rossanty et al. (2024) assert that well-structured social media marketing (SMM) possesses significant potential to enhance Consumer Brand Engagement (CBE), which encompasses cognitive (thought), affective (emotional), and behavioral (actual behavior) involvement with a brand (Hollebeek et al., 2014). This engagement ultimately enhances Brand Equity, specifically the favorable values and perceptions consumers hold regarding a brand. This phenomenon is particularly pertinent to the Indonesian local perfume sector, which is undergoing substantial expansion.

Additionally, brands like HMNS, Carl & Claire, Oullu, and Saff & Co. have effectively established robust brand identities in the face of international fragrance product dominance. The success achieved is closely linked to the utilization of social media for conveying brand narratives, fostering consumer connections, and enhancing brand perception through tailored and engaging content strategies. Conversely, Generation Z represents the consumer demographic that exhibits the highest responsiveness to digital marketing strategies (Southgate, 2017). They were raised in the technology era and possess a strong familiarity with the dynamics of social media platforms, including Instagram, TikTok, and Twitter. Generation Z exhibits distinct traits in information consumption, showing a preference for content that is authentic, interactive, and congruent with their personal values

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(Ahamed, 2024; Djafarova & Bowes, 2021). SMM activities, including storytelling, behind-the-scenes content, educational content, and user-generated content (UGC), have demonstrated an increase in engagement with brands among Gen Z.

However, building Brand Equity cannot be achieved solely through social media presence. A deeper understanding of how social media content can trigger meaningful engagement (CBE), which then contributes to the formation of Consumer-Based Brand Equity (CBBE), is needed. Zollo et al. (2020) explained that marketing activities on social media that are able to provide benefits and positive experiences will have a direct impact on strengthening brand equity by increasing the perception of value in the minds of consumers, is needed. Seeing this phenomenon, this study focuses on how Social Media Marketing and Consumer Brand Engagement influences Brand Equity, in the context of Gen Z consumers who use local perfumes in Jakarta. Jakarta was chosen because it is the center of urban lifestyle where consumption trends are developing, including the trend of using perfume as a symbol of lifestyle and self-expression.

Moreover, this study not only holds practical significance within the realm of digital marketing but also aids in advancing the Sustainable Development Goals (SDGs), especially SDG 9 (Industry, Innovation, and Infrastructure) by promoting the adoption of innovative digital technologies, such as the social media marketing explored in this analysis.

This study utilized a quantitative methodology with an associative framework, focusing on the analysis of the relationships among the variables: Social Media Marketing, Consumer Brand Engagement, and Brand Equity. The online questionnaire was disseminated through Google Forms for data collection purposes. The questionnaire instrument was crafted utilizing indicators derived from theoretical frameworks and prior studies, employing a 5-point Likert scale for measurement. The participants in this study consisted of Generation Z consumers, aged 18 to 27, who live in Jakarta and have experience using perfume from a local brand. The sampling technique employed was non-probability sampling utilizing a purposive sampling method, where respondents were chosen according to specific criteria that corresponded with the research objectives. The sample size was established following the minimum requirements approach for SEM-PLS analysis, resulting in a final count of 270 valid respondents who fulfilled the criteria. This study employed a cross-sectional time horizon, indicating that data collection occurred at a single point in time without ongoing observation. This sought to document real consumer circumstances and viewpoints during the period of the study. Moreover, the analysis comprised two primary stages: Outer Model: To evaluate the validity and reliability of indicators associated with each construct. Inner Model: To analyze the connections among latent variables within the model and investigate the direct, and overall impacts between constructs. Next, the purpose of this study is to investigate the influence that social media marketing and consumer brand engagement has on brand equity in the local perfume industry among Generation Z in Jakarta. The framework that guides this study is based on the explanation that was provided earlier. An additional investigation into the role that social media marketing consumer plays in the acceptance and utilization of consumer brand engagement by users is presented in this analysis. Following that, the purpose of this research is to improve the academic discourse surrounding digital marketing and to provide actionable insights for stakeholders in the local perfume industry. These insights will be used to develop digital strategies that are impactful, quantifiable, and relevant in order to cultivate robust and sustainable brands among the younger demographic.

