



The Relationship Between Influencer Engagement in Improving Marketing Performance Through Instagram Social Media as a Mediating Variable

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Abstract: Influencer engagement through Instagram social media is becoming increasingly popular as a marketing strategy by MSMEs. This study aims to analyze the relationship between influencer engagement in improving marketing performance, with Instagram social media as a mediating variable. Influencer engagement has become an effective marketing strategy for many companies, especially in the context of MSMEs. This study uses a quantitative survey method involving respondents consisting of 125 MSME actors. Data processing was carried out using Structural Equation Modeling (SEM) based on Partial Least Square (PLS) to test the hypothesis regarding the effect of influencer engagement on marketing performance through interactions on Instagram social media. The results showed that influencer engagement significantly affects marketing performance, directly and indirectly through Instagram social media as a mediating variable. This finding emphasizes the importance of collaboration with influencers and optimizing the use of Instagram social media to increase brand awareness, engagement, and ultimately, sales.

Keywords: Influencer engagement; Instagram social media; Marketing performance; MSMEs

INTRODUCTION

The increasing development of technology has demanded that many companies and small and medium business actors be able to reformulate the right marketing strategy (Masliardi et al., 2023). Although large companies have broader resources in marketing strategies, MSME actors still have great opportunities by using social media as one of the main choices in their marketing strategy. By utilizing platforms such as Instagram, Facebook, and TikTok, MSMEs can reach consumers more efficiently and creatively, build more personal interactions, and increase brand awareness at a relatively low cost (Kim et al., 2021; Moreno et al., 2023). In addition to the use of social media platforms, the role of influencer involvement is very significant in improving marketing performance. According to Purba et al. (2022) current digital marketing strategies, influencers play an important role in supporting the success of marketing campaigns. Through collaboration with influencers, brands can reach a wider and more specific audience, and build more personal connections with consumers (Doshi et al., 2023).

Influencers have the power to influence perceptions and purchasing decisions through the content they share on various social media platforms (Apasrawirote et al., 2022), as well as the statement that influencers are individuals who can influence the decisions or behavior of others, especially through social media platforms. (Jiang et al. 2024). Therefore, influencer engagement not only increases product visibility but also strengthens brand image, increases engagement rates, and drives higher conversions, which directly contribute to improved marketing performance (Beichert et al., 2024). However, influencer engagement can be problematic if it is not aligned with the brand's values and goals, which can ultimately have a negative impact on marketing performance, as the statement that influencer engagement can be problematic if not well targeted, hindering their performance improvement efforts (Rodrigo, 2023). This can lead to inconsistencies in marketing messages, which can reduce consumer trust in the



brand (Li et al., 2023; Wu & Huang, 2023). Additionally, scandals or controversial behavior involving influencers can create a negative image for the brands associated with them. Therefore, there is a challenge in understanding how this influencer engagement serves as a bridge that connects the marketing strategies of MSMEs and their marketing performance outcomes, (Tafesse & Wood, 2021), especially MSMEs by using social media such as Instagram which contributes significantly to improving marketing performance (Leite, 2022; Rivai, 2023). However, many MSMEs still struggle to select suitable influencers and optimally utilize such engagement. Therefore, it is important to examine the relationship between influencer engagement and improved marketing performance of MSMEs through Instagram, as well as explain the role of influencer engagement as a mediating variable in achieving better marketing outcomes for MSMEs. One MSME industry that has great potential is the apparel industry (Garg & Bakshi, 2024), as it is one of the most growing sectors.

Most studies have discussed the effectiveness of influencer marketing in general, but few have examined the involvement of influencers as a mediating variable in improving the marketing performance of MSMEs. In addition, there is limited research that specifically looks at Instagram as a key promotional platform for MSMEs. Most studies tend to focus on big brands without considering the limited resources and audience characteristics of MSMEs, thus there is a gap in the literature in understanding the role of influencer engagement on Instagram as a link between marketing strategies and business outcomes of MSMEs. With an increasing number of MSMEs turning to digital marketing to reach consumers, MSMEs owners to understand effective influencer marketing strategies. Given the limited budget of MSMEs, choosing the right marketing strategy is crucial to the success of their business. This research can guide the importance of influencer engagement, as well as help MSMEs optimize the use of Instagram as a marketing platform. The findings are also expected to provide new insights for marketing practitioners on how to maximize the effectiveness of influencer engagement to support the growth of MSMEs.

