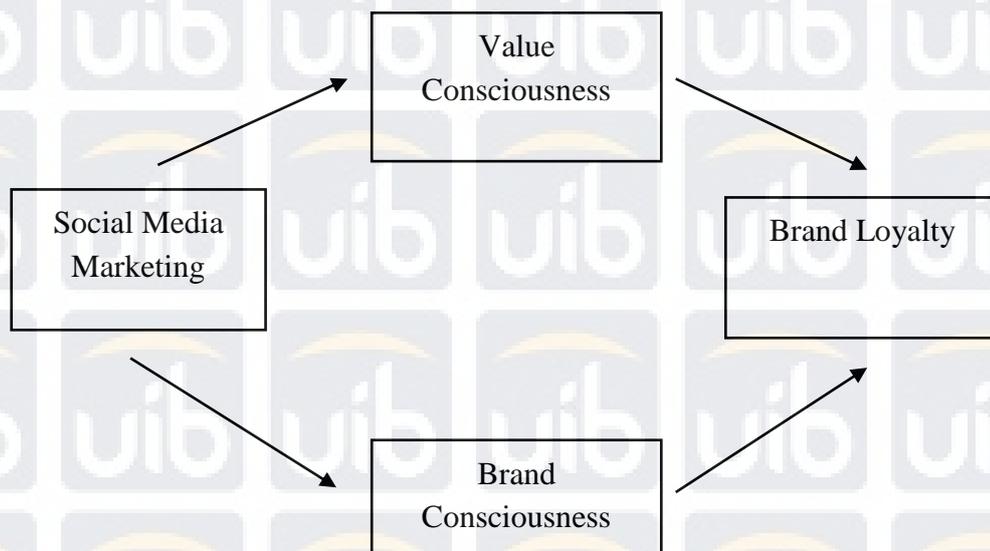


## CHAPTER II THEORITICAL AND HYPHOTHESIS

### 2.1 Research Model

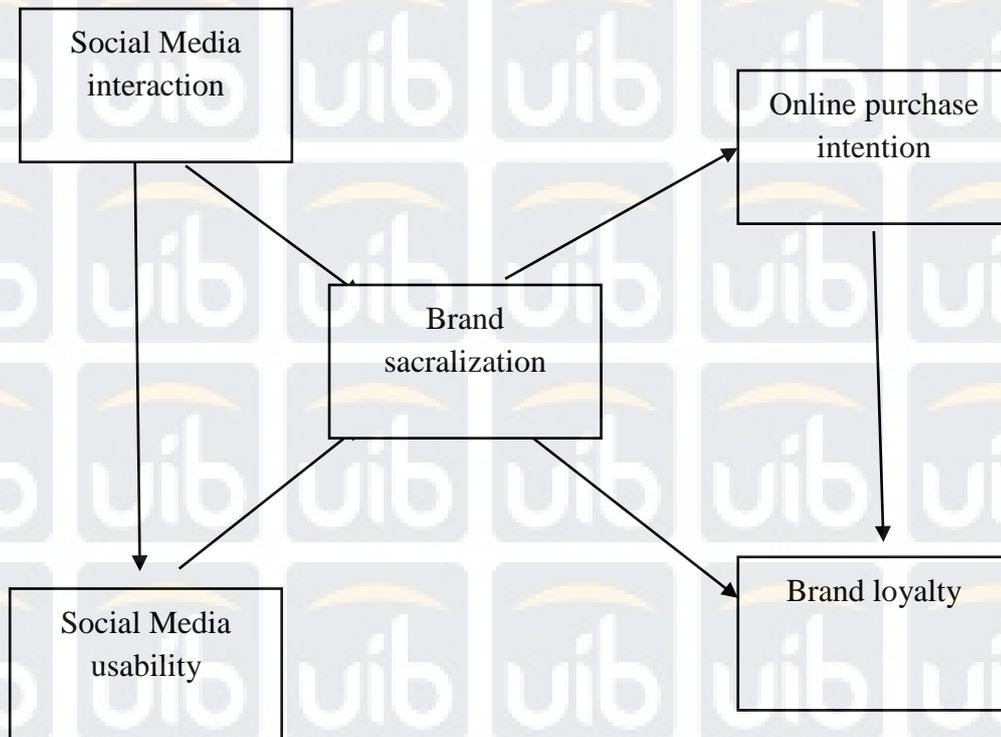
Research which conducted by Ismail (2017) has a purpose to identified the impact and relation from social media marketing with the mediation effect of brand and value consciousness to create brand loyalty. Data were collected from university marketing student in Malaysia.



*Figure 2.1* Research model “The influence of perceived social media marketing activities on brand loyalty the mediation effect of brand and value consciousness “, Source: Ismail (2017)

Mandal (2016) conduct a research to explore about the influence of social media interaction and social media usability on brand sacralization which lead to

purchase intention and brand loyalty, data were collected from brand community audience in any social media platform in India.



*Figure 2.2* Research Model “Evaluating the influence of social media on brand sacralization: an empirical study among young online consumers”, Source:

Mondal (2016)

Research that conducted by Morgan-Thomas (2015) aim to find out how consumer engagement in online brand communities impact on brand loyalty participants were selected with high involved participant in that particular brand community. In total, 21 social media user participated in the studied. The

informants had varied backgrounds and habits in terms of the social networks and brand communities they participated in.