This study is grounded in Customer-Based Brand Equity (CBBE), which was established by Keller in 1993. This framework aids in comprehending how the value of a brand is shaped by consumer perceptions and experiences. This approach emphasizes that brand equity is shaped not just by the company's actions, but significantly by consumer reactions to communications and interactions with the brand. Keller articulates that robust brand equity emerges when consumers possess favorable brand knowledge, which subsequently shapes their attitudes and behaviors regarding the product. The primary dimensions of CBBE encompass brand awareness, brand association, perceived quality, and brand loyalty, as further supported by Aaker (1991).

Moreover, in the current landscape of digital marketing, the theory of customer-based brand equity holds significant importance as consumer perceptions of brands are shaped through a multitude of digital touch points, particularly social media. Approaches like interactive, entertaining, and personalized content can deepen consumers' emotional connection and ultimately elevate brand value in their perceptions (Zollo et al., 2020). This theory provides a crucial basis for comprehending the ways in which consumers develop brand equity through cognitive, affective, and behavioral processes influenced by digital marketing efforts.

Over time, CBBE has been recognized as the outcome of a multifaceted psychological process, encompassing the interplay between brand knowledge retained in consumers' memories and their real-life experiences. Keller (2013) identifies brand resonance as the pinnacle of the CBBE pyramid, characterized by consumers who not

only recognize and appreciate a brand but also possess a deep emotional bond and loyalty towards it. The context of Gen Z consumers, who are deeply immersed in the digital landscape, highlights that the development of brand equity via social media hinges on the relevance, authenticity, and engagement of the brand's messaging. Zollo et al. (2020) discovered that when digital interactions offer both functional and emotional advantages, consumers are likely to form enhanced perceptions of brand quality and loyalty. In this study, CBBE serves as the primary framework for examining how consumer brand engagement acts as a vital link between social media marketing efforts and the development of robust brand equity among Gen Z local perfume users.

Moreover, the concept of brand equity offers a robust framework for analyzing how factors like brand awareness influence a brand's intrinsic value from the perspective of consumers. Aaker (2021) defines brand equity as "the added value a brand possesses when consumers choose it based on the emotional and functional attributes associated with it, compared to competing brands." Keller (2021) emphasizes that brand equity encompasses not just consumer awareness of a brand, but also their reactions to the different marketing initiatives undertaken by the brand.

Furthermore, social Media Marketing (SMM) is a strategic approach in the digital realm that leverages social media platforms to foster stronger connections with consumers, enhance brand visibility, and develop tailored, interactive experiences. Tuten and Solomon (2017) describe SMM as a marketing approach carried out via social networking platforms aimed at positively shaping consumer perceptions of a brand by fostering communities, generating pertinent content, and promoting interactive exchanges. In today's landscape, social media has evolved beyond being just a one-way promotional tool; it now serves as a dynamic platform for interaction between consumers and brands. Social Media Marketing (SMM) represents a calculated method within the digital landscape that utilizes social media platforms to cultivate deeper relationships with consumers, boost brand visibility, and create customized, engaging experiences. Tuten and Solomon (2017) outline social media marketing as a strategic approach conducted through social networking platforms, focused on positively influencing consumer perceptions of a brand by building communities, creating relevant content, and encouraging interactive exchanges. In the current environment, social media has transformed from a mere promotional tool into a vibrant platform facilitating interaction between consumers and brands.

Consumer Brand Engagement (CBE) refers to the level of active involvement that consumers have with a brand, encompassing their thoughts, emotions, and actions. In the current digital landscape, such engagement is essential as consumers are not merely passive recipients of messages; they actively contribute to the construction of brand meaning through their interactions on social media. Hollebeek et al. (2014) characterize this engagement as a psychological state manifested through brand attention, emotional connections, and tangible actions like sharing content or making purchases. In the study by Rossanty et al. (2024), CBE is identified as a crucial link between social media strategy and the development of brand equity, emphasizing that engagement plays a vital role in transforming digital exposure into loyalty and favorable brand perceptions. Next, according to the findings of Aljuhmani et al. (2022), this form of engagement not only enhances interaction but also directly influences brand loyalty. Meanwhile, Leckie et al. (2021) highlight that engagement is influenced not just by brand communication but also by the personal experiences that consumers encounter. By comprehending the mechanisms of engagement, brands can cultivate more profound and enduring relationships, particularly with Gen Z, who place a high premium on genuine digital interaction.

