

THE IMPACT OF SOCIAL MEDIA MARKETING ON BRAND LOYALTY: THE MEDIATION EFFECT OF BRAND-VALUE CONSCIOUSNESS TOWARDS ADIDAS BRAND IN INDONESIA

Archie Edrick Hermanus

**Fakultas Bisnis dan Ekonomika, Universitas Surabaya
hermanus.archie@gmail.com**

Silvia Margaretha

**Fakultas Bisnis dan Ekonomika, Universitas Surabaya
silvimargaretha74@gmail.com**

Indarini

**Fakultas Bisnis dan Ekonomika, Universitas Surabaya
indarini2003@yahoo.com**

Abstract

The purpose of this study is to investigate the impact of social media marketing on brand loyalty with the mediation effect of brand-value consciousness towards Adidas brand in Indonesia. The analysis method in this study is using structural equation modeling (SEM). Object of this current study is highschool students (or equal) and college students who is using social media and follow Adidas on social media, on the amount of 150 people. Data processing using softwares such as SPSS – PASW Statistics version 18 for Windows OS and IBM – AMOS version 22 for Windows OS. The results of this study indicated that social media marketing has a significant effect on brand loyalty; brand consciousness and value consciousness mediate the relationship between social media marketing and brand loyalty.

Keywords: *social media marketing, brand loyalty, brand consciousness, value consciousness.*

Abstrak

Tujuan penelitian ini adalah untuk menguji pengaruh *social media marketing* terhadap *brand loyalty* dengan efek mediasi *brand-value consciousness* pada merek Adidas di Indonesia. Analisis dalam penelitian ini menggunakan metode *structural equation modeling* (SEM). Obyek penelitian ini adalah pelajar SMA/ sederajat dan mahasiswa (strata 1) yang menggunakan media sosial dan mengikuti Adidas di media sosial, berjumlah 150 orang. Pengolahan data menggunakan perangkat lunak SPSS – PASW Statistics versi 18 untuk sistem operasi Windows dan IBM – AMOS versi 22 untuk sistem operasi Windows. Hasil penelitian ini menunjukkan bahwa *social media marketing* berpengaruh secara signifikan terhadap *brand loyalty*; *brand consciousness* dan *value consciousness* menjadi mediator hubungan antara *social media marketing* dan *brand loyalty*.

Kata kunci: *social media marketing, brand loyalty, brand consciousness, value consciousness.*

JEL: M31

1. Research Background

Nowadays, social media has important role for all users in daily life (Ismail, 2017). In Indonesia, social media is an internet content which is the most frequently accessed by internet users with the 97.4% percentage level or equal with 129.25 million inhabitants (APJII, 2016). The social media users in Indonesia tend to share information in social media. People of Indonesia access social media every day and make it as a lifestyle.

An article in new.soldsie.com (accessed on 22nd September 2017), most reason by followers of famous brand in social media is to know the content behind the scene, latest product, exclusive offer, contest and giveaways, consumer service, feedback, and because users really like the brand. From data written on clickz.com (accessed on 22nd September 2017), the main reason form 73.4% consumers following a brand because they are interested to the product offered. Based the statistical data from statista.com (accessed on 22nd September 2017), retail sit on the number one rank for the most favorite industry in social media.

Adidas is one of the biggest retail apparels in the world. Adidas path of business is heading to digital vision, Rorsted as the CEO of Adidas set that all development and strategy will be adjusted with the development of digital era (Adidas-group.com, accessed on 27th September 2017). In 2015, the collaboration shoe series Adidas x Kanye West marketed with the name Yeezy Bost 350. Various design and first look showed in many social media pages in the early of 2015 in order to build the animo (hype) of the sneakers fans. Based on the fact in refferelcandy.com (accessed on 27th September 2017), when it first released to be sold on the market, 9000 pairs of shoes sold off in just 12 minutes.

In Indonesia, Adidas is one of the biggest retail apparel with the social media (Adidas Indonesia) followers number of more than 28 million on Facebook, 480 thousand on Youtube, and 381 thousand on Instagram. Adidas started to go viral and hype right after the emerge of Yeezy Boost 350 on 2015. In Indonesia Adidas uses the influencer, Kevin Hendrawan which is a Youtuber as brand ambassador. So that people of Indonesia getting exposed by the charm of this Yeezy, and oftenly associated with the fancy and cool lifestyle.