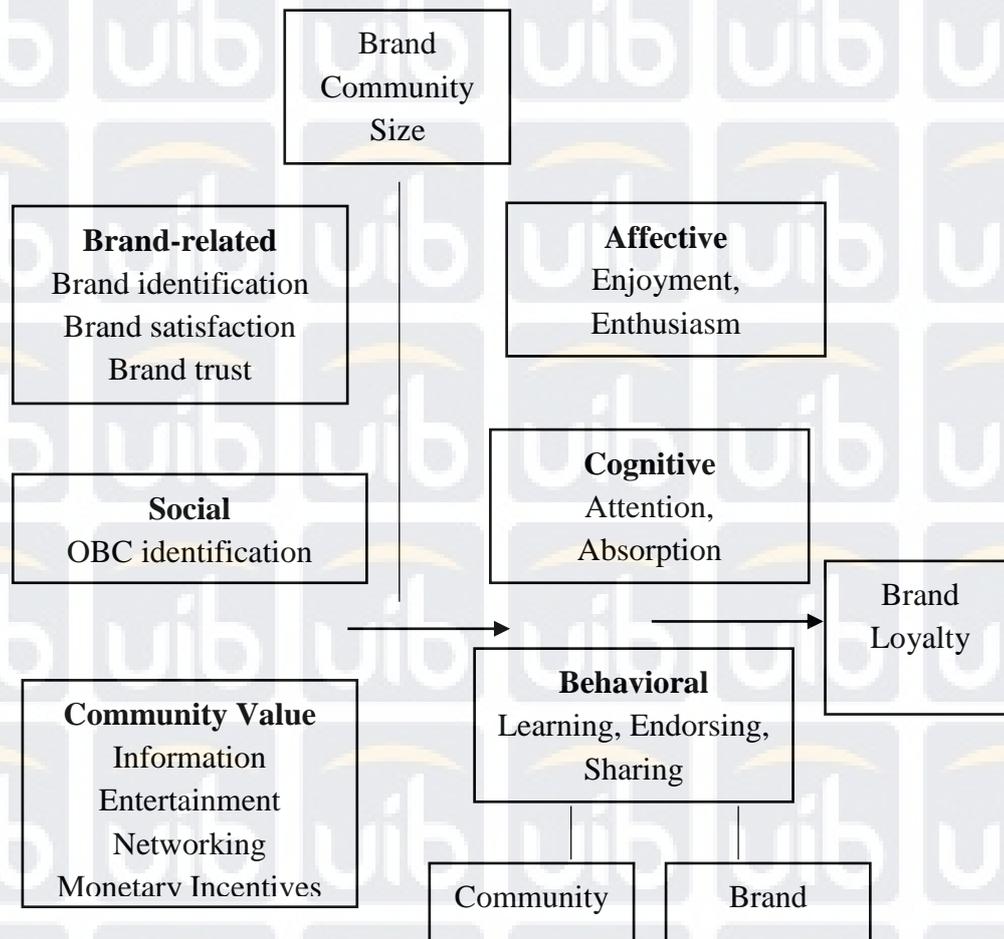


Figure 2.3 Research model “Online Brand Community Engagement”, Source:

Morgan-Thomas (2015)

Laroche et al. (2016) create a research in order to find out how social media marketing based on brand communities create relationship with customer that eventually will lead to brand loyalty. Data were collected using online

questioner spread over Facebook, Myspace, Twitter and the audiences that fill those are people who are a member of particular brand communities.

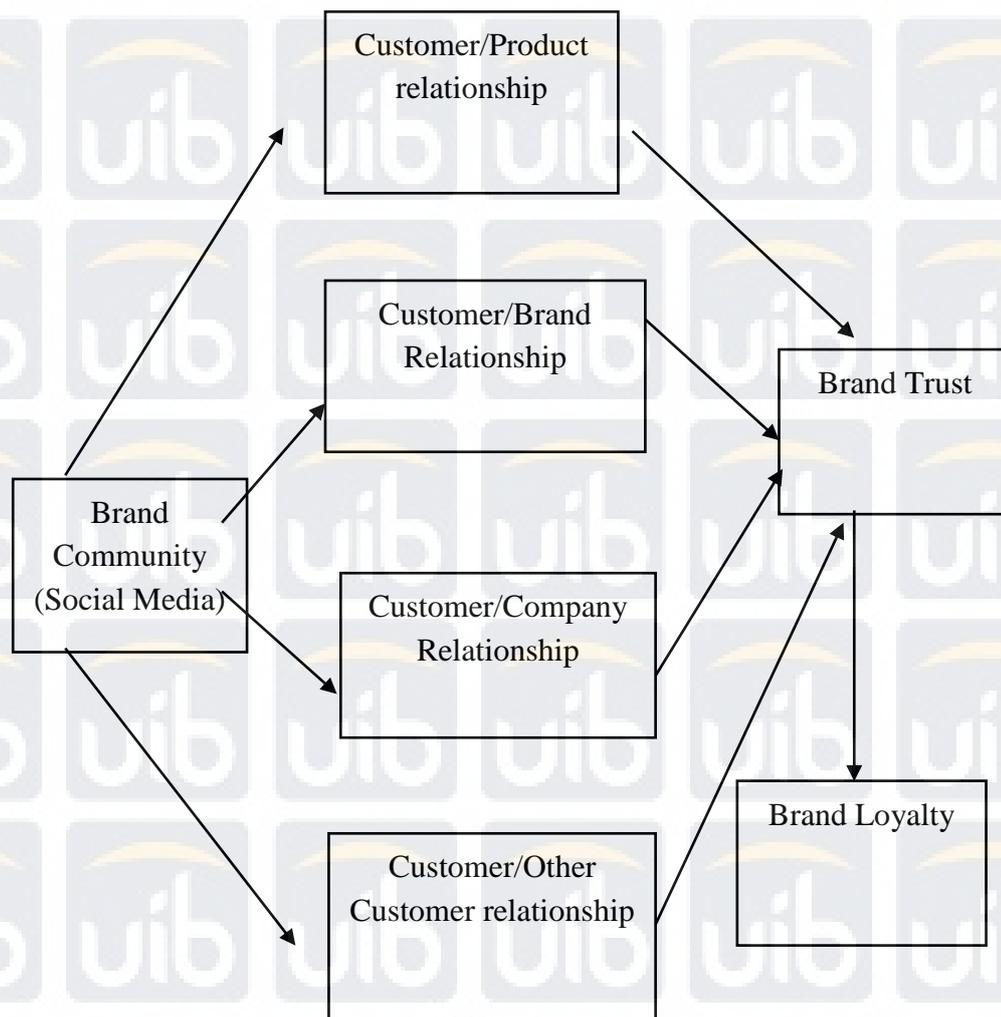
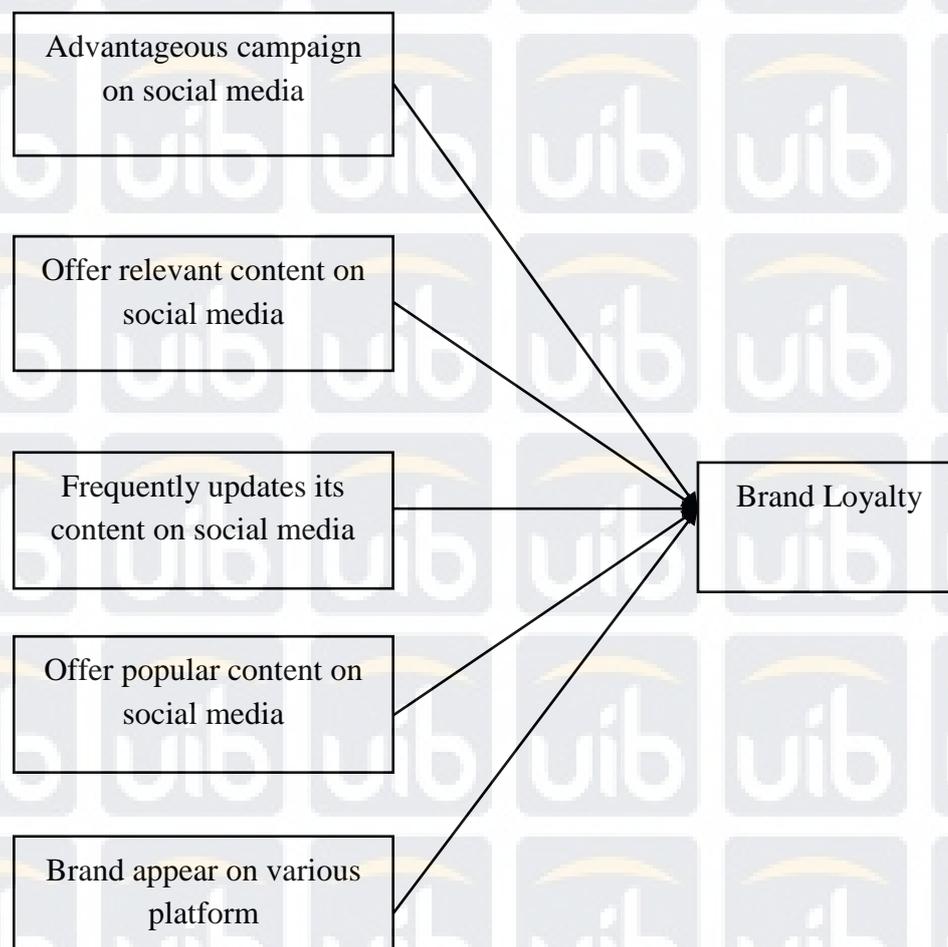


