The Effect of Perceived Social Media Marketing Activities on Brand Loyalty in the Fast Fashion Industry the Mediation Effect of Brand and Value Consciousness

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Abstract

Social media has become an important platform for online marketing events. This media is used to establish a better relationship with customers. While many previous studies have examined social media, only a few have explained the effects of social media marketing activity. This study aimed to determine the impact of perceived social media marketing activity on brand loyalty, value consciousness, and brand consciousness. To empirically test the effects of social media marketing activities, this study conducted an online survey of social media users for data analysis then, to estimate the variables' relationships in the model, structural equation modeling with AMOS 26 is used. The results showed that perceived social media marketing activities had a negative effect on brand loyalty.

I. Introduction

The rise of social media has reflected people's need for interpersonal interactions. Social networking sites have brought social activities into the online virtual world. For example, real-time texting facilitates information sharing and online social contacts among people. This phenomenon suggests companies use social media as an important part of their online marketing strategies. Social media marketing is defined as commercial marketing events or processes that use social media in an attempt to positively influence consumers' purchase behavior (Dann, 2010).

Social media is an example of a relatively recent development of information technology (Marbun *et al*, 2020). One of the social media platforms that has a fairly wide reach in Indonesia is Instagram. With the number of users who are approaching the one billion mark worldwide, Indonesia ranks third for the number of reaches that can be achieved. 63 million are all Instagram users in Indonesia. Compared with the total population of internet users in Indonesia, this portion reaches a third of the population. That means that three out of ten people who use the internet in Indonesia can be reached using Instagram (https://wearesocial.com, 2020).

According to Kim and Ko (2012) in their research on social media marketing, a study by DEI Worldwide (2008) provides the following statistics: 70% of consumers have visited social media sites to get information; 49% of these consumers have made purchasing decisions based on the information they find through social media sites; 60% said they tend to use social media sites to share information with others online, and 45% of those seeking information through social media sites engage through word of mouth. Based on these facts, it can be proven that social media currently has a considerable influence on business, both for business and consumers, especially in industries that are quite close to end-users.

Based on data from wearesocial.com, many industries have a fairly high velocity of money, including travel, fashion, followed by electronics, and food. The interesting thing here is the fashion industry because it is very close to the daily activities of Indonesian people. The development of social media also encourages new behavior in society, namely ordering or buying fashion products online. Besides being more practical, discounts are often offered on various occasions by buying fashion products online, either through the application or web store of the fashion brand. Based on data from CNBC Indonesia (2019), the development of the fashion industry can contribute around 18.01% or Rp. 116 trillion to the creative economy which in other words, fashion is also one of the pivots of the Indonesian economy and regulations and wage policies have a significant effect on employment and Indonesia's GDP.

Talk about fast fashion, according to thegoodtrade.com Fast fashion itself is a design, manufacturing, and marketing method that focuses on producing large quantities of clothing quickly. The fast-fashion concept has spawned many well-known brands in this industry, such as H&M, Uniqlo, Stradivarius, Mango, and many more. These brands have even become so global that they have penetrated the domestic market, and not only that, these brands have attracted the interest of Indonesian fashion lovers who are indeed more pocket-friendly, especially young people who like to express themselves, especially about the trending things.

This research refers to the journal written by Ismail (2017) about how social media can affect brand loyalty. Ismail's research (2017) examines the impact of social media marketing activities on brand loyalty, using value consciousness and brand consciousness to explain the relationship between social media marketing and brand loyalty. In addition, Ismail's research (2017) explains that awareness of value consciousness is negative towards brand loyalty. But that statement cannot fully be corrected since there is other literature such as Ismail's (2020) literature that explains that value consciousness has a positive effect on brand loyalty. The difference between the two studies can be used as a reference for conducting similar research by examining the relationship of social media marketing to brand loyalty in the fast-fashion brand.

Based on the background of the problem, the hypotheses which are proposed are:

H1. Perceived social media marketing activity has a positive effect on brand loyalty.

H2. Perceived social media marketing activity has a positive effect on brand consciousness.

H3. Perceived social media marketing activity has a positive effect on value conscientiousness.

H4. Brand consciousness has a positive effect on brand loyalty.

H5. Value consciousness has a negative effect on brand loyalty.

H6. Value consciousness mediates the relationship between perceived social media marketing activity and brand loyalty.

H7. Brand consciousness mediates the relationship between perceived social media marketing activity and brand loyalty.

