Brand Experience, Perceived Value, and Social Media Marketing to Predicate Brand Loyalty

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ABSTRACT

This study aims to empirically test brand experience, perceived value, and social media marketing to predict brand loyalty in Jakarta. The online questionnaire was distributed using Google Forms with a 5-point Likert scale for each indicator. The number of samples is 185 respondents. All data were analyzed using Partial Least Square–Structural Equation Modeling (PLS-SEM) method, using SmartPLS 3.0 software. The results of this study indicate that perceived value and social media marketing can positively predict brand loyalty in Jakarta, but the brand experience cannot positively predict brand loyalty in Jakarta. The results show that brand has not succeeded in carrying out an approach that can influence the moods and emotions of customers that can create a memorable experience for the brand, so loyalty has not yet been created.

Keywords: brand experience, perceived value, social media marketing, brand loyalty

1. INTRODUCTION

Fashion is a primary need that is growing within the industrial world, which suggests the existence of someone in his community. Fashion products are currently developing right away following modern trends and are related to current trends, lifestyles, and skills. The fashion industry in Indonesia is currently developing very rapidly.

The fashion industry in Indonesia is currently growing very rapidly. This situation is consistent with the growing public attention of fashion which has caused the achievement of a way of life in clothing, so it could be stated that the need for clothing these days isn't always simplest to cover the body, but also as a method of communicating and showing the lifestyle and identity of the wearer. Therefore, the general public's interest in fashion brands will increase brand loyalty.

Brand loyalty is a completely important concept in a company's advertising and marketing strategy. The lifestyles of customers who are loyal to the brand are very necessary for the company to survive. According to Angelica et al. [1], brand loyalty is the most predicted result of purchaser customers' behavior. One of the variables that have an effect on brand loyalty is brand experience. Brand experience is a consumer's experience of a brand which could inspire consumers to repurchase the brand [2].

The second variable that impacts brand loyalty is perceived value. The value felt through an individual seems after the individual feels the services or offerings of a product. According to Kotler in Subagio and Saputra [3], Perceived value is something that underlies the quality of service that is perceived as a factor of value, perceived service quality might be conceptualized because the result and trade or sale of customers between perceived quality and customer sacrifice in terms of price or non-price [3]. Non-rate sacrifices which include time, physical, or money psychological effort. The effects obtained and the difference in service quality and sacrifices made through customers will affect customer satisfaction [3].

The third variable that impacts brand loyalty is social media marketing. Social media marketing is an advertising and marketing method too. Encourage sales of company merchandise through social

media marketing. It's going to facilitate the method of introducing the company's products to consumers, this can increase the company's brand loyalty [4]. Based on the description above, the researcher has an interest in researching with the title: Brand Experience, Perceived Value, and Social Media Marketing to predict Brand Loyalty in Jakarta.

2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

2.1. Brand Experience

Mostafa and Kasamani [5] explain the notion of brand experience, specifically that is the summation of all customers' collected experiences with a brand, turned into additionally examined within the on-line realm (e.g., e-shopping), where customers command a consistent experience over all of the brands' channels. Nuhadriel et al. [6] stated that brand experience along with breakthroughs that put forward the experience of a brand that is not owned by competitors and image a superior brand backed by trust, is the main thing that becomes direct customers to be loyal to the brand. Based on the description above, it can be concluded that brand experience is the experience felt after buying and consuming a product or service starting from looking for a product, buying, receiving benefits from the product or service, and consuming the product to form a satisfaction, comfort, and trust in the brand.

2.2. Perceived Value

Mohammed and Al-Swidi [7] explain that perceived value is a comparison of giving attributes to get attributes. Thus, perceived value is an overall assessment based on the benefits received with the sacrifices made by consumers to form a satisfaction with the brand. Satisfied customers tend to repurchase products or services from the company [8].

2.3. Social Media Marketing

According to Mohammed and Al-Swidi [7], the notion of social media marketing is an internet-based software, which is on the Web 2.0 platform, and which permits internet users globally to communicate, have interaction and share their mind, thoughts, experiences, relationships. and facts. Based on the description above, it can be concluded that social media marketing is a form of online marketing that consumers can access through social media and can be used as a place to share information and promote products or services.

2.4. Brand Loyalty

According to Nyohardi [9], the notion of brand loyalty is a consumer preferences consistently to make purchases on the same brand, specific product, or service category. Keni and Sandra stated that customers are committed to coming back and continuing to be a customer in the future [8]. Thus, brand loyalty is one of the main components in increasing profits within the company by maintaining consumer trust and convenience so that consumers will not look for other brand products or services.

2.5. The Relationship Between Brand Experience and Brand Loyalty

Chung and Peachey [10] stated that there is a positive influence between brand experience and brand loyalty. Brand experience along with breakthroughs that put forward the experience of a brand that is not owned by competitors and image a superior brand backed by the trust is the main thing that becomes driving consumers to be loyal to furniture retail brands [6]. Based on previous research, the hypothesis in this study is:
H1: Brand Experience can predict positively on Brand Loyalty

2.6. The Relationship Between Perceived Value and Brand Loyalty

According to Dewi and Yasa [11], perceived value can have a positive impact on customer loyalty to a brand. When a customer feels a great benefit from a brand, it is an instant way to encourage brand loyalty [3]. Su and Chang [12] posited that perceived value positively and strongly affects brand loyalty. Based on previous research, the hypothesis in this study is:
H2: Perceived Value can predict positively Brand Loyalty