Social Media Marketing (SMM) is essential in influencing how consumers engage with brands, especially within an interactive digital landscape. Engaging content, interactive communication, and tailored messaging foster experiences that capture consumer attention, prompt responses, and stimulate active interaction with brands. According to Cheung et al. (2020), the interactivity of brands on social media has the potential to strengthen emotional connections and boost overall consumer engagement. This finding is supported by Aljuhmani et al. (2022), who showed that a well-crafted social media strategy not only captures attention but also fosters sustained participation and loyalty through consumer engagement. Considering the characteristics of Gen Z, who exhibit a strong responsiveness to digital communication, social media marketing serves as the foundation for fostering significant Consumer Brand Engagement. Drawing from the results of the aforementioned study, the subsequent research hypothesis is proposed:

H1: The impact of Social Media Marketing (SMM) on Brand Engagement is notably positive among Gen Z consumers utilizing local perfumes in Jakarta.

Consumer Brand Engagement (CBE) plays a vital role in shaping brand perceptions and values within consumers' minds. When individuals are engaged on cognitive, emotional, and behavioral levels, they are likely to develop more favorable views of the brand and establish deeper connections. According to Hollebeek et al. (2014), engagement with a brand by consumers is essential for fostering loyalty and enhancing brand

associations. Leckie et al. (2021) discovered that elevated engagement on social media significantly influences brand equity, notably enhancing perceived quality and fostering consumer loyalty. Consequently, CBE emerges as a crucial element in establishing robust brand equity, particularly in sectors characterized by significant digital engagement, like local perfumes. In light of the findings from the aforementioned study, the subsequent hypothesis is proposed:

H2: The engagement of consumers with brands significantly enhances brand equity among Gen Z individuals utilizing local perfumes in Jakarta.

An effectively crafted social media marketing strategy can enhance brand recognition, influence quality perceptions, and establish meaningful brand associations in the minds of consumers. Zollo et al. (2020) indicated that favorable experiences facilitated by social media can directly enhance brand equity dimensions without necessitating a complicated engagement process. Yadav and Rahman (2017) demonstrated that consumers who engage with social media marketing featuring entertainment and personalization elements are likely to develop more robust brand perceptions. Therefore, social media marketing can play a significant role in enhancing brand equity, particularly when applied consistently and aligned with brand values. Drawing from the findings of the aforementioned study, the subsequent hypothesis is proposed:

H3: Social media marketing (SMM) has a significant and positive influence on consumer brand equity (CBE) among consumers in Jakarta who are members of the Gen Z demographic and who use indigenous perfumes.

While Social Media Marketing directly impacts brand equity, Consumer Brand Engagement is regarded as a mediating variable that can enhance this influence more substantially. Consumer engagement serves as a psychological and emotional conduit that converts exposure to social media marketing content into brand perception and loyalty. Rossanty et al. (2024) discovered that CBE exerts a significant partial mediating effect on the relationship between SMM and brand equity, indicating that a portion of SMM's impact on brand equity transpires through consumer engagement. This discovery underscores the necessity of crafting a social media strategy that is both aesthetically pleasing and capable of fostering enduring relationships with consumers. In the context of Gen Z, who are exceptionally receptive to digital experiences, the function of CBE as a mediator becomes progressively pertinent and strategic. Informed by the findings of the aforementioned research study, the subsequent research hypothesis is articulated:

H4: Consumer Brand Engagement (CBE) mediates the influence of Social Media Marketing (SMM) on Brand Equity among Gen Z consumers who use local perfumes in Jakarta.