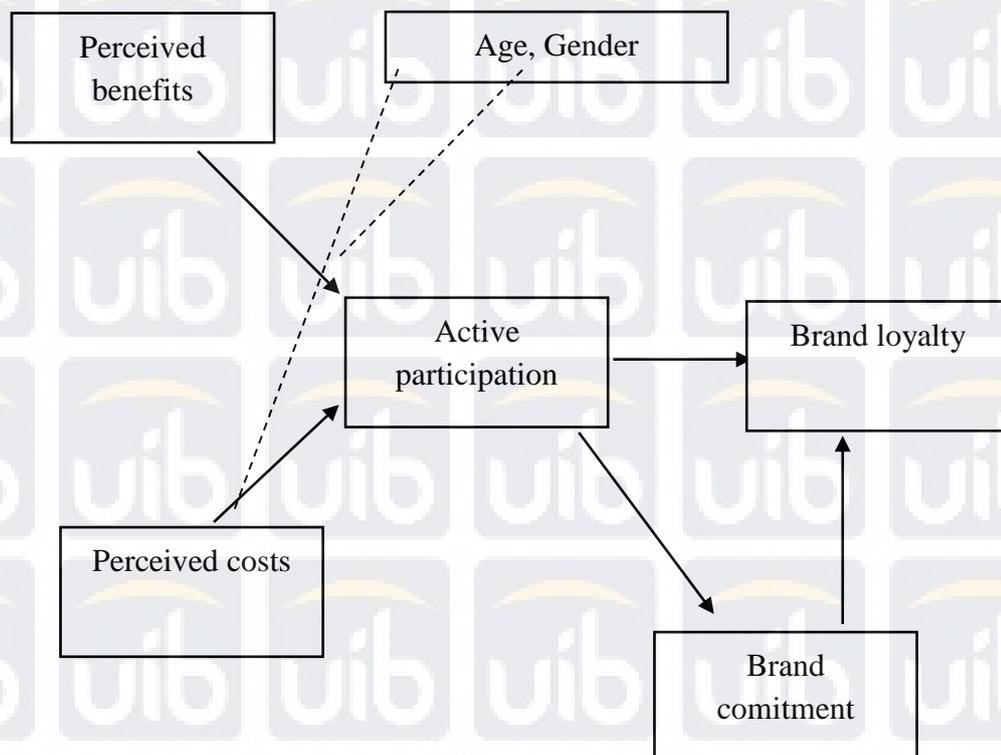
Figure 2.4 Research Model “How brand loyalty is affected by social media brand”, Source: Laroche et al. (2016)

Erdogmus and Çiçek (2012) this study aim to understand the effect of social media marketing on brand loyalty from perspective of the customers. Data was collected through the administration of a structured questionnaire with a sample of 338 people who were social media users, and followed at least a brand on social media platforms.