II. Research Method

This research is included in basic business research or is often mentioned as pure research, Based on the type, this study seeks to identify cause-and-effect relationships (Zikmund, 2003). This research is quantitative because the connection between variables is measured numerically using structural equation modeling (SEM).

The level used for all variables in this study is the interval level, namely the level of measurement that shows the same distance and a clear difference on the scale (Zikmund, 2003). The alternative answers provided for the interval level are arranged based on a 5-point Likert scale which is carried out by giving an assessment to a series of statements based on adjectives measured on a five-level scale. Points 1 to 5 indicate that the higher the number chosen, the more positive the respondent's assessment of the statement submitted, on the contrary, the lower the number chosen, the more negative the respondent's assessment of the statement.

The population in this study includes male and female consumers of the fast-fashion brand who have the characteristics of those who are followers of the social media brand fast fashion and, have purchased and used products of the fast-fashion brand at least once a year to represent the population. The sampling technique in this study uses a non-probability sampling technique with the type of sampling in this study being snowball sampling (Sugiyono, 2017). The age of the respondent is at least 17 years with a total of 150 respondents.

III. Results and Discussion

Validity and reliability tests were done by using the help of SPSS statistic software version 26 for the Windows operating system. All indicator from each variable shows the value of Pearson Correlation > 0.5 (valid) and every variable has Cronbach's Alpha value > 0.6 (reliable). All data from 150 respondents are analyzed by using a structural equation model (SEM) whereas there are 2 stages of tests. The first stage is the measurement model for the whole construct variable and each indicator by using 5 indexes of goodness-of-fit. Below is the result of the measurement model.

Table 1. *Goodness of fit Structural Model*

No.	*Goodness-of-Fit*	**Matching Criteria**	**Result**	**Explanation**
1	CMIN/DF	CMIN/DF ≤ 2.00	1.378	Good Fit
2	RMSEA	0,05 ≤ RMSEA ≤ 0.08	0.050	Good Fit
3	GFI	GFI ≥ 0.90	0.853	Marginal Fit
4	CFI	CFI ≥ 0.90	0.965	Good Fit
5	TLI	TLI ≥ 0.95	0.960	Good Fit

Source: Data Processing

All indices in the measurement model have shown a good fit value, so the research can proceed to the next stage, namely structural model analysis. In this model, the Good fit index research is again tested.

Table 2. *Goodness of fit Structural Model*

No.	*Goodness-of-Fit*	**Matching Criteria**	**Result**	**Explanation**
1	CMIN/DF	CMIN/DF ≤ 2.00	1.658	Good Fit
2	RMSEA	0,05 ≤ RMSEA ≤ 0.08	0.066	Good Fit
3	GFI	GFI ≥ 0.90	0.833	Marginal Fit
4	CFI	CFI ≥ 0.90	0.939	Good Fit
5	TLI	TLI ≥ 0.95	0.930	Good Fit

Source: Data Processing

After completing all data recaps from all samples received and also analyzing the measurement model of goodness-of-fit and structural model hypothesis testing can be done. This test is conducted to see how much influence one variable has on other variables. Figure 1 is the result of data processing from the structural model. The figure explains the standardized estimate value which shows how much influence the independent variable has on the dependent variable.

Next will be testing the hypothesis using IBM - AMOS software version 26 for the Windows operating system and the condition for the hypothesis to be accepted is the value of C.R value. >± 1.96. Then, the results of the C.R. and standardized estimate are presented in table 3. From the table, it can be known that there are several hypotheses that aren't supported.
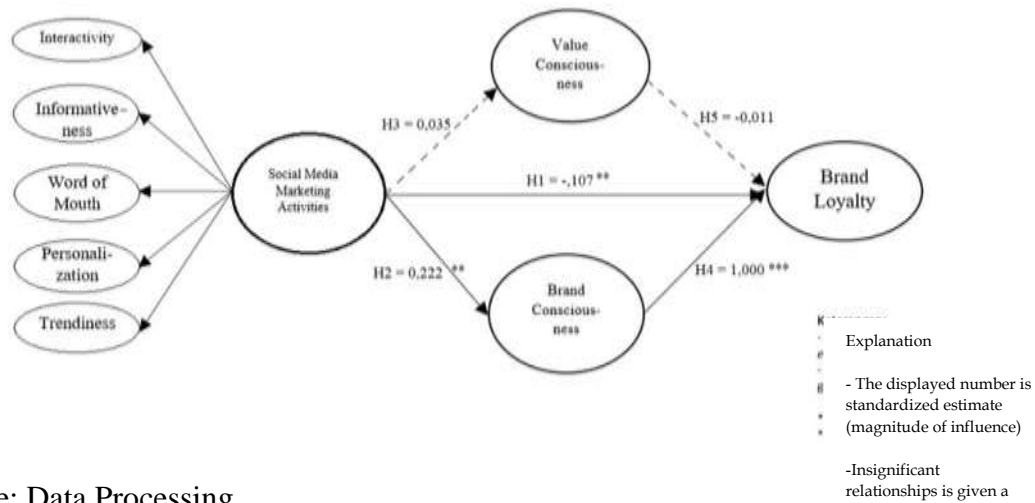
Source: Data Processing

