# CHAPTER I
INTRODUCTION

1.1   Research Background

One of the product that grows the fastest and keep growing every year is smartphones; people do not buy laptops, fridges, computers, and others as often as smartphones. The data that collected by IDC worldwide quarterly mobile phone tracker the active user of smartphones in 2016 is 1470.6 million people compare to 2015 1437.2 Million a stunning 32.8 million of growth in just one year.

Tabel 1.1

Smartphone market global growth
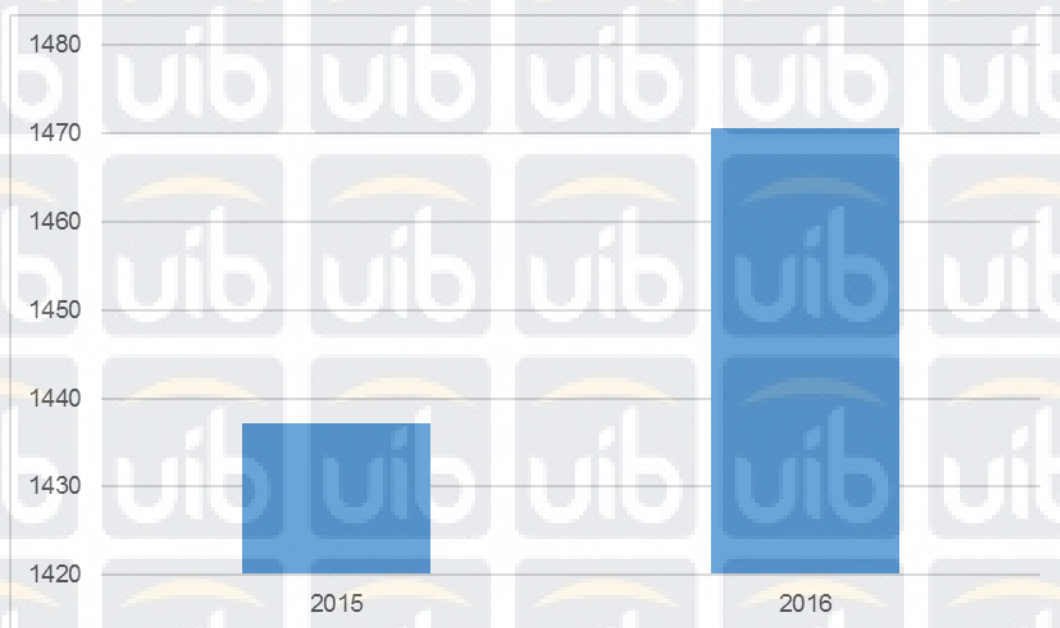
Source: IDC (2016).

In this fast-growing smartphone market, almost every company are striving to get a spot of the market share. A lot of company have tried to create

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and even dominate market share by doing creative campaign, meet the needs of customers, good customer services, etc. One of the key factors for the company to capture trust and also the heart of user is marketing, no matter how good the product is but if that product do not have customer that ever heard of it or trust it, it is useless because costumer will never buy it, marketing is not just a tools to draw the interest and further promote your product but also a way of company interact with their costumer.

One of the newest and arguably the most effective way to do marketing nowadays is through social media. One of the reason is the sheer number of social media user and the time they spend each day online and interact with those services. According to the New York Times (2019) number of social media user up year on year basis with the growth of 13% and reach 3.196 billion in 2018. Annual growth continues apace, especially in active mobile social users – 39% penetration up 5% from 2017. In the statistic that 63% of consumers who search for businesses online are more likely to become consumers of brand with an established social media presence.