*Figure 2.5* Research model “The impact of social media marketing on brand loyalty”, Source: Erdogmus and Çiçek (2012)

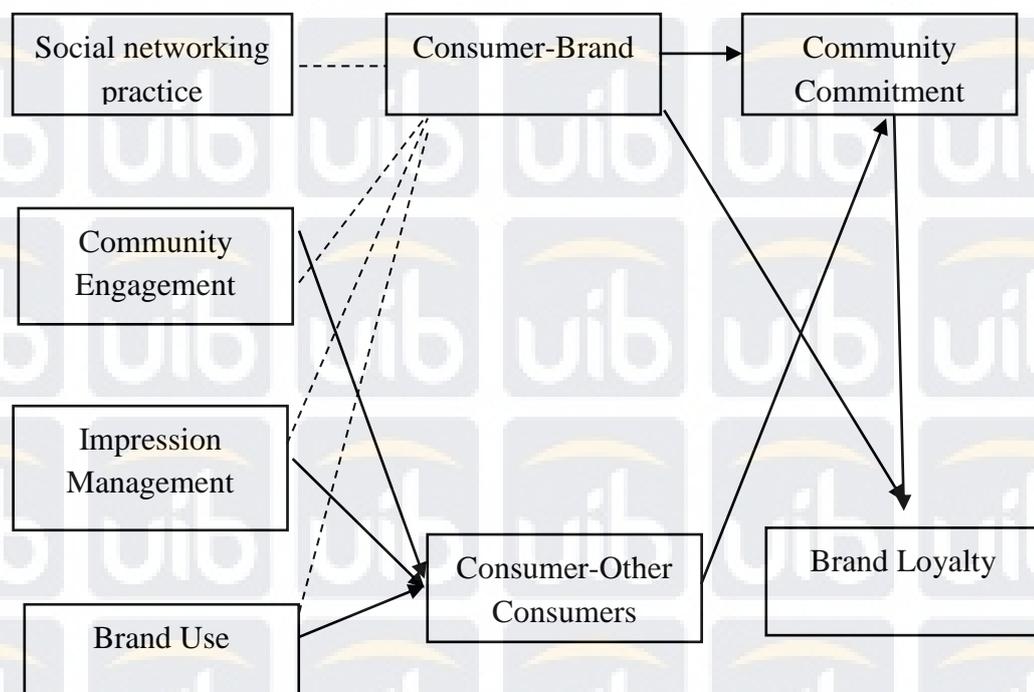
Kamboj (2016) in his research he aims to find out usefulness of social media toward creating brand loyalty with the inclusion of few other element such as perceived benefit, perceived cost, age, gender and active participation. Questionnaires were distributed among 176 postgraduate and undergraduate students in IIT Roorkee in India.



*Figure 2.6* Research model “The influence of user participation in social media based brand communities on brand loyalty: Age and gender as moderator”,

Source: Kamboj and Rahman (2016)

Luo, Zhang and Liu (2015) created a study to find out how is the relationship marketing or building consumer relationship with social media in this rapidly growing popularity on social media. Responses were collected through a web-based questionnaire survey, potential respondent were recruited from online community of Chinese mobile phone brands based on Sina Weibo.



*Figure 2.7* Research Model “The effect of value co-creation practices on building harmonious brand community and achieving brand loyalty”, Source: Luo, Zhang and Liu (2015)

Godey et al (2016) conduct a research with the objective to systematically and comprehensively examine the influence of social media

marketing on customer responses through brand loyalty creation. The data were collected from costumers and followers of luxury brand with significant social media interaction.

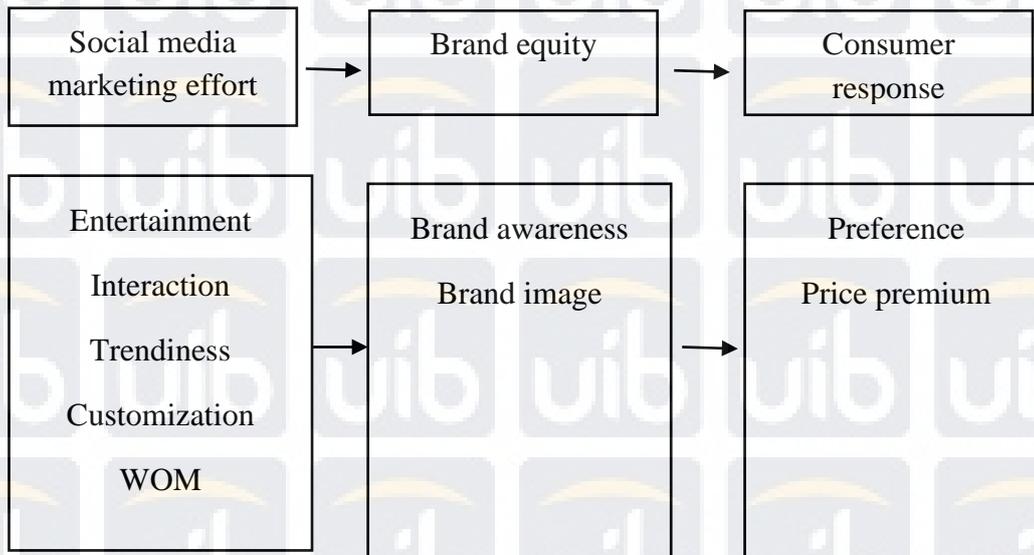
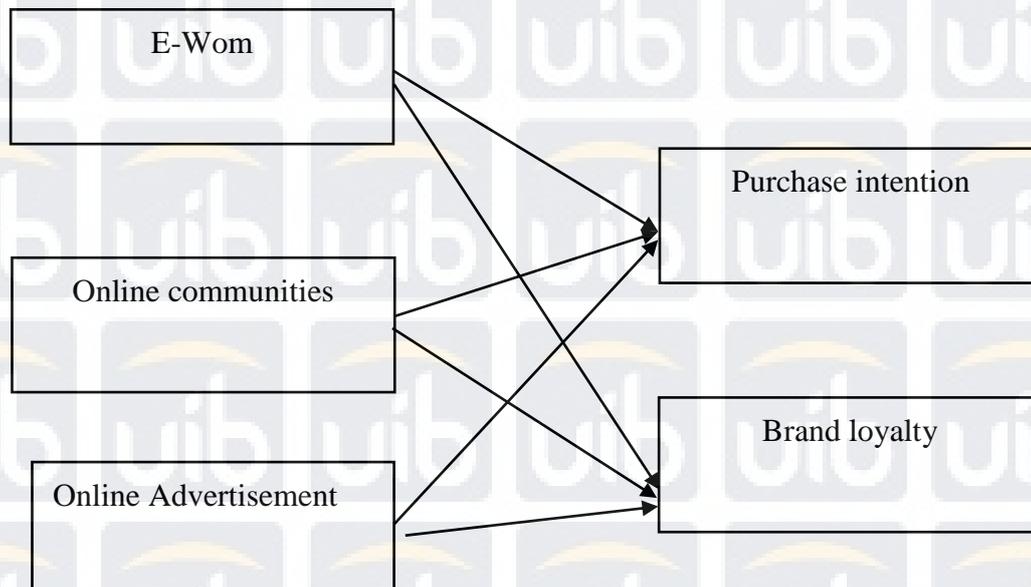