This study aims to test and analyze the relationship between influencer engagement and improved marketing performance through Instagram social media, with Instagram social media as a mediating variable, particularly in MSMEs. Specifically, this research wants to see how effective influencer engagement is in helping Micro, and Medium Enterprises strengthen brand image, create consumer engagement, and increase purchase intention as marketing performance.

The novelty of this research lies in its focus on MSMEs and the use of Instagram as the main platform to measure the effectiveness of influencer engagement. This research also presents a new perspective by making Instagram a mediating variable, which is rarely discussed in the context of MSMEs. Thus, this research has the potential to add to the literature on digital marketing strategies that focus on social media and influencer marketing for MSMEs.

METHODS

This research is a quantitative research with a survey approach. The purpose of this study is to examine the effect of influencer engagement on marketing performance mediated by the use of Instagram social media in the context of the MSME industry in the fashion sector in Bandung City. The population of the study was all MSMEs in the fashion sector operating in Bandung City and using Instagram as a marketing medium. The sample was selected using a purposive sampling method that was selected



randomly, where the MSMEs selected were those who used influencers in their marketing strategies on Instagram as many as 125 respondents. Influencer engagement is measured by four items adopted from the study by Roslan & Salim (2022) including having many followers, credibility, attractiveness, and trust. Instagram social media is measured by four items adopted from the study by Yonathan & Bernarto (2022) including interactivity, content sharing, user engagement, and reach. Marketing performance is measured by four items adopted by the study Zahara (2023) including financial, non-financial, flexibility, and network performance. Then the data is measured using a Likert scale of 1-5, where 1 means "strongly disagree" and 5 means "strongly agree." Finally, this study uses the Structural Equation Modeling (SEM) approach based on Partial Least Squares (PLS). This technique was chosen because it can analyze the relationship between variables simultaneously and is suitable for models with many indicators and sample sizes that are not too large. The research model can be seen in Figure 1.

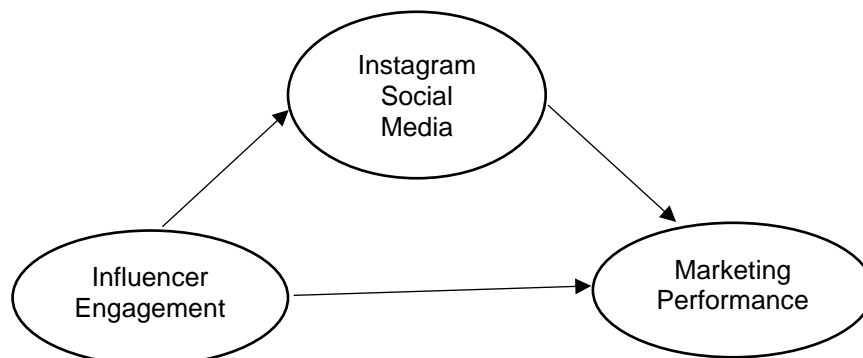


Figure 1. Conceptual model
 Source: Processed data (2024)

RESULTS AND DISCUSSION

Respondent Characteristics

Table 1. Characteristics of respondents

Respondent characteristics	Total
Gender	
Male	63
Female	62
Education	
Senior high school	64
S1	33
S2	28
Ownership	
Personal	104
Member	21
Length of time the business has been operating	
2 - 5 years	96
5 - 7 years	12
Above 7 years	17
Intensity of using influencers and social media	
Low	39
Medium	17
Often	69

Source: Data that has been processed by the author (2024)



Table 1 provides information on the characteristics of respondents in the study conducted. From the table, it can be seen that the majority of respondents are male, which is 63 respondents. The majority of respondents have a high school education, as many as 64 respondents. Based on the length of standing, as many as 2 to 5 years, as many as 96 respondents. And finally, based on the intensity of using influencers and social media, as many as 69 stated often.