Company cannot do marketing or build relation with costumer with the old style such as banners, TV commercial, etc. Time is changing almost everyone has at least one smart devices let it be smartphone, tablet or laptop to view information online. In this digital era online marketing plays a huge role in the growth of a company, because social media is the place where most people spend their time online such as Facebook, twitter, Instagram, Snapchat, YouTube just to name a few of many popular social media websites. In January 2014, 74% of

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worldwide online adults use social networking sites (Duggan et al., 2015). Therefore, social media give a huge role in their daily lives to the users. Beside of that, social media can make the users connect with the peers by turning them to networking of friends. As globally, greater than 50% of the users in social media as followers of brands on social media (Belleghem et al., 2011) and 29% of them follow trends to find the product information and reviews, and 20% of them review oar comment on what is new or popular to review products (Gallup,2014). Social media can also become a positive form of brands advertising, by doing digital marketing with social media platform company brand could be more exposed to customer, which lead to brand consciousness of a particular brand, and in the same time drive value to their value consciousness buyers

In this era of new and fast moving market growth the way to create brand loyalty or the way we engage with customers has also changed with the present of social media marketing as described above people now move from the traditional billboard to a Facebook or Instagram feed more often than not and one of the two key point that help to generate brand loyalty through social media marketing is brand and value consciousness.

If a customer favorably responds to a company's promotions or advertisements through the social media platforms, then it will begin to develop a relationship among the customers and the brand consequently, because of continuous interaction, promotion and communication that takes place, strong customer-brand relationship that happen in the social media platforms would guide to brand loyalty as stated in research paper written by Ismail (2017).

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Hence, when as the customers appreciate to the brand's regular communication, it may further increase their loyalty about brand. Thus, social media marketing activities will give contribution to brand loyalty, and this can play a huge role in term of helping company to bring close their product with their customer. As stated above, the platforms of social media offer toward company the opportunities to improve and develop brand consciousness and value consciousness.

Social media marketing activities give the contribution to both brand consciousness and value consciousness in turn; the exist of brand loyalty will happen if the customer is highly conscious about the brand. In the same time, social media marketing activities can also boost value consciousness and value consciousness which also bring influence to brand loyalty. Based on those researches and reasoning above, writer will conduct a research **"Analysis on Influence of Social Media Marketing Activities on Brand and Value Consciousness That Lead to Brand Loyalty".**

1.2 Research Question

Based on the background information above there are few question that this research need to answer:

a. Does social media marketing consist of positive impact on brand loyalty?

b. Does social media marketing consist of positive impact on brand consciousness?

c. Does value consciousness consist of positive impact on brand loyalty?

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d.   Does brand consciousness create brand loyalty?

1.3   Purpose and Benefit of Research

1.3.1   Purpose of Research

Based on the main question above the usage of this research are:

a.   To measure the relation between value consciousness toward brand loyalty

b.   To measure social media marketing effect in building brand loyalty

c.   To measure the relation brand consciousness as mediation to create brand loyalty

d.   To measure the effect perceived social media marketing on brand consciousness \ value consciousnes.

1.3.2   Research Benefit

a.   As a insight for company and also company manager to have in depth look about how they could create and maintain brand loyalty

b.   For other reader, they can be a reference for further research into the variable that create brand loyalty.

1.4   Research Systematic

CHAPTER 1   : RESEARCH BACKGROUND

This chapter contain a brief explanation about the background of the research, research problem, purpose of the research, also the benefit of the research and research systematic.

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CHAPTER II : THEORITICAL AND HYPOTHESIS

This chapter contain the research theory, relation between independent variable with dependent variable and also the way to analysis data.

CHAPTER III : RESEARCH METHOD

This chapter explain how the research conducted, object of the research is, define operational variable, data collection technic, analysis data method an d examination of hypothesis.

CHAPTER IV : ANALYSIS AND DISCUSSION

This chapter will explain the result of data analysis and examination of the hypothesis with discussion about descriptive static from the questionnaires, data validity test and hypothesis testing.

CHAPTER V : CONCLUSION, LIMITATION AND RECOMMENDATION

This chapter writer will give the overall conclusion of the whole research, limitation of the research and also recommendation for future research.

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