Figure 1. Data Measurement Structural Model

Table 3. Hypothesis Testing

Hypothesis	Impact	Std. Estimate	C.R.	P-Value	Explanation
H1	SMMA → BL	-0,107	-2.238	0,025	Unsupported
H2	SMMA → BC	0,222	2,234	0,025	Supported
H3	SMMA → VC	0,035	0,378	0,705	Unsupported
H4	BC → BL	1,000	16,005	***	Supported
H5	VC → BL	-0,011	-0,248	0,804	Unsupported

Source: Data Processing

The value of the standard estimate or SE H2, H3, H4 is acceptable because it has a positive value according to the direction of the relationship between variables. H2 gets a value of 0.222. H3 gets a value of +0.035. H3 scores 1,000. Meanwhile, for H1 it gets a value of -0.107 and for H5 it gets a value of -0.011. In addition, the critical ratio (CR) H1 gets a value of -2.238 which means it is not acceptable because it is < 1.96 and the P-value is 0.025 which means it is significant. H2 got a CR value of 2.234 which means it is acceptable and its P-value is 0.025 which means it is significant. H3 gets a CR value of 0.378 which means it is not acceptable, while the P-value gets a value of 0.378 which means it is not significant. H4 has a CR value of 16.005 and a P-value below 0.001 which means it is significant. Finally, for H5, the CR value is -0.248, which means it is unacceptable and the P-value is 0.804, which means it is not significant, but H5 is said to be supported because it is in accordance with the hypothesis that VC has a negative effect

on BL. The five hypotheses that have been tested explain that H1 is not supported significantly, H2 is supported significantly, H3 is not supported significantly, H4 is supported significantly, and H5 is supported not significant (Unsupported).

Table 4. Hypothesis Testing

No.	Model	Std. Total Effect	Sig.	Std. Direct Effect	Sig.	Std. Indirect Effect	Sig.
0	SMMA‣BL	0,105	0,205	0,105	0,205	0,000	-
1	SMMA‣BC‣BL	0,118	0,225	-0,109	0,037	0,227	0,003
2	SMMA‣VC‣BL	0,112	0,193	0,147	0,131	-0,035	0,403

Source: Data Processing

There is the total effect of the three shadow models, the values obtained are not much different from values of 0.105, 0.118, and 0.112, and all three have a significant value above 0.05 which can be said to be insignificant.

The next part is the direct effect test to see the direct relationship between SMMA and BL. In model 0, the direct effect value is 0.105 with a significance of 0.205 which means to be insignificant. Next, models 1 and 2 have a direct effect of -0.109 and 0.147 with a significance for each model of 0.037 (significant) and 0.131 (not significant).

Furthermore, model 0 does not show an indirect effect. Models 1 and 2 show an indirect effect with values of 0.227 and -0.035 and each has a significance value of 0.003 (significant) and 0.403 (not significant). From this, it can be concluded that there is a mediating effect of the VC and BC variables. The VC variable has a negative effect on BL but is not significant (No Effect), while the BC variable has a positive and significant effect on BL.

Table 5. Mediation Effect Testing

Hypothesis	Impact	Effect	Significance	Explanation
H6	Value Consciousness	-0.035	0.403	Unsupported
H7	Brand Consciousness	0.227	0,003	Supported

Source: Data Processing

Table 5 shows the results of the mediation effect test, where value consciousness has an effect of -0.035 with a significance of 0.403 (> 0.05). This explains that there is no mediating effect from value consciousness because is not significant. Based on this, the sixth hypothesis (H6) is stated to be unsupported. On the brand consciousness variable, it has an effect of 0.227 with a significance of 0.003 (<0.05). This explains that there is a mediating effect produced by the BC variable, with an illustration that if there is an increase in SMMA, it will increase BC and also have an impact on increasing BL (brand loyalty). Based on these results, it can be concluded that the seventh hypothesis (H7) is supported and significant.