Convergent Validity Test

Based on the results, it was found that the loading factor was greater than 0,70. While the loading factor of 0,50 to 0,60 can still be maintained for models that are still in the development stage. Based on the estimation results using the help of the Smart-PLS 3.0 program application. The following output was obtained. Based on the test results with Smart-PLS, the following results were obtained.

Table 2. Convergent Validity Loading Factor

Construct	Loading Factor	Criteria (Loading Factor \geq 0,5)
IE 1	0,805	Valid
IE 2	0,860	Valid
IE 3	0,843	Valid
IE 4	0,780	Valid
ISM 1	0,871	Valid
ISM 2	0,935	Valid
ISM 3	0,942	Valid
ISM 4	0,933	Valid
MP 1	0,779	Valid
MP 2	0,802	Valid
MP 3	0,658	Valid
MP 4	0,805	Valid

Source: Processed data (2024)

Based on this, it can be seen that based on the loading factor, all constructs are declared valid. Furthermore, the average variance extracted (AVE) test will be carried out to further strengthen the results of convergent validity with the criteria that if the AVE value is $>$ 0,5, then the construct used in the study is valid. The following are the results of the average variance extracted test using the PLS program:

Table 2. Average Variance Extracted

Latent	Average Variance Extracted (AVE)	Criteria (AVE $>$ 0,5)
Influencer engagement	0,676	Valid
Instagram social media	0,850	Valid
Marketing performance	0,588	Valid

Source: Processed data (2024)

Based on the table above, the results of convergent validity can be seen based on the average variance extracted value. These results indicate that all latent variables have an AVE value greater than 0,5 so all constructs are declared valid. These things indicate that the indicators that form the latent construct have good convergent validity when viewed from the average variance extracted value.



Discriminant Validity test

Discriminant Validity can be seen from the cross-loading value. The correlation value of the indicator to its construct must be greater than the correlation value between the indicator and other constructs. It can also be seen from the comparison between the square root of AVE and the correlation between latent constructs. If the square root value of AVE is greater than the correlation between latent constructs, it indicates that the latent construct has good discriminant validity in the model. The following are the results of the discriminant validity test using the Smart PLS program.

Table 3. Discriminant Validity Cross Loading Test

	IE	ISM	MP
IE 1	0,805	0,137	0,380
IE 2	0,860	0,341	0,489
IE 3	0,843	0,180	0,406
IE 4	0,780	0,197	0,458
ISM 1	0,328	0,871	0,602
ISM 2	0,175	0,935	0,554
ISM 3	0,308	0,942	0,619
ISM 4	0,229	0,933	0,599
MP 1	0,236	0,587	0,779
MP 2	0,432	0,616	0,802
MP 3	0,356	0,337	0,658
MP 4	0,383	0,427	0,805

Source: Processed data (2024)

Based on the table above, it can be seen that all indicators have a high correlation to their constructs compared to other constructs. So it can be concluded that the research model has good validity in discriminant validity cross-loading.

Reliability test

The next stage assesses Cronbach's Alpha and Composite Reliability criteria. Each construct is said to be reliable if it has a Cronbach's Alpha and Composite Reliability greater than 0,70. The following are the results of the reliability test using the Smart PLS program.

Table 4. Cronbach's Alpha dan Composite Reliability test

Latent	Cronbach's Alpha	Composite Reliability
Influencer engagement	0,841	0,893
Instagram social media	0,956	0,966
Marketing performance	0,824	0,876

Source: Processed data (2024)

Based on the table above, it can be seen that all latent constructs have a Cronbach's alpha value and composite reliability of more than 0,7, which indicates that the latent constructs have good reliability. This indicates that all latent constructs have good reliability.