2. Research Methods

Describe the research methods and research techniques The purpose of this study was to investigate the relationship between three variables: social media marketing, consumer brand engagement, and brand equity. The research was conducted using a quantitative approach and an associative approach. For the purpose of determining the extent of the influence that the independent variables have on the dependent variable, this methodology was selected. The data collection process consisted of the distribution of an online questionnaire through the use of Google Forms. Next, Likert scale with five points was utilized in the development of the questionnaire instrument, which was designed based on indicators previously developed from theory and previous research. The measurement of each variable is derived from prior research and employs a semantic differential scale with five points, ranging from 1 (strongly disagree) to 5 (strongly agree).

Furthermore, those who participated in this study were members of Generation Z, who were between the ages of 18 and 27 and lived in Jakarta. They had previously used perfume from a local brand. The technique of sampling that was utilized was a non-probability sampling technique with a purposive sampling method. This means that respondents were selected based on specific criteria that were aligned with the concentration of the research. Using the minimum requirements approach for SEM-PLS analysis, the sample size was determined, and the final sample size consisted of 270 valid respondents who fulfilled the criteria and the individuals who responded to the questionnaire through the use of Google Forms between the dates of May 19, 2025 and June 11, 2025.

Furthermore, in this particular investigation, the time horizon that was utilized was cross-sectional, which indicates that the data collection was carried out over a single period of time, without the use of continuous observation. This was done with the intention of capturing the actual conditions and perceptions of consumers at the time of the study. This investigation was broken down into two primary stages: The objective of the outer model is to confirm the correctness and dependability of the indicators for each construct. Internal Model: To investigate the direct, and total influences between constructs, as well as to test the relationships that exist

between the latent variables that are included in the model. For the purpose of evaluating social media marketing, six items were utilized, while four items were utilized to measure brand equity, and three items were utilized to evaluate consumer brand engagement.



Figure 1. Image of Relationship Between Constructs.

3. Results and Discussions

The results of the research are based on a logical sequence to form a story. *Outer Model*

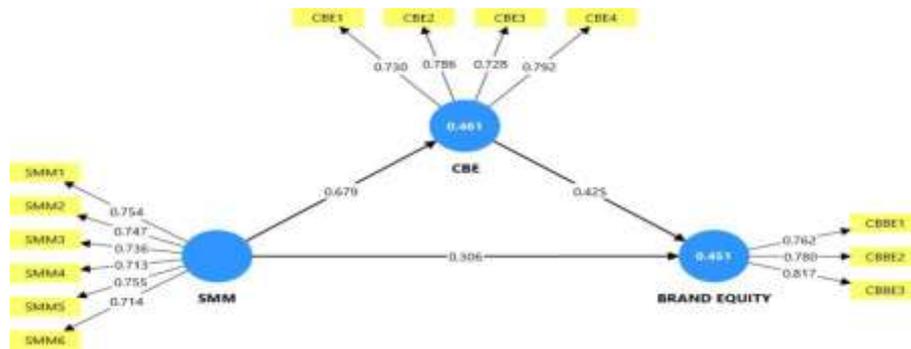


Figure 2 Outer Model

Reliability indicators assess the degree to which an indicator accurately reflects the construct being measured, determined by the outer loading value. Hair et al. (2019) assert that a loading value of ≥ 0.70 signifies good reliability, while values between 0.60 and 0.70 remain acceptable in exploratory research.

Table 1 Indicator Reliability PLS-SEM

Variabel	Indicator	Outer Loading	Result
Social Media Marketing	SMM1	0.754	Reliable
	SMM2	0.747	Reliable
	SMM3	0.736	Reliable
	SMM4	0.713	Reliable
	SMM5	0.755	Reliable
	SMM6	0.714	Reliable
Consumer Brand Engagement	CBE1	0.730	Reliable
	CBE2	0.786	Reliable
	CBE3	0.728	Reliable
	CBE4	0.792	Reliable
Brand Equity	BE1	0.762	Reliable
	BE2	0.780	Reliable
	BE3	0.817	Reliable

Source: Researcher, 2025

Based on the data presented in the table above, the indicator figures show above 0.70, so all 13 indicators to measure the research variables can be accepted and will be used for further testing.

Internal coherence Reliability is assessed through Cronbach's alpha and composite reliability. Values ranging from 0.60 to 0.70 are deemed acceptable, 0.70 to 0.90 signify a commendable level of reliability, whereas values exceeding 0.95 suggest potential redundancy of the item (Hair et al., 2019).

