Value Consciousness As A Mediation To Brand Loyalty On The Indonesian Retail

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Abstract

This research aims to: 1. analyze perceived social media marketing that directly affects brand loyalty, 2. Analyze perceived social media marketing influence on brand loyalty mediated by value consciousness. The data analysis technique uses Structural Equational Model (SEM) with PLS. The results of this research prove: 1. perceived social media marketing that directly affects brand loyalty, 2. Perceived social media marketing influence on brand loyalty mediated by value consciousness. The novelty of this research is that the value consciousness can increase brand loyalty. The findings of this study may contribute to consumer behavior models, at Indonesian retails and Triple duties.

Keywords: Perceived social media marketing, value consciousness, and brand loyalty

1. Introduction

Brand loyalty is a very important strategy considered by business people such as retail crime Assael, H. (1998). Why is that because loyal customers in a brand will provide for the retail share, making the company/retail can develop business and overcome difficulties. Some studies show that consumers who are loyal to some products are only 55% and the remaining 45% cannot be loyal, (Kotler 2014); Engel James F, Roger D Blackwell, Paul W. Miniard, (1994); (Peter & Olson, 1944). This condition is an opportunity for customers because they can still fight over loyal customers. Various methods are used by businesses to keep the business loyal. Need business help about customer protection, several theories put forward brand loyalty. Brand loyalty is loyalty, buying back a product or service with the same brand, (Kotler&Keller 2014). Consumer loyalty in making a shop can influence the social media used today, social media such as Facebook, histograms, and lines that are widely used by consumers in introducing their business. The problems that arise are the number of loyal customers in online stores because online shopping is driven by social media activities that collect products or services, upload images of attractive products by companies so that the desired product or service is not desired as expected customer expectations. Besides the products or services that are less profitable.

Research published by (Ismail, AR 2016) proves the perception of social media marketing can influence brand loyalty. (Thielemann, Ottenbacher, & Harrington, 2018) proves the perceived value affects customer loyalty in restaurants. The value of awareness increases in brand loyalty (Jung & Seock, 2016) apply in other fields in the online store.

1.1 Research Question
a. What is perceived as social media marketing activities will have a positive effect on brand loyalty?
b. What is Value consciousness will mediate the relationship between perceived social media marketing and brand loyalty?
2. Theoretical background and hypotheses

2.1 Perceived social media relations marketing activities and brand loyalty
Perceived social media marketing activities are related to information trust, trust in the content of information and always seeking information in online stores (Ismail, 2017). Some previous studies, namely (Ismail, 2017) prove that perceived social media marketing can influence brand loyalty. It is not always the case but perceived social media marketing can influence brand loyalty mediated by value conciseness (Serra-Cantallops, Ramon-Cardona, & Salvi, 2018); (Wang & Li, 2012); (Moslehpour, Wong, Van Pham, & Aulia, 2017).

2.2 The relationship of perceived social media marketing to value consciousness
Value consciousness related to reviews in online stores is useful, getting reviews are easier in online stores, and looking at reviews in online stores without spending money (Ismail, 2017) proves that perceived social media marketing can influence brand loyalty mediated by value conciseness (Stojanovic, Andreu, & Curras-Perez, 2018).

2.3 The value of value related to brand loyalty
Brand Loyalty relates to online store advertisements, makes consumers intend to buy the product again, reviews in online stores, encourage consumers to repurchase the product, recommend friends to use online stores, and commit to buying information-seeking products in online stores (Ismail, 2017); (Thielemann et al., 2018); Erdogmus, I. & Turan, IB (2012); (Davis & Hodges, 2012); Ryu, K., Heesup H., Kim TH (Ismail, 2017) prove that Value Consivity affects brand loyalty, (Wang & Li, 2012).

2.4 Hypothesis

H1 Perceived social media marketing activities will have a positive effect on brand loyalty.

H2 Value consciousness will mediate the relationship between perceived social media marketing and brand loyalty.

3. Material and Methods

The populations in this study were all consumers of three retails online: Bukalapak.com, Lazada.com, Blibli.com. The samples are some consumers Indonesia retails online; Bukalapak.com, Lazada.com, Blibli.com. The sample amount in this research is one hundred respondents. The sampling technique is using purposive samples. In this research, instrument testing is done with validity and reliability testing. Validity testing is done by using 1. Convergent Validity test, the score is expected > 0.7, 2. Discriminant Validity Test is done by comparing loading value on target value must be bigger than loading value with another variable, 3. Average Variance Extracted (AVE), the score is expected > 0.5.
The reliability test in research is done by the composite reliability test, it is said to be reliable if the composite reliability score is $\geq 0.7$. The result of the validity and reliability test in research is all of the indicators valid and reliable. The data analysis technique uses Structural Equational Model (SEM) with Smart PLS 3.0 Program.