When the first time Yeezy released to be sold in Indonesia, it was only 40 pairs of them. Because of that, only the lucky consumers that could buy Yeezy 350 with the official retail price of Rp. 3,299,000.00 could sell the shoes back with the price of RP 17,500,000.0 (indosneakerteam.com, accessed on 22nd September 2017). The average per capita income resident of Indonesia is just about Rp 4,000,000.00 (Kumparan.com, accessed on 27th September 2017). If it is compared to the selling price of the shoes, the purchasing potency of resident of Indonesia in total is not an ideal condition. That thing brings up the new phenomena beside the success of Adidas which is the raising of artificial and imitation product sales. Artificial product or mirror can be sold with 50% - 80% cheaper price compare to original product. No wonder that the consumers with limited amount of money will search for artificial product with the look and quality that are not too different but have the cheaper price.

This research refers to the journal that written by Ismail (2017) about how social media can affect brand loyalty. Ismail (2017) used brand-value consciousness to explain the connection between social media and brand loyalty. Ismail (2017) stated that value consciousness has negative impact towards brand loyalty. Consumer loyalty by considering the price (value consciousness) to choose product must be questioned. The loyal consumer will not buy an artificial product (Fernandes, 2013; San & Yee 2012). For a moment if it is connected to the definition of value consciousness which is put price than brand loyalty first, then the statement of Ismail (2017) about the negative connection between value consciousness and brand loyalty on Adidas brand proven to be correct.

But that statement cannot fully be corrected since there is other literatures such as Yee and Sidek (2008), Akin (2012), AIMIA (2013), Bandara (2014), Al-Mamun et al. (2014) and Sarkar and Khare (2017) stated that consumer the has value consciousness will tend to loyal in

certain brand. The different between those researches are interesting to be studied further, especially in the connection between social media marketing and brand consciousness. This thing because Ismail (2017) stated that how brand loyalty can be built and strengthen through social media and whether social media marketing in consumer with brand-value consciousness, the answers are yet to be known, because of that this research is really worth to be implemented.

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

- H1.Social media marketing has positive impact towards brand loyalty in Adidas brand in Indonesia.
- H2.Social media marketing has positive impact towards brand consciousness in Adidas brand in Indonesia.
- H3.Brand consciousness has positive impact towards brand loyalty in Adidas brand in Indonesia.
- H4.Social media marketing has positive impact towards value consciousness in Adidas brand in Indonesia.
- H5.Value consciousness has negative impact towards brand loyalty in Adidas brand in Indonesia.
- H6.Brand consciousness will be the mediator for the connection between social media marketing and brand loyalty in Adidas brand in Indonesia.
- H7.Value consciousness will be the mediator for the connection between social media marketing and brand loyalty in Adidas brand in Indonesia.

2. Research Method

This research is included to basic business research or often mentioned as pure research (Zikmund et al. 2009:7). This kind of this research is causal research where the research aimed to identify causality (Zikmund et al., 2009:57). This research is quantitative because the connection between variables are measured numerically using structural equation modelling (SEM).

This research also measured the mediation variable effect (M) which can be drawn by the order of X affects M and M affects Y (MacKinnon et al., 2011). Referring to research of Ismail (2017), in this research there are exogenous variable which is social media marketing (X), endogenous variable which is brand loyalty (Y), and two mediation variables which are brand consciousness (M1) and value consciousness (M2) which intervene the connection between social media marketing and brand loyalty. There are two kinds of mediation effects which some of them are full mediation and partial mediation (Kim, 2016). Full mediation is the condition whereas if M variable (figure 8) taken from the model, so that the effect on connection between X and Y will disappear. Partial mediation is the condition whereas if M variable (figure 8) taken from the model, but the effect towards connection between X and Y is still exist.

The level and scale that used in this research interval level, which is measurement level that has the same distance and clear difference on the scale. Based on research of Ismail (2017), alternative answer which is provided for interval level arranged based on numerical scale that done by giving assessment to series of questions based on adjective which measured in seven scale level. Number 1 to 7 show that the bigger the number chosen the more positive respondent assessment towards question given, in the opposite, the lower the score chosen, the more negative respondent assessment towards the question.