Figure 2.8 Research Model “Social media marketing effort of luxury brands”,

Source: Godey et al (2016)

Balakrishnan (2014) conduct a research to examine the role of online advertisement, online communities, and E-wom influencing consumer’s brand loyalty and intentions to purchase. Sample were collected of 200 students at University Malaysia Sabah. The questionnaires were distributed to undergraduate students in university dormitories.

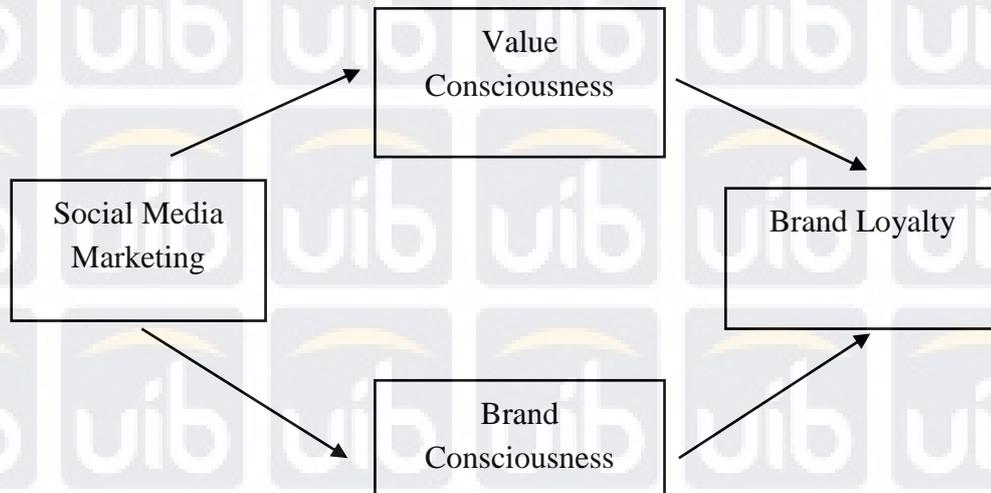


*Figure 2.9* Research model “The Impact of E-WOM, Online Advertisement, and

Online Communities toward Purchase Intention and Brand Loyalty”, Source:

Balakrishnan (2014)

Ismail and Nguyen (2018) This research investigate the impact of social media marketing activities on brand and value consciousness. It further examines the effect of social media usage on materialism, brand consciousness and conspicuous consumption, as examining materialism-centric behavior is becoming important in a consumption based economy



*Figure 2.10* Research model “The impact of perceived social media activities on brand loyalty”, Source: Ismail and Nguyen (2018)

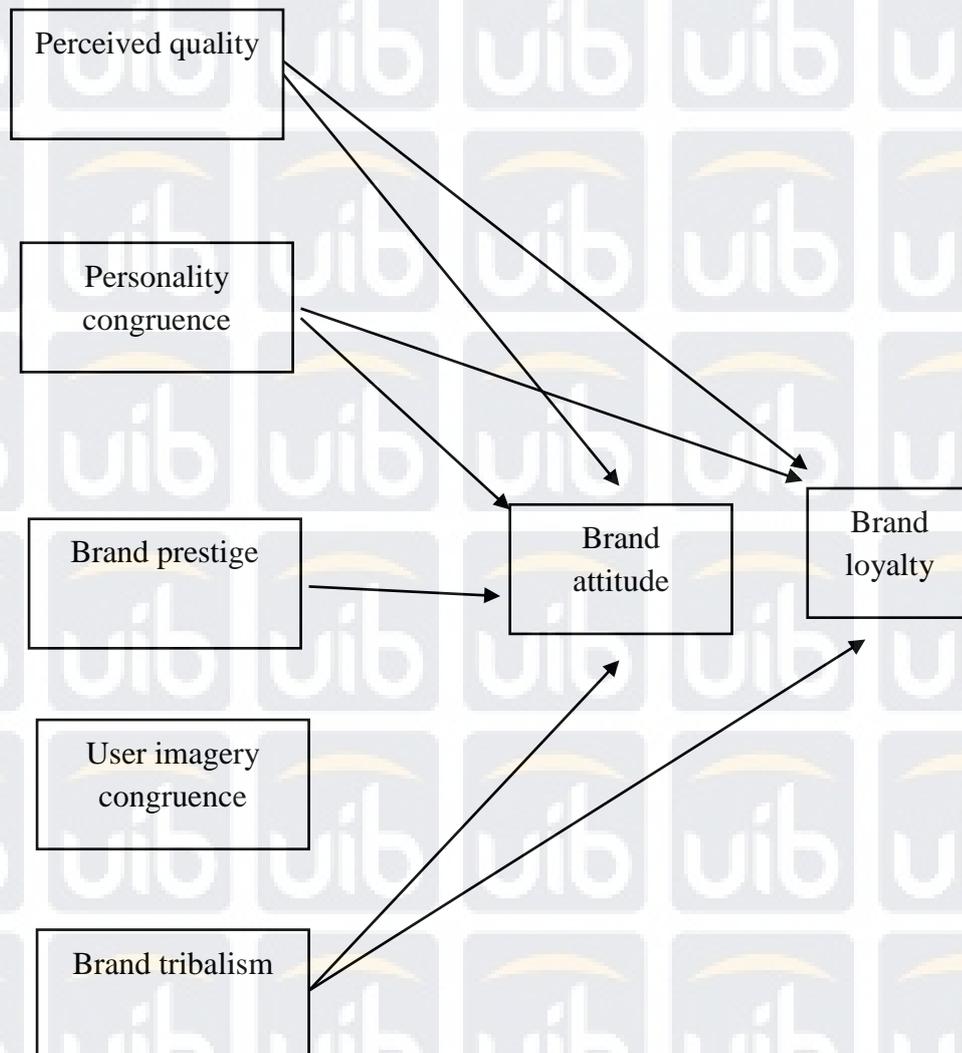
Harrigan et al (2017) conduct a research in order to investigate the nature of customer engagement with tourism social media brands and eventually will it lead to loyalty intention to those brands