4. Result And Discussion
Descriptive research shows the following results.

<table>
<thead>
<tr>
<th>Table 1. Primary data source processed</th>
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<tbody>
<tr>
<td>Statement item</td>
</tr>
<tr>
<td>Perceived Social media marketing $(X_1)$</td>
</tr>
<tr>
<td>1. I trust information in online stores</td>
</tr>
<tr>
<td>2. I trust the contents of the information in online stores</td>
</tr>
<tr>
<td>3. I happened to be looking for information on an online store</td>
</tr>
<tr>
<td>Value consciousness $(Z_1)$</td>
</tr>
<tr>
<td>1. Reviews on online stores are useful for me.</td>
</tr>
<tr>
<td>2. I find it easier to get a review on an online store</td>
</tr>
<tr>
<td>3. I see reviews in online stores without paying a fee</td>
</tr>
<tr>
<td>Brand loyalty $(Y)$</td>
</tr>
<tr>
<td>1. Online store advertisements, I intend to return to buy the product again.</td>
</tr>
<tr>
<td>2. Reviews in online stores spurred me to buy back the product</td>
</tr>
<tr>
<td>3. Recommend friends to use online stores</td>
</tr>
<tr>
<td>4. Commitment to buy a product looking for information in an online store</td>
</tr>
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</table>

Quantitative analysis as follows

Figure 1
4.1 Hypothesis Test

Hypothesis Test 1

4.1.1 The test; The influence of antecedent brand loyalty variable. There are three kinds of path coefficient tests as follows:

Based on figure 4.1 can be seen that the perceived social media effect directly to brand loyalty is 0.519 (P-value = 0.000). It is said that the perceived social media has a positive effect to brand loyalty (H1 is proven/H1 is accepted).

Perceived Social media marketing (X1) relates to trusting information in online stores, trusting the contents of information on online stores and always looking for information on online stores. If trust is built well on online stores on social media, it can increase brand loyalty to online stores. This study supports the research (Ismail, 2017) that proves that perceived social media marketing can influence brand loyalty.

Hypothesis Test 2

4.1.2 Value consciousness as Mediation to brand loyalty in Indonesia online stores

The processed data shows all significant paths

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Ph</th>
<th>Formation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y</td>
<td>519</td>
<td>0.00</td>
<td>p</td>
</tr>
<tr>
<td>Z</td>
<td>372</td>
<td>0.00</td>
<td>p</td>
</tr>
<tr>
<td>Y</td>
<td>392</td>
<td>0.00</td>
<td>p</td>
</tr>
</tbody>
</table>

All significant path coefficients can be said to be perceived as social media effects directly to brand loyalty or can be indirectly mediated by value concavity, it needs to be questioned whether the value of full mediation or partial mediation, then processing again is as follows.
The processed data shows that the second processed path coefficient shows the first X to Y model is smaller than the second model X to Y (0.519 < 0.670), then value consciousness is expressed as partial mediation. This means that in addition to the perceived social media can increase customer brand loyalty, if added value variables, it will increase the brand of positive consumer loyalty that is more public. In this case, the online store needs to pay attention to value consciousness. This study supports the results of the study (Ismail, 2017) proving that perceived social media marketing can influence brand loyalty mediated by value Consivity.

**Determination Coefficient (R square)**
- Value consciousness \( (R^21) = 0.139 \)
- Brand Loyalty \( (R^22) = 0.575 \)

\[
Q^2_{predictive relevance} = 1 - (1 - R^21)(1 - R^22) \\
= 1 - 0.139 \cdot 0.575 \\
= 1 - 0.061 \cdot 0.425 \\
= 0.6340
\]

\(Q^2 = 63.40\% \) which means perceived social media and value consciousness contribute 63.40\% towards brand loyalty consumers. The rest which is 36.60\% is affected by the others variable.

### 5. Conclusion

The results of this study can contribute to online shops that can understand the consumers, so that online stores can make the right strategy so that consumers are loyal to the store brand and are pride for consumers when they can shop at the store. Advertisements on online stores, which are displayed on social media so that customers want to buy products at online stores, reviews in online stores, spur customers to repurchase the product, how to make customers recommend friends to use an online store, creating consumers is committed to buying a product and looking for information on an online store.

The limitations of this study are that it cannot control consumers to fill in the exact data, because consumers’ perceptions vary in giving responses. Future research. The results of processed data that the PLS model can detect or fit the model quite well, this model can be applied to other online stores, however, for the future researcher can add other variables besides this research variable. Future research should look into the comparison between the online shop and offline shop.

### References

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43 | Proceeding Book 7th Asian Academic Society International Conference 2019