Population target in this research is the consumers that use social media and follow Adidas brand in social media. Respondent characteristics that hoped is high school/same

educational level and college students, age 15-25 years old, have ever bought and used Adidas brand within the last one year, and stay in Indonesia. The minimum number of sample which is going to be used in this research is 150 samples. Retrieval technique of the sample is non-probability sampling and the kind of sample collection is using purposive sampling because not all people can fulfill the minimum criteria as respondent.

3. Result and Discussion

Validity and reliability tests are done by using the help of SPSS – PASW Statistic software version 18 for Windows operation 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 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 index of goodness-of-fit. Below is the result of measurement model.

Table 1
Goodness-of-Fit measurement model

No	<i>Goodness-of-Fit</i>	Matching Criteria	Result	Explanation
1	CMIN/DF	$CMIN/DF \leq 2.00$	1.276	<i>Good Fit</i>
2	RMSEA	$0,05 \leq RMSEA \leq 0.08$	0.043	<i>Marginal Fit</i>
3	GFI	$GFI \geq 0.90$	0.905	<i>Good Fit</i>
4	CFI	$CFI \geq 0.90$	0.970	<i>Good Fit</i>
5	TLI	$TLI \geq 0.95$	0.963	<i>Good Fit</i>

Source: Data processing

All indexes in measurement model have showed good fit value, so that the research can proceed to the next stage which is structural model analysis. In this model, the research Good fit index once again tested.

Table 2
Goodness-of-Fit measurement model

No	<i>Goodness-of-Fit</i>	Matching Criteria	Result	Explanation
1	CMIN/DF	$CMIN/DF \leq 2.00$	1.408	<i>Good Fit</i>
2	RMSEA	$0.05 \leq RMSEA \leq 0.08$	0.052	<i>Good Fit</i>
3	GFI	$GFI \geq 0.90$	0.896	<i>Marginal Fit</i>

4	CFI	$CFI \geq 0.90$	0.955	<i>Good Fit</i>
5	TLI	$TLI \geq 0.95$	0.946	<i>Marginal Fit</i>

Source: Data processing

After finished with all data recap from all samples which received and also analyzed measurement model of goodness-of-fit and structural model hypothesis testing can be done. This test applied in order to see how big and significant the impact of one variable to another. Figure 1 is the result of data processing from structural model. The picture shows the standardized estimate value which shows how big the impact of exogenous variable towards endogenous variable.

Next, hypothesis testing will be done by using IBM – AMOS software version 22 for Windows operation system and the condition for a hypothesis to be accepted is the value of C.R. $> \pm 1.96$. Then, the result of value of C.R. and standardized estimate that presented in table 3. From the table, it can be known that all hypotheses are supported.

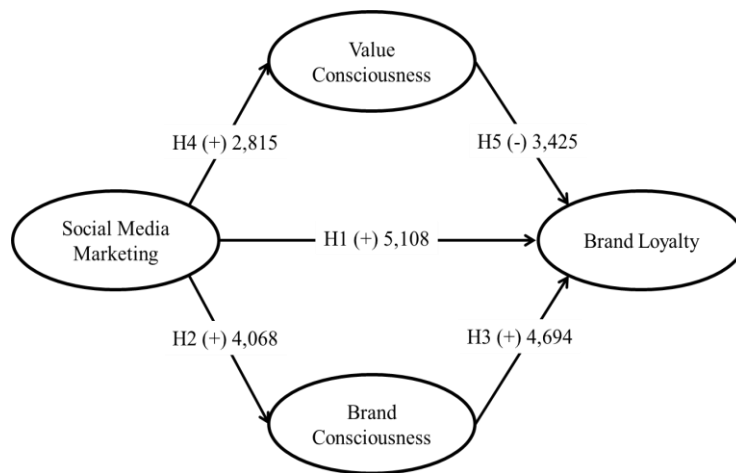


Figure 1
Data Measurement Structural Model

Table 3
Hypothesis Testing

Hypothesis	Impact	Std. Estimate	C.R.	P-value	Explanation
H1	SM → BL	0.449	4.778	***	Hypothesis supported
H2	SM → BC	0.294	3.990	***	Hypothesis supported
H3	BC → BL	0.480	4.396	***	Hypothesis supported
H4	SM → VC	0.545	2.759	0.006	Hypothesis supported

H5 VC → BL -0.295 -3.290 0.001 Hypothesis supported

Resource: Data processing

In hypothesis 1, the test of impact between social media marketing and brand loyalty resulting positive coefficient value of 0.520 with significance (p-value) resulted < 0.001 (< 0.05), C.R. value resulted is 4.778 ($> \pm 1.96$), so that it can be concluded that social media marketing has significant positive impact towards brand loyalty. Based on the result, the first hypothesis (H1) of the research can be accepted.