Structural Model Testing (Inner Model)

Inner model evaluation is an analysis of the results of the relationship between constructs. Estimation of the relationship between constructs can be that the latent variable of Instagram social media is influenced by the latent variable of influencer



engagement. The latent variable of marketing performance is influenced by the latent variables of influencer engagement and Instagram social media.

R Square

Furthermore, based on the test results with SmartPLS 3.0, the R Square results were obtained as follows.

Table 5. R Square

Influence	R Square	Relationship
Instagram social media	0,074	Weak
Marketing performance	0,552	Moderate

Source: Processed data (2024)

According to Chin (1998) in Ghozali (2015), R Square with a value of 0,67 indicates a strong model, a value of 0.33 indicates a moderate model and a value of 0.19 indicates a weak model. From the results of the table above, it can be seen that the R-Square for the Instagram social media variable is 0,074, which means that influencer engagement contributes an influence of 0,074 or 7,4% to Instagram social media with a weak category. While the remaining 92,6% is the influence of other unobserved factors. The R-Square for the marketing performance variable is 0.552, which means that influencer engagement and Instagram social media contribute an influence of 0.552 or 55.2% to marketing performance with a moderate category. While the remaining 44.8% is the influence of other unobserved factors.

F Square

Next is to see the F Square value. In the book of Ghozali and Latan (2015:81), F Square is used to see the influence of latent variable predictors at the structural level. The F Square value of 0.02 indicates a small rating, The Effect Size of 0.15 indicates a medium rating, and the Effect Size of 0.35 indicates a large rating. Based on the test results with SmartPLS 3.0, the following F Square results were obtained.

Table 6. F Square

Influence	Effect Size	Rating
Influencer engagement --> Instagram social media	0,480	High
Influencer engagement --> Marketing performance	0,309	Medium
Instagram social media --> Marketing performance	0,599	High

Source: Processed data (2024)

Based on the table above, it can be seen that it shows the influence of latent variable predictors at the structural level. The Influencer engagement variable has a large category influence in influencing Instagram social media, while the marketing performance variable has a medium category influence. The Instagram social media variable has a large category influence in influencing marketing performance.

Predictive Relevance

The next step is to look at the Q-square predictive relevance for the construct model. The Q-square test is used to measure how good the observation values produced by the model and also its parameter estimates are. A Q-square value greater than 0 (zero) indicates that the model has a predictive relevance value, while a Q-square less



than 0 (zero) indicates that the model has less predictive relevance (Ghozali, 2014:41). The Q-square value obtained by using the R2 value in the table above, obtained the following calculation results:

Table 7. Q² Predictive Relevance

Variable	R Square	1-R Square
Instagram social media	0,074	0,926
Marketing performance	0,552	0,448
Q ² =	Q ² = 1- (1-R ₁ ²) (1-R ₂ ²) = 0,585	

Source: Processed data (2024)

Based on the table above, the Q² (Q-square predictive relevance) value obtained is 0.585. Because the value is greater than 0 (zero), it means that the model has an adequate predictive relevance value.

Goodness of Fit

The results of the goodness of fit test are obtained from the square root of the product of the average Average Variance Extracted and the average R-squares. According to Hussein (2015), the GoF small value = 0,1; The GoF medium = 0,25; and GoF big = 0,38. This means that the Goodness of Fit is quite large. The following are the results of the calculation of the Goodness of Fit value.

Table 8. Average Variance Extracted

Variable	Average Variance Extracted (AVE)
Influencer engagement	0,676
Instagram social media	0,850
Marketing performance	0,588
Average	0,705

Source: Processed data (2024)

Table 9. R Square

Variable	R Square
Instagram social media	0,074
Marketing performance	0,552
Average	0,313

Source: Processed data (2024)

The results of the goodness of fit calculation above, a value of 0,470 were obtained, so it can be concluded that the model has a high goodness of fit, and the higher the goodness of fit value, the more appropriate it is to describe the sample in the study.