Table 2 *Internal Consistency Reliability* PLS-SEM

Variabel	Cronbach's Alpha	Composite Reliability	Result
<i>Social Media Marketing</i>	0.832	0.877	Accepted
<i>Consumer Brand Engagement</i>	0.756	0.845	Accepted
<i>Brand Equity</i>	0.694	0.830	Accepted

The results presented in the table above indicate that all constructs in this study exhibited satisfactory internal reliability. Hair et al. (2019) assert that a Cronbach's Alpha value of ≥ 0.70 is deemed satisfactory, whereas a value between 0.60 and 0.70 remains acceptable for exploratory research. The values for SMM (0.832), CBE (0.756), and Brand Equity (0.694) indicate that all variables are reliable and suitable for further examination.

Convergent validity assesses the extent to which a construct accounts for the variance of its items, utilizing the Average Variance Extracted (AVE) as a criterion for evaluation, with an acceptable AVE being 0.50 or greater (Hair et al., 2019).

Table 3 *Convergent Validity* PLS-SEM

Variabel	AVE	Result
<i>Social Media Marketing</i>	0.543	Accepted
<i>Consumer Brand Engagement</i>	0.577	Accepted
<i>Brand Equity</i>	0.619	Accepted

The table's results indicate that the AVE value for all variables surpasses 0.50, thus validating the acceptance of all variables in this study for subsequent testing.

Discriminant validity guarantees that each construct within the model assesses a unique concept. This study employed Cross Loadings and the Fornell–Larcker Criterion for testing. Validity is attained when an indicator exhibits the highest loading on its original construct, and the square root of the AVE value exceeds its correlation with other constructs (Hair et al., 2019).

Table 4 *Discriminant Validity* PLS-SEM

	<i>Brand Equity</i>	<i>Consumer Brand Engagement</i>	<i>Social Media Marketing</i>
BE1	0.762	0.413	0.427
BE2	0.780	0.500	0.468
BE3	0.817	0.565	0.502
CBE1	0.447	0.730	0.510
CBE2	0.528	0.786	0.560
CBE3	0.397	0.728	0.476
CBE4	0.536	0.792	0.513
SMM1	0.438	0.517	0.754
SMM2	0.418	0.509	0.747

SMM3	0.412	0.457	0.736
SMM4	0.404	0.446	0.713
SMM5	0.506	0.543	0.755
SMM6	0.438	0.516	0.714

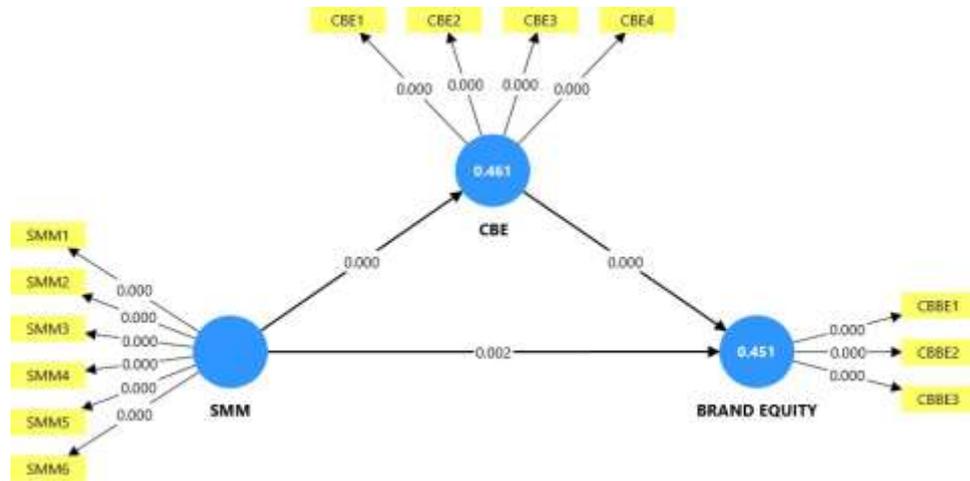


Figure 3 Inner Model

The table's results indicate that the cross-loading value for the relevant construct exceeds that of the other constructs, thus validating all research variables for continuation to the subsequent test.