IV. Conclusion

Based on the result of this research and the statistical test that is done, it can be taken to the conclusion that all of the seven hypotheses which have been developed are supported and proven. The following is the overall test result and conclusion of the research.

1. Hypothesis 1 shows the negative and significant effect of the variable perceived by SMMA on brand loyalty.
2. Hypothesis 2 shows a positive and significant effect on the SMMA variable perceived brand awareness.
3. Hypothesis 3 shows that there is no significant effect of the SMMA variable on value awareness.
4. Hypothesis 4 shows a positive and significant effect of brand awareness on brand loyalty.
5. Hypothesis 5 shows a negative and insignificant effect of the value awareness variable on brand loyalty.
6. Hypothesis 6 shows that there is no mediating effect of the value awareness variable on perceived SMMA and brand loyalty.
7. Hypothesis 7 shows that there is a mediating effect of brand awareness on SMMA perception and brand loyalty.

The results of this study indicate that perceived social media marketing activities have a negative and significant effect on brand loyalty. Algharabat (2017) examines social media marketing on self-expression brands saying, brand love is the attendant variable to SMMA and brand loyalty. So it can be concluded, that in order for SMMA to have a positive effect on brand loyalty, a mediating variable is needed, namely brand love, especially in the case of brands that can express themselves, including fast fashion brands.

The results of this study also show that the SMMA variable has a positive effect on brand consciousness. This is supported by the research of Ismail (2017) and Larasati et al (2019), so that fast fashion brands' marketing activities through Instagram social media can increase brand consciousness. Today's consumers, especially young people, are more brand conscious, they perceive social media as a more reliable source of information about their brands than traditional marketing communication instruments (Ismail 2017).

The results of the next study showed that the SMMA variable had no effect on value consciousness. This is in accordance with the research of Cho et al (2006) which states that a person with value consciousness is seen as a comparison buyer, so it is expected that he will tend to hesitate and delay purchases. It is also said that value consciousness is one of the most important determinants of online shopping skepticism. It can be concluded in this study, that marketing activities through social media by fast fashion brands do not have much effect on consumers who have value consciousness.

The results of the next study are the positive effect of brand consciousness on brand loyalty. This supports the research of Ismail (2017) and Larasati et al (2019) which state that an increase in brand consciousness will have an effect on increasing brand loyalty. This result is also supported by the statement from Ahmed et al (2019), that brand consciousness has a positive impact on brand loyalty. Consumers who have high brand awareness can buy expensive branded goods and remain loyal to certain brands not because of the perception of quality alone, but because of the perception that people others may perceive it as socially positive because of the high price (Bao and Mandrik, 2004).

The results of further research indicate that value consciousness has a significant negative effect on brand loyalty. Brouthers and Xu (2002) research previously showed that compared to consumers in developed markets, consumers in emerging markets tend to be more value-conscious and more price-sensitive due to their relatively lower purchasing power and the higher price elasticity of demand (Ismail, 2020). Consumers will tend to choose alternative brands with lower prices with relatively the same quality limits as other fast fashion brands. This means that consumers will tend to choose cheaper fast fashion brands with relatively the same quality and can be loyal to these fast fashion brands. This is also known from the research sample which shows that some respondents are value-conscious but loyal to one fast-fashion brand.

The recommendation that can be given to fast fashion brands is to continue to improve their branding strategy on social media to attract new customers, especially customers with brand consciousness. Based on the results of this study, consumers who are aware of the brand will be loyal to a fast fashion brand, and the impact of the influence of social media marketing activities also supports this. Therefore, fast fashion brand actors must use social media as a means of marketing activities to raise the brand image, brand strength, and brand awareness. The stronger the marketing activities that occur on the social media accounts of these fast fashion brands, the more loyal their consumers will be.

The next recommendation for value consciousness consumers. In accordance with the results of this study which says that value-conscious consumers are not loyal. Value-conscious consumers are essential for marketers to target in today's uncertain economy, where everyone is seen as a value shopper. According to Forrester Research, price is a more important driver in consumer purchasing decisions (Dunnhumby, 2014). In this case, fast fashion brands can provide special prices or special promos to increase consumer loyalty, especially those who are aware of the value added by adjusting product quality.

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