Hypothesis Testing

Hypothesis testing in this study was conducted using path coefficient, t-value, and p-value. To assess the significance and prediction in hypothesis testing can be seen from the path coefficient and t-value. According to Sekaran (2011) assessing prediction and significance in hypothesis testing can be seen from the t-value and p-value. The t-table value can be seen in the following table.



Table 10. T-tabel Value

	<i>One-tailed</i>	<i>Two-tailed</i>
t-table	1.64	1.96

Source: Processed data (2024)

From the calculation results using smart-PLS, the magnitude of the t-count significance value is obtained in the image below which states the magnitude of the significance value between the tested variables, which is presented in the form of arrows. The t-count value in the image states the magnitude of the significance value between the variables. The magnitude of the significance value between the tested variables is presented in the form of a value contained in the arrow connecting one of the variables to the target variable.

Table 11. Results of Path Coefficient and T-Count Values

Influence	Original Sample	T Statistics	P Values
IE -> ISM	0,272	3,917	0,000
IE -> MP	0,386	6,403	0,000
ISM -> MP	0,538	7,891	0,000
IE -> ISM -> MP	0,147	4,314	0,000

Source: Processed data (2024)

This study aims to determine the role of influencer engagement on marketing performance with Instagram social media as a mediator in the context of MSMEs in Bandung. The results of the study indicate that there is a positive relationship between influencer engagement and marketing performance. The findings indicate that Influencer engagement is a form of interaction between consumers and influencers on social media, which includes activities such as likes, comments, shares, and participation in content produced by influencers. In the context of MSMEs in Bandung, influencer engagement is one of the potential marketing strategies because influencers have a wide audience reach and are relevant to the target market (Johan et al., 2024). When high engagement is created, consumers will be more interested and feel emotionally connected to the products or services promoted by influencers. This directly contributes to improving marketing performance. Moreover, influencers who have the trust of their audience can instill more trust in the products they promote, thus influencing purchasing decisions.

In addition, the findings also show that the use of Instagram social media affects marketing performance (Yuan & Lou, 2020). The results show that Instagram as one of the most popular social media platforms today plays an important role in supporting marketing performance. With strong visual features, Instagram provides an opportunity for MSMEs to display their products and services creatively and attractively. Effective use of Instagram can increase brand visibility, expand audience reach, and create closer relationships with consumers.

Finally, the results of the study show that Instagram social media mediates the relationship between influencer engagement and marketing performance. Instagram, as one of the most popular social media platforms, plays a central role in connecting influencer engagement with marketing performance. In the context of MSMEs in Bandung City, Instagram is not only a content distribution medium, but also an effective tool to strengthen the impact of engagement between influencers and their audiences (Johan et al., 2024). Influencer engagement occurs when the audience actively engages with content created by influencers, such as through likes, comments, sharing posts, or



following product recommendations (Doshi et al., 2023; Moreno et al., 2023). This engagement provides an initial impetus for consumers to pay attention to a product or service. However, the impact of this engagement cannot be maximized without a platform that can deliver content interesting and interactively.

CONCLUSION

Based on the findings derived from the research and subsequent discourse, it can be inferred that the involvement of influencers can significantly enhance user engagement, which subsequently plays a pivotal role in augmenting marketing performance; this phenomenon can be attributed to the engagement fostered through narratives and emotions articulated by influencers, which cultivates intimacy and trust among the audience, elements that are crucial in fostering consumer engagement and stimulating purchases. Furthermore, this dynamic influences the number of followers, as the size of an influencer following directly impacts the degree of engagement; influencers possessing a moderate number of followers tend to realize elevated engagement levels due to the proximity of their relationship with the audience, whereas those with an exceedingly large following may experience diminished engagement as a result of a more tenuous relationship. Additionally, the efficacy of content can be amplified through an interactive social media marketing strategy, whereby engaging the audience facilitates increased interaction that bolsters marketing performance.

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