R² quantifies the variance elucidated in the endogenous construct and assesses the model's explanatory efficacy. An R² value of 0.75 is classified as strong, 0.50 as moderate, and 0.25 as weak (Hair et al., 2019).

Table 5 R Square PLS-SEM

	<i>R Square</i>	<i>R Square Adjusted</i>	Result
Brand Equity	0.451	0.447	Strong
Consumer Brand Engagement	0.461	0.459	Strong

The R-Square values demonstrate that the model's variables possess moderate predictive capability, with an R² of 0.451 for Brand Equity and an R² of 0.461 for Consumer Brand Engagement. SMM and CBE account for approximately 45.1% of the variation in Brand Equity, while SMM alone accounts for 46.1% of the variation in CBE. This discovery substantiates that Social Media Marketing significantly influences consumer engagement and brand perceptions (Hair et al., 2019; Chin, 1998).

F² quantifies the relative impact of an exogenous construct on an endogenous construct within a structural model. An F² value of 0.35 is classified as large, 0.15 as medium, and 0.02 as small (Hair et al., 2019).

Table 6 F Square PLS-SEM

	<i>Brand Equity</i>	<i>Consumer Brand Engagement</i>	<i>Social Media Marketing</i>
Brand Equity			
Consumer Brand Engagement	0.177		
Social Media Marketing	0.092	0.855	

The f^2 test results indicate that the impact of Social Media Marketing (SMM) on Consumer Brand Engagement (CBE) is substantial ($f^2 = 0.855$), whereas the effect of CBE on Brand Equity is moderate ($f^2 = 0.177$). The direct impact of SMM on Brand Equity is comparatively minimal ($f^2 = 0.092$). The findings suggest that CBE serves as a crucial intermediary in connecting the impact of SMM on Brand Equity (Hair et al., 2019)

The predictive relevance (Q^2) assessment evaluates the efficacy of a model in forecasting endogenous constructs. The most recent iteration of SmartPLS conducts this test utilizing the PLSpredict method. Hair et al. (2019) state that a Q^2 value exceeding 0 signifies predictive relevance in a model: 0.02–0.15 (low), 0.15–0.35 (moderate), and greater than 0.35 (high). This test enhances R^2 and is crucial for evaluating a model's robustness in the realm of consumer behavior.

Table 7 Q^2 Square PLS-Predict

Variabel	Q^2	Result
<i>Brand Equity</i>	0.337	Strong
<i>Consumer Brand Engagement</i>	0.447	Strong

The predictive relevance test utilizing the PLSpredict method yielded a Q^2 value of 0.337 for the Brand Equity construct and 0.447 for the Consumer Brand Engagement construct. According to the interpretative boundaries established by Hair et al. (2019), a Q^2 value exceeding 0.35 signifies that the construct possesses substantial predictive relevance. Consequently, both endogenous constructs in this model exhibit strong predictive capability and merit further examination.

Hypothesis testing assesses the impact of variables and determines the acceptance or rejection of the hypothesis, employing p-values and T-statistics in the decision-making process. A p-value less than 0.05 and T-statistics greater than 1.96 signify statistical significance (Hair et al., 2019).

Table 8 Path Coefficients PLS-SEM

Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistic (O/STDEV)	P Values	Result
<i>Consumer Brand Engagement -> Brand Equity</i>	0.425	0.422	0.091	4.645	0.000	Significant
<i>SMM -> Brand Equity</i>	0.306	0.311	0.101	3.030	0.002	Significant
<i>SMM -> Consumer Brand Engagement</i>	0.679	0.682	0.050	13.598	0.000	Significant

The results of data processing through path coefficient and specific indirect effects tests indicate that all four hypotheses in this study are accepted. Initially, Social Media Marketing (SMM) demonstrated a substantial positive impact on Brand Equity, evidenced by a T-statistic of 3.030 and a P-value of 0.002. This suggests that a brand's social media strategy correlates positively with its perceived value among Gen Z consumers utilizing local perfumes in Jakarta. Secondly, the Consumer Brand Engagement (CBE) variable demonstrated a significant positive impact on Brand Equity, evidenced by a T-statistic of 4.645 and a P-value of 0.000. This discovery suggests that cognitive, emotional, and behavioral consumer engagement significantly influences the formation of enhanced brand value perceptions. The impact of SMM on CBE was substantial, evidenced by a T-

statistic of 13.598 and a P-value of 0.000. This signifies that captivating, interactive, and Gen Z-oriented social media marketing strategies can directly enhance consumer engagement with a brand.