*Figure 2.11* Research model “Customer engagement with tourism social media brands”, Source: Harrigan et al (2017)

Esmaeilpour (2015) create a research paper to determine how to build strong brand loyalty and brand equity. The data was derived from a sample of

Islamic Azad University students. The relative homogeneity of students in terms of their age, intelligence and income



*Figure 2.12* Research Model “The role of functional and symbolic brand associations on brand loyalty”, source: Esmaeilpour (2015)

Ferreira (2015) create a research to examine relationship of product involvement, price perceptions, and brand loyalty. Data were collected from all

individuals with grocery shopping responsibilities. The study involved the distribution of 2.000 questionnaires in two shopping malls in the center of Portugal.

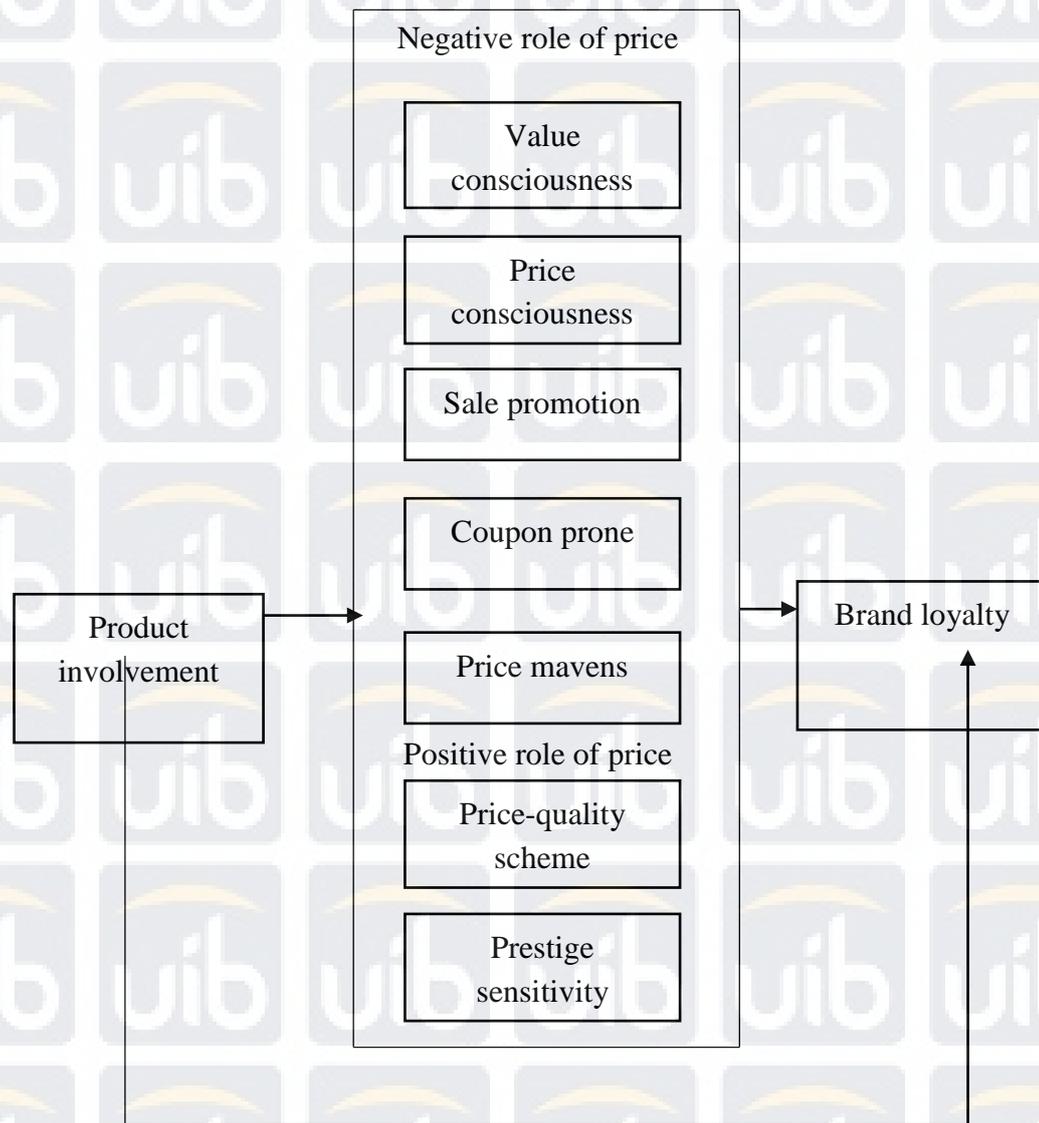


Figure 2.13 Research model “Product involvement, price perceptions, and brand loyalty”, source: Ferreira (2015)

Rubio (2015) study aim to analyze consumer attitude to increase understanding of relationship between SB (Store brand) consumption and loyalty also examine the moderating role of SB value for money. Data were collected through self-administered questionnaires, students in the last year of postgraduate study in marketing with training in market research approached consumers at store exits

