CHAPTER 5
CONCLUSION, LIMITATION, AND SUGGESTION

5.1. Conclusion

Based on the result of research analysis and discussion in accordance with the purpose of the research, the author concludes the results of this study as follows:

First, Social Media Marketing Activities (SMMA) has significantly affects Brand Image, which means hypothesis is supported. This study finds that the relationship between SMMA and Brand Image is positive, meaning that any increase in SMMA would also lead to an increase in Brand Image. In other words, the better an SMMA is, the better the brand image. Therefore, should Domicile's Kitchen & Lounge seek improvement in their brand image, they can start by improving their Social Media Marketing Activities (SMMA).

Second, despite a positive relationship is confirmed between Social Media Marketing Activities (SMMA) and Price Premium, evidence shows that only moderate impact is given to Price premium by SMMA. Meaning, a good social media post or campaign initiated by Domicile's Kitchen & Lounge does not necessarily improve its customer willingness to pay premium. But it would also not deter or reduce existing willingness to pay premium. Therefore, improving Social Media Marketing Activities (SMMA) will give Domicile's Kitchen & Lounge a chance to improve their customer willingness to pay premium.

Third, a positive relationship between Brand Image and price premium is confirmed. But despite the positive relationship, statistical result shows brand image has little to no significance towards price image. Meaning, improvement in brand image will definitely increase willingness

to pay but not by much. Thus, a small incremental increase in willingness to pay premium price should be expected by Domicile's Kitchen & Lounge with an improvement in brand image.

Fourth, mediation effect of brand image between Social Media Marketing Activities (SMMA) and Price Premium is not confirmed. Thus, hypothesis is not supported. Separately, Brand Image will have positive relationship with price premium. But as mediator brand image could not facilitate the path. Therefore, willingness to pay premium is not determined by brand image that is defined with SMMA.

5.2. Limitation

Due to the pandemic situation that occurs when this study is conducted, the author is strictly limited to collect data directly and thus forced to utilise an online survey that is still a debateable subject regarding data collection method. Furthermore, due to localised sample in current study, the relevance of the study is only applied within the Greater Surabaya area (Surabaya – Sidoarjo).

Data obtained for this study is only required to have visited Domicile's Kitchen & Lounge social media account, not their actual restaurant. Thus, only measuring social media literacy and their intention, not decision. Therefore, it opens the possibility that a respondent might have visited Domicile's Kitchen & Lounge social media account but have never visited the actual restaurant venue.

Also, this study' respondents in considered rather incompatible for analysis. With >50% of respondents are still in the 18 – 23 years old range, it is indication that either they are still in college or young professionals with limited budget to spent. Thus, the majority of this study' respondent could not appropriately represent the population.

Looking at the R^2 value of this study's research framework (shown above in table 4.17), which have all values under 50% indicates that there are still many factors contributing towards the model that are not included.

Thus, implying an oversimplified approach this study taken in addressing the problem.

5.3. Suggestions

Based on the research results and limitation, the author suggests the following:

5.3.1. Academic Suggestion

1. Conduct further study further study that investigate other factors outside Social Media Marketing Activities (SMMA) and Brand Image that determined customer willingness to pay premium price.

2. Future researches should broaden and diversify the respondents as the respondents are mostly based in Greater Surabaya Area. More diversified data will increase the study's relevance in a wider and broader context.

3. Future researches should further investigate the mediation effect of brand image between Social Media Marketing Activities (SMMA) and customer willingness to pay premium price.

4. Future research is recommended to incorporate information quality as a mediator in the framework to replace brand image due to its insignificance effect in this study.

5. Future researches are recommended to adopt experiential marketing in explaining the antecedent of price premium.

5.3.2. Practical Suggestion

1. Domicile's Kitchen & Lounge should improve their content in order to gain more exposure and most importantly get people to share their content more.

2. Although having an established reputation as a premium restaurant, Domicile's Kitchen & Lounge should keep

improving their service to create a long-lasting memory within their customer.

3. As interval analysis shown in Table 4.9, Word-of-Mouth scores the lowest. Meaning that respondents tend to be reluctant in sharing their dining experiences. Thus, the author suggests that Domicile's Kitchen & Lounge should provide better incentives that encourage people to share their experiences.

4. This study concludes that Domicile's Kitchen & Lounge customer is only tolerant towards small price increase. Thus, the author suggests to give raise price incrementally to avoid customer lost.

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