In hypothesis 2, the testing for impact between social media marketing and brand consciousness resulting positive coefficient value of 0.347 with significant (p-value) resulted < 0.001 (< 0.05), C.R. value resulted is 3.990 ($> \pm 1.96$), so that it can be concluded that social media marketing has positive significant value towards brand consciousness. Based on the result, second hypothesis (H2) of the research can be accepted.

In hypothesis 3, testing for the impact between brand consciousness and brand loyalty resulting positive coefficient value of 0.538 with significance (p-value) resulted < 0.001 (< 0.05), C.R. value resulted is 4.396 ($> \pm 1.96$), so that it can be concluded that brand consciousness has positive significant impact towards brand loyalty. Based on the result, the third hypothesis (H3) of the research can be accepted.

In hypothesis 4, testing for the impact between social media marketing and value consciousness resulting positive coefficient value of 0.223 with significance (p-value) resulted < 0.006 (< 0.05), C.R. value resulted is 2.756 ($> \pm 1.96$), so that it can be concluded that social media marketing has positive significant impact towards value consciousness. Based on the result, the fourth hypothesis (H4) of the research can be accepted.

In hypothesis 5, testing for the impact between value consciousness and brand loyalty resulting negative coefficient value of -0.371 with significance (p-value) resulted 0.001 (< 0.05), C.R. value resulted is -3.290 ($> \pm 1.96$), so that it can be concluded that value consciousness has positive significant impact towards brand loyalty. Based on the result, the fifth hypothesis (H5) of the research can be accepted.

Table 4
Test Result of Standardized Total Effect, Standardized Direct Effect, Standardized Indirect Effect on Mediation impact of Brand and value Consciousness using Bootstrap Technique

Shadow Model	Std. Total Effect	Sig.	Std. Direct Effect	Sig.	Std. Indirect Effect	Lower Bound	Upper Bounds	Sig.
0 SM→BL	0.655	0.004	0.655	0.004	0.000	0.000	0.000	-

1	SM→BC→BL	0.656	0.003	0.401	0.003	0.256	0.132	0.433	0.002
2	SM→VC→BL	0.653	0.004	0.800	0.003	-0.147	-0.311	-0.045	0.001

Resource: Data processing

Referring to research of Ismail (2017), this research tested the mediation effect by using shadow model and bootstrap method. Bootstrap technique testing uses IBM – AMOS 22 software in order to acquire 1000 bootstrap samples with bias-corrected bootstrap method of 95% confidence intervals (Mallinckrodt *et al.*, 2006 in Ismail, 2017). In table 4, shadow model 0 shows that even though there is no mediation variable, there is still total effect of 0.655 and direct effect of 0.655 in the connection of SM (exogenous variable) and BL (endogenous variable), so that it can be said that the mediation effect type in this research is partial mediation.

In table 5 shows the result of mediation effect testing result, whereas brand consciousness has 0.256 impact with significance of 0.002 (<0.05). That result shows the mediation effect resulted by brand consciousness in the connection of social media marketing and brand loyalty. If there is increasing of social media marketing will increase brand consciousness which will also increase brand loyalty. Based on the result, the sixth hypothesis (H6) of the research can be accepted.

In table 5 shows the result of mediation effect testing result whereas brand consciousness has -0.147 impact with significance of 0.001 (<0.05). That result shows the mediation effect resulted by value consciousness in the connection between social media marketing and brand loyalty. If there is increasing in social media marketing, it will decrease value consciousness which will also decrease brand loyalty. Based on the result, the seventh hypothesis (H7) of the research can be accepted.

Table 5
Mediation Effect Testing

Hypothesis	Exogenous Variable	Effect	Significance	Explanation
H6	Brand Consciousness	0.256	0.002	Hypothesis Supported
H7	Value Consciousness	-0.147	0.001	Hypothesis Supported

Resource: Data processing

4. Conclusion

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

- *Social media marketing* has positive impact towards *brand loyalty* in Adidas brand in Indonesia.
- *Social media marketing* has positive impact towards *brand consciousness* in Adidas brand in Indonesia.
- *Brand consciousness* has positive impact towards *brand loyalty* in Adidas brand in Indonesia.