The CBE variable was demonstrated to significantly mediate the relationship between SMM and Brand Equity, as evidenced by a T-statistic of 4.583 and a P-value of 0.000. Consequently, it can be inferred that the impact of Social Media Marketing on Brand Equity will be maximized if consumer engagement is established as a precursor. This discovery underscores the significant function of social media as a strategic instrument in crafting digital experiences that foster loyalty and favorable brand perceptions among Gen Z consumers.

Table 9 *Specific Indirect Effects* PLS-SEM

Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistic (O/STDEV)	P Values	Result
SMM → CBE → Brand Equity	0.289	0.287	0.063	4.583	0.000	Significant

This research demonstrates that Consumer Brand Engagement (CBE) significantly mediates the relationship between Social Media Marketing (SMM) and Brand Equity. This indicates that SMM not only exerts a direct influence but also indirectly enhances Brand Equity by fostering greater consumer engagement. This discovery corresponds with the assertions of Rossanty et al. (2024) and Kim & Ko (2012), who highlighted that engagement is an essential mechanism for cultivating robust brand perceptions. Consequently, social media strategies must prioritize fostering significant interactions and encouraging active consumer engagement to enhance the enduring effects on brand loyalty and reputation.

According to the findings of this study, Social Media Marketing (SMM) has a significant impact on Consumer Brand Engagement (CBE) and Brand Equity among consumers of Gen Z who use local perfumes in Jakarta. The findings of this study strengthen the position of social media marketing (SMM) as a strategic instrument in the process of building cognitive, affective, and behavioral consumer engagement, which in turn strengthens the value of the brand in the minds of consumers. An emotional attachment and long-term brand loyalty can be fostered through the use of social media activities that are interactive, entertaining, and personalized. Some examples of these activities include user testimonials, question-and-answer content, and storytelling. Furthermore, the findings of this study demonstrate that the relationship between social media marketing and brand equity is significantly influenced by the role that consumer brand engagement plays as a mediator. In light of this, it appears that social media marketing does not directly generate powerful brand perceptions; rather, it must first stimulate active consumer engagement. When consumers have a sense of connection to a brand, they are more likely to engage in behaviors that are supportive of the brand, such as recommending products, sharing content, or even making additional purchases. Rossanty et al. (2024) and Kim & Ko (2012), who explain that consumer engagement is key in linking digital marketing activities to the formation of strong brand equity, provide support for these findings. They also explain that these findings are supported by the facts.

According to the findings of this study, local perfume brands should not only prioritize increasing their visibility on social media, but they should also prioritize the quality of their interactions with their customers and the emotional connection they have with them. Strengthening the meaning of the brand while simultaneously creating memorable digital experiences can be accomplished through the implementation of strategies such as the utilization of personally relevant visual content, the utilization of user-generated content (UGC), and collaboration with authentic content creators. When it comes to Generation Z, who are extremely knowledgeable about digital technology and picky about the brands they choose, continuous engagement is an essential component that not only generates interest but also encourages consumer loyalty. CBE, on the other hand, serves as a transformative pathway that converts exposure into emotional engagement, which ultimately results in stronger and more competitive brand equity in the local perfume industry. Social media marketing (SMM) serves as an important entry point in the process of building long-term relationships with consumers. Moreover, the purpose of this study is to support Sustainable Development Goal 9 by highlighting the significance of innovation, particularly social media marketing, consumer brand engagement and brand equity, in order to enhance the user experience. When it comes to the development of digital infrastructure, innovation is the driving force behind it. The continued investment in internet accessibility and technological advancement is necessary for the increasing adoption of social media marketing.