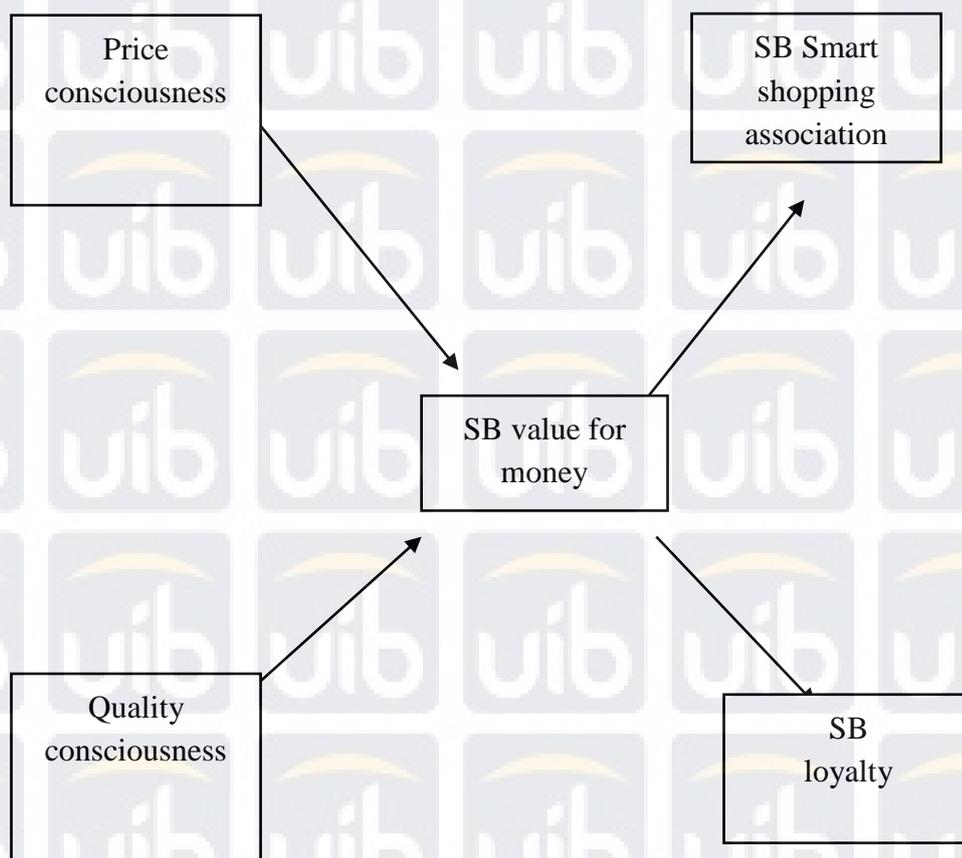
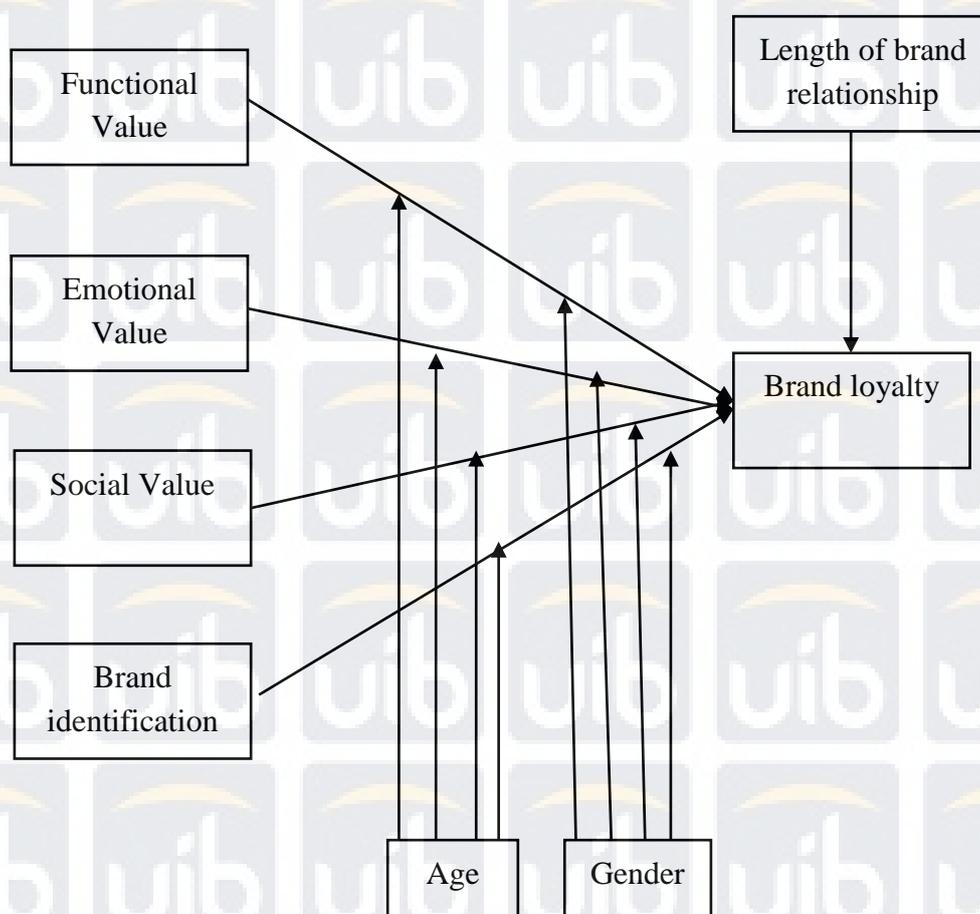


Figure 2.14 Research mode “Understanding brand loyalty of the store brand’s customer base”, source: Rubio (2015)

Yeh (2016) conduct research to examine the relation of value consciousness and brand identification on brand loyalty with the involvement of age and gender different. Online survey was created to collect data from smartphone users from Taiwan.



*Figure 2.15* Research model “Predicting smartphone brand loyalty”, source: Yeh (2016)

## 2.2 Dependent Variable Definition

According to Mowen (2010), brand loyalty is defined as the degree to which a customer holds a positive attitude toward a brand, has a commitment to it,

and intends to continue purchasing it in the future. As such, brand loyalty is directly influenced by the customer satisfaction dissatisfaction with the brand.

Brand loyalty is a consumer's preference to buy a particular brand in a product category. It occurs when consumers perceive that the brand offers the right product features, images or level of quality at the right price. This perception may translate into repeat purchase resulting in loyalty. Brand loyalty is therefore related to a customer's preference and attachment to a brand. It may occur due to a long history of using a product and trust that has developed because of the long usage.