- *Social media marketing* has positive impact towards *value consciousness* in Adidas brand in Indonesia.
- *Value consciousness* has negative impact towards *brand loyalty* in Adidas brand in Indonesia.
- *Brand consciousness* becomes mediator in connection between *social media marketing* dan *brand loyalty* in Adidas brand in Indonesia.
- *Value consciousness* menjadi mediator in connection between *social media marketing* dan *brand loyalty* in Adidas brand in Indonesia.

This research is the replication from the research model done by Ismail (2017). That research related to social media marketing impact towards brand loyalty with the mediation effect from brand-value consciousness, the gap between research (research gap) in this research is the different in previous literature (Yee and Sidek, 2008; Akin, 2012; AIMIA, 2013; Bandara, 2014; Al-Mamun *et al.*, 2014; Sarkar and Khare, 2017) in which value consciousness has positive connection with brand loyalty, meanwhile the research result of Ismail (2017) show the negative impact of value consciousness towards brand loyalty. This research is in accordance with research of Ismail (2017).

This research shows that social media marketing has positive impact towards brand loyalty, brand consciousness, and value consciousness. That mean social media marketing that applied by Adidas Indonesia has increase each one of brand loyalty, brand consciousness, and value consciousness. Consumer becomes more loyal to Adidas brand because the influence of social media marketing. Consumer is getting more aware of image, quality, and attribute that related to Adidas brand name and product function thanks to the social media marketing by Adidas brand, whereas consumer is getting more aware of the balance between low price and product quality. Brand consciousness has positive impact towards brand loyalty. That thing shows that consumer with brand consciousness can increase brand loyalty in Adidas brand. When consumer is getting aware of image, quality, and attribute that related to Adidas brand name which considered can be represent or increasing the image of the consumer overall, so the consumer will tend to hold on to Adidas brand. Value consciousness has negative impact towards brand loyalty. That thing shows that consumer with value consciousness can decrease brand loyalty in Adidas brand. Consumer will tend to choose alternative brand with cheaper price with the quality limit which is relatively similar with Adidas brand. Meaning is consumer will tend to change loyalty from Adidas brand to another product that offers cheaper price. This research result also shows the effect of mediation of brand-value consciousness towards social media marketing and brand loyalty connection. This thing can be seen where social media marketing affecting brand consciousness and next is brand consciousness increase brand loyalty. In the same definition, social media marketing is affecting value consciousness and next is value consciousness decreases brand loyalty.

Recommendation that is given based on this research result hoped to give input and suggestion for company in retail apparel especially to Adidas brand company management in Indonesia. Aside from that, recommendation also addressed to the future research based on the limitation of this research.

- Recommendation for Adidas Management in Indonesia

In the effort of increasing brand loyalty, Adidas can give additional value in product feature with the best quality such as give priority to EQT, Bounce, or boost technology in order to increase the comfort of the product equal to aesthetic value of Adidas product. By that, it is hoped that Adidas still have additional superior value that can make consumer stay loyal to Adidas brand

Recommendation that can be given to Adidas management, after winning international awards related to social media advertisement content, it will be better for Adidas to develop the same advertisement concept but more adjusted to eastern culture especially Indonesia. The

originality side which incorporate in the content can be adjusted to eastern culture especially Indonesia so it can still be relevant with the life style of Indonesia people. It is hoped that social media marketing of Adidas can give more interesting content and increases the demand of consumer to share more information about brand, product, or Adidas service for their friends,

Beside that it is also hoped that Adidas management also increase the Adidas brand name that has been known really well by collaborating with another well-known brand. After success with Adidas feat, Kanye West collaboration with the Yeezy, it will be better for Adidas to consider collaborating with another famous high end fashion brands such as Luis Vuitton, Supreme, Givenchy, A Bathing Ape, Off-White and others that can push the very well-known Adidas brand name. That way, it is hoped consumer brand consciousness can still consider Adidas as the product selection with affordable price.

- Recommendation for Future Research

This research is still limited by only using 1 fashion apparel brand, this thing still cannot give perspective of how the fashion apparel industry condition comprehensively. For the future research, it is hoped that it will be able add another fashion apparel so that the research can be generalized comprehensively.