4. Conclusion

Social media marketing has a significant influence on brand equity, both directly and indirectly, through the mediating role of consumer brand engagement on Gen Z consumers who use local perfumes in Jakarta, according to the findings of the research. This was discovered based on the findings of the research. The cognitive, emotional, and behavioral engagement of consumers can be increased through the implementation of a social media strategy that is engaging, personal, and interactive. This, in turn, strengthens consumers' perceptions of the brand and their loyalty to it. Not only do successful social media activities generate exposure, but they also foster meaningful connections between consumers and brands. As a key bridge in connecting digital marketing strategies with the formation of strong brand equity, the findings of this study highlight the significance of consumer engagement as an important factor. When considering the members of Generation Z who are extremely active on social media, it is essential to take an approach that is both emotional and participatory in order to develop digital experiences that are sustainable, to strengthen brand bonds, and to form long-term loyalty. The strategic effects of social media marketing (SMM), with a focus on using digital platforms to raise brand awareness, get people to interact with it, and improve its image. Key strategies include emotional branding and content that tells a story. For example, local perfume brands can use Instagram, TikTok, and YouTube to show the story behind the scent, such as the natural ingredients used, the creative process, or Indonesian cultural values. Working with micro-influencers can also help make digital word-of-mouth more real, which can boost the perception of quality and credibility when it comes to influencers and user-generated content (UGC). SMM isn't just a way to promote a perfume brand; it's also a way to build personal relationships, make new friends, and grow a brand community on social media. Implications for Business Strategy of Brand Equity (BE), with a focus on increasing consumers' awareness, associations, perceptions of quality, and loyalty to the perfume brand. Key strategies include a consistent look and message: Across all of your marketing channels, use colors, logos, and ways of communicating that are unique (for example, smells that represent a "modern local identity"). Next, talk about perceived quality. Show certifications, testimonials, and high-end ingredients (like essential oils from Bali or Javanese jasmine) to make people think the product is valuable and real. You could also connect the brand with a way of life by making local perfumes into signs of style, personality, or pride in Indonesian culture. Strong brand image (BE) makes people more willing to pay and makes it easier to tell local perfume brands apart from imported ones. This builds loyalty and long-term success. Creating active interactions, positive emotions, and long-term brand commitment are the main goals of Consumer Brand Engagement (CBE). Major plans: Community marketing: Use Instagram or Telegram to create a group of local perfume users who can share their experiences and give each other advice. Following are feedback loops and co-creation: Get people who buy local perfume involved in the process of making new products by letting them vote on new scents or packaging designs on social media sites. Experiences at events: To give people a multisensory experience, set up pop-up sensory booths in malls or at local trade shows. High involvement makes people feel emotionally connected to the brand, boosts the advocacy effect (making customers brand ambassadors), and deepens brand love, all of which make the brand last longer. These three things work together: SMM raises awareness and gets people to interact with you right away; BE increases trust and perceived value; and CBE builds long-term relationships and loyalty. In a competitive perfume market, this combination keeps local perfume brands going. First comes local awareness, then comes engagement, then comes customer loyalty, and finally comes customer advocacy. This research has a number of shortcomings that need to be taken into consideration. For starters, the research was carried out solely with respondents belonging to Generation Z who were residing in the Jakarta region. As a result, the findings cannot be generalized to a larger population or to people of different generations. Second, the research only looked at three primary variables: social media marketing, consumer brand engagement, and brand equity. It did not take into account any other external factors that might also be important in the process of building brand equity. Third, because the research did not conduct an in-depth investigation into the practical aspects that influence digital marketing strategies from the point of view of industry players, it was not possible to develop a strategy model that could be put into action right away. Fourth, the questionnaire that was used in this research did not include any explicit screening questions to ensure that all of the respondents were genuine consumers of local perfumes. This was the case despite the fact that the distribution of the survey was aimed at the Gen Z demographic in Jakarta. In conclusion, the analysis did not make use of all of the indicators that were listed in the variable operationalization table. This was due to the fact that some of the indicators had to be removed from consideration because the results of the validity and reliability tests did not satisfy the criteria. It's possible that this will have an effect on how closely each variable is represented in the research model.

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