Tariq and Nawaz (2013) also define that brand loyalty as the close relationship customer have toward a particular brand that is proven by repeat purchasing from customer create sense of brand loyalty and created a preference toward a particular brand. So by creating brand loyalty there is a high chance that company to create re-purchase intention for customer therefore can boost the very own sales and growth of the company, and understand the way to achieve brand loyalty become really important for companies which is more apparent in this huge competitive time.

While according to Freddy Rangkyu (2009: 60) Brand loyalty is a measure of consumer loyalty to a brand. Brand loyalty is the core of brand equity which is a central idea in marketing, because this is a measure of the relationship

of a customer to a brand. If brand loyalty increases, the vulnerability of a group of customers from a competitor's attack can be reduced. This is an indicator of brand equity related to future earnings because brand loyalty can be directly interpreted as sales in the future.

While according Aaker (2010) defines brand loyalty as a measure of the relationship of consumers to a brand. This measure is able to give an idea of whether a consumer might switch to another brand offered by competitors, especially if there is a change in the brand, both concerning prices and other attributes. A consumer who is very loyal to a brand will not easily move his purchase to another brand, no matter what happens to the brand.

## **2.3 Relation between Variables**

### **2.3.1 Social Media Marketing Activities and Brand Loyalty**

Social media marketing is “a broad category of advertising spending, including advertising using social network, virtual worlds, user-generated product reviews, blogger endorsement, RSS feeds of content and social news sites, podcasts, games, and consumer generated advertising” (Tuten, 2008). Social media marketing activities are subset of online marketing activities that complete traditional Web-based promotion strategies, such as e-mail newsletters and online advertising campaigns (Barefoot & Szabo, 2010).

According to Akar and Topcu (2011), social media, in a way, converts consumers into marketers and advertisers, who generate, edit, and share online information about companies, products, and services. That may attracts attention and encourages online users to share it with their social networks; through social media, company can keep connected with their customer and build relationship.

According to Lee et al. (2014), those perceived relationship benefits can boost customers' satisfaction, generate positive word-of-mouth, and build brand loyalty through brand community.

Social media is not only the place for people to connect with others, it has also become a communication center to promote company goods and services which enable company to communicate with them. With more and more engagement and information involve it is believed that social media marketing activities can boost brand loyalty.

### **2.3.2 Brand Consciousness on Brand Loyalty**

According to Aaker (2009), brand consciousness is the ability of customer to remember and have a deep impression about a particular product.

Brand equity is primarily constructed by laying a base of brand perception - finally forming affirmative brand images - and is finally maximized by high grades of brand commitment. Brand awareness and perception still is a significant

component to leverage buying decision, this interprets why product with higher brand awareness will have a higher market share and product value.

Stronger the brand equity and awareness contributes to increase of brand preference, willingness to pay a premium price and customer loyalty (kim and ko, 2012). Brand consciousness is crucial for the communication process to create brand loyalty because for a customer to buy a product or have any connection they need to know it first. In addition, by having brand consciousness it can later be used to build that brand and the perception value behind that brand to create loyalty.

### **2.3.3 Value consciousness on brand loyalty**

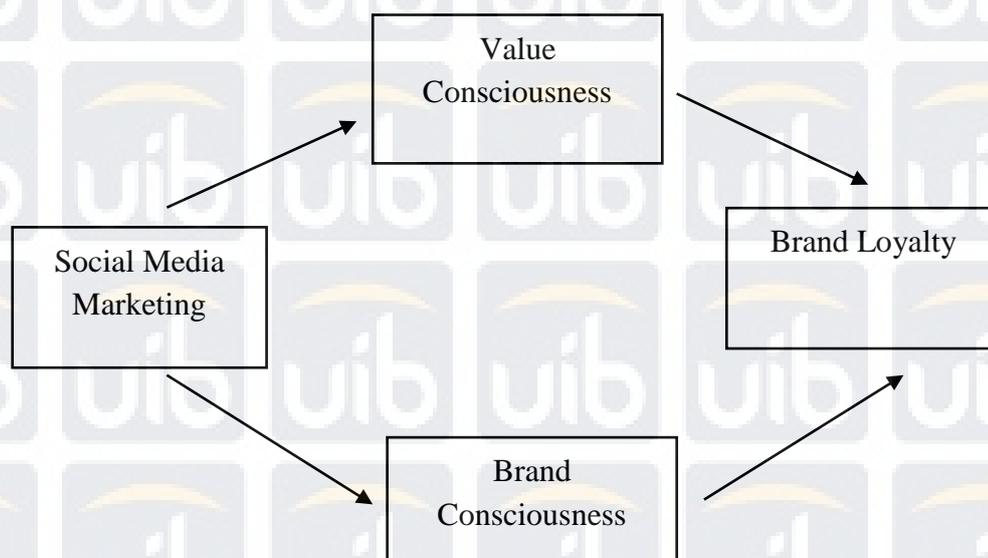
According to Berman and Evans (2010) value consciousness is a complete view about the benefit that they get from a purchase. Value consciousness is based on the perception that the benefit that you get must worth the price that it asked for. Because when customer are looking to buy a particular product to satisfied their needs they will compare with other brand to ensure that they get the best product that are well suited the price that it asked for.

This is certainly very crucial for company that wants to create brand loyalty because the concept of value consciousness makes brand loyalty harder to create because it is hard to keep a customer to stay on a particular brand. Because if other brand offer better value over the price customer will move from the origin

brand toward others. According to (Lichtenstein et al., 2011) Value consciousness is defined as “a concern for paying low prices, subject to some quality constraint” in which case mean people who are value consciousness have a tendency of knowing that if they go with a lower price product there may be a subject to some quality or features loss.

#### 2.4 Research Model and Hypothesis

From the reasoning above, writer developed hypothesis model is as follow:



*Figure 2.16* Research model “Analysis on Influence of Social Media Marketing Activities on Brand and Value Consciousness That Lead to Brand Loyalty”,

Source: Ismail (2017).

Based on theory research model above hypothesis for this research is as follow:

**H1:** Social media marketing have a positive influence on brand consciousness that lead to brand loyalty

**H2:** Brand consciousness has a positive influence on brand loyalty

**H3:** Social media activities has a positive influence to value consciousness that lead to brand loyalty

**H4:** Value consciousness has a positive influence to brand loyalty.