This research only used high school/same level education and college students as the object of the research. It is hoped to the future research to be able to add the object of research age range in order to acquire research result that is more accurate and can be generalized better.

This research is still limited in identify the respondent characteristic related to social media use of respondent. For the future research it is hoped to identify the intensity (how many times in a week) of the respondent social media usage towards Adidas social media account.

This research is still limited in identify Adidas variant or product line that use by the respondent. For the future research, it is hoped to identify the Adidas variant or product line which used by the respondent in research questionnaire.

This research is still limited in value consciousness concept which only connected to lower price. For the future research, it is hoped to increase the value consciousness concept with another Adidas value such ass high technology quality, endurance, environmentally friendly, and so forth in order to maximizing the understanding of value consciousness concept.

References

- AIMIA. 2013. *BORN THIS WAY: The Australian Millennial Loyalty Survey: How Generation Y Will Reshape Customer Loyalty*. Sydney: AIMIA inc.
- Akin, E. 2012. Are All Loyal Customers Conscious? An Empirical Study on Customer Loyalty Discussions in The Context of Consciousness. *European Scientific Journal* 8(12): 206-234.
- Al Mamun, A., M.K. Rahman,& S. D. Robel. 2014. A Critical Review of Consumers' Sensitivity to Price: Managerial and Theoretical Issues. *Journal of International Business and Economics*, Vol. 2 (2):01-09
- Asosiasi Penyelenggara Jasa Internet Indonesia. 2016. *Infografis Penetrasi & Perilaku Pengguna Internet Indonesia Survey 2016*. Jakarta: APJII.
- Bandara, W. W. M. C.. 2014. Consumer Decision-Making Styles and Local Brand Biasness: Exploration in the Czech Republic. *Journal of Competitiveness*. Vol. 6 (1): 3-17.
- Bao, Y., dan C. A. Mandrik. 2004. Discerning Store Brand Users from Value Consciousness Consumers: The Role of Prestige Sensitivity and Need for Cognition. *Advances in Consumer Research*. Vol: 31. eds. Barbara E. Kahn and Mary Frances Luce. Valdosta. GA : Association for Consumer Research: 707-712.

- Fernandes, C. 2013. Analysis of counterfeit fashion purchase behaviour in UAE. *Journal of Fashion Marketing and Management*. 17(1): 85–97.
- Ismail, Rageh. 2017. The Influence of Perceived Social Media Marketing Activities on Brand Loyalty The Mediation Effect of Brand and Value Consciousness. *Asia Pacific Journal of Marketing and Logistics*. Vol. 29 (1): 129-144.
- San, A. N. C., & Yee, C. J. (2012). Behavioral Loyalty and Attitudinal Loyalty: Malaysian's Intention on Counterfeit Clothing and Footwear. *Journal of Public Administration and Governance*. Vol 2.(1): 106-122.
- Sarkar, S., dan A. Khare, 2017, Moderating Effect of Price Perception on Factors Affecting Attitude Towards Online Shopping, *Journal Marketing Analysis*, Vol 5 (2): 68-80.
- Yee, W. F., dan Y. Sidek, 2008, Influence of Brand Loyalty on Consumer Sportswear, *Int. Journal of Economics and Management*, Vol. 2 (2): .
- Zikmund, W. G, B. J. Babin, J. C. Carr, dan M. Griffin. 2009. *Business Research Methods*, 8th Edition. Singapore: South Western College.
- <https://hypebeast.com/2017/3/adidas-2016-sales-domination> diunduh pada 22 September 2017.
- <https://new.soldsie.com/blog/why-people-follow-brands/> diunduh pada 22 September 2017.
- <https://www.clickz.com/what-makes-people-follow-or-unfollow-a-brand/106834/> diunduh pada 22 September 2017.
- <https://www.statista.com/statistics/604875/most-liked-industries-social-media/> diunduh pada 22 September 2017.
- <https://kumparan.com/@kumparanbisnis/bps-pendapatan-rata-rata-orang-indonesia-rp-4-juta-per-bulan> diunduh pada 27 September 2017.
- <http://www.indosneakerteam.com/blog/detail/95/26/detailed-adidas-yeezy-boost-350> diunduh pada 22 September 2017.