2.7. The Relationship Between Social Media Marketing and Brand Loyalty

Based on research conducted by Smith [13], there is a positive influence between social media marketing and brand loyalty. Hidayah [14] shows that marketing that uses social media to communicate about brands can make consumers more confident about the credibility of the product so that consumers will be loyal to a brand. Based on previous research, the hypothesis in this study is:
H3: Social Media Marketing can predict positively Brand Loyalty

3. RESEARCH METHODOLOGY

This study uses a quantitative descriptive research design, by distributing online questionnaires via a google form. The population in this study were all brand's customers in Jakarta. The sampling method used non-probability sampling with accidental sampling technique. The total data collected in this study were 185 respondents. To measure each indicator, this study used a 5-point Likert scale, with 1 (strongly disagree), 2 (disagree), 3 (neutral), 4 (agree), and 5 (strongly agree). Information evaluation on this examine used Partial Least Square–Structural Equation Modeling (PLS-SEM), using SmartPLS software version 3. The indicators used in this study are presented in Table 1.

Table 1 Variables and Indicators

Variables	Items	References
Brand Experience	4	Chung dan Peachey [10]
Perceived Value	4	Thielemann, Ottenbacher, dan Harrington [15]
Social Media Marketing	4	Canio, Blasco, dan Martinelli [16]
Brand Loyalty	4	Nyohardi [9]

4. RESULTS & DISCUSSION

The entire quantity of respondents in this study was 185 respondents. most respondents were male (64.9%), aged 18-21 years old (41.1%), latest education was senior high school (54.1%), and 74 respondents (40%) have been employees. Most of respondents shopped in brand because of the quality of the product (52.0%) and they spent < Rp1.000.000 per month for shopping (55.7%), and the most product that they bought was the upper clothes (66.7%).

Furthermore, outer model consists of validity and reliability. This test is conducted to determine whether each indicator is valid and reliable. Convergent validity is used to measure validity. A model meets the standards if the loading factor value is more than 0.7 and AVE is more than 0.5. Fornell–Larcker is measured primarily based on the AVE value of every variable, which needs to be more than the other variables. After all, indicators meet the validity requirements, then the reliability is achieved. A value is dependable if the composite reliability is more than 0.7 and Cronbach's Alpha value is more than 0.7. The results of the outer model trying out are presented in Table 2, 3, 4.

Table 2 Measurement Model Assessment Results

Variables	Indicators	Loading Factor	AVE
Brand Experience	BE1	0.850	0.711
	BE2	0.842	
	BE3	0.866	
	BE4	0.814	
Perceived Value	PV1	0.825	0.723
	PV2	0.807	
	PV3	0.841	
	PV4	0.844	
Social Media Marketing	SOSMED1	0.859	0.688
	SOSMED2	0.907	
	SOSMED3	0.884	
	SOSMED4	0.881	
Brand Loyalty	BL1	0.814	0.780
	BL1	0.876	
	BL1	0.849	
	BL1	0.862	

Table 3 Outer Model Assessment – Discriminant Validity

Variables	BE	PV	SOSMED	BL
BE	**0.843**			
PV	0.757	**0.808**		
SOSMED	0.784	0.823	**0.829**	
BL	0.746	0.850	0.767	**0.883**

Table 4 Outer Model Assessment – Reliability Analysis

Variables	Cronbach's Alpha	Composite Reliability	Conclusions
Brand Experience	0.864	0.908	Reliable
Perceived Value	0.849	0.898	Reliable
Social Media Marketing	0.906	0.934	Reliable
Brand Loyalty	0.872	0.913	Reliable

From the test results of the outer model, it may be seen that each variable meet the validity and reliability requirements. After checking out the outer model, the following step is testing the inner model. This test targets to determine the connection between variables and to determine whether the research hypothesis is supported or rejected. This study uses a 95% confidence level. If the significance value is less than 0.05, then the hypothesis is supported, and if the significance value is more than 0.05, the hypothesis is rejected. The results of testing the inner model and hypotheses are presented in Table 5, Table 6, and Table 7.

Table 5 R-Squared Results

Variable	R-Squared
Brand Loyalty	0.757

Table 6 Predictive Relevance Results

Variable	Predictive Relevance (Q^2)
Brand Loyalty	0.757

Table 7 Path Coefficient and Hypotheses Testing Results

Hypotheses	Path Coefficient	t-statistics	p-values	Conclusions
H1: Brand Experience can predict positively on Brand Loyalty	0.104	0.877	0.381	Not Supported
H2: Perceived Value can predict positively on Brand Loyalty	0.442	4.512	0.000	Supported
H3: Social Media Marketing can predict positively on Brand Loyalty	0.390	3.991	0.000	Supported

The results of the inner model testing show that the coefficient of determination test (R^2) on the brand loyalty variable is 0.757. This shows that 75.7% of the brand loyalty variable can be explained by the brand experience, perceived value, and social media marketing variables, while the remaining 24,3% can be explained by other variables. In addition, the relevance predictive value (Q2) of the brand loyalty variable is 0.757, which is greater than 0. This means that the variables in this study can predict the research model well.

Based on the effects of hypothesis testing, it can be seen that H1 is rejected, which means that brand experience cannot positively predict brand loyalty. Based on these results, it may be concluded that brand has not succeeded in carrying out an approach that can influence customer moods and emotions that can create a memorable experience for the brand, so that loyalty to brand has not been created. Previous research states that if customers get a positive experience with a brand, then the customer will be loyal and always make purchases of the products offered by the brand. In general, an emotional connection with a brand will be created based on the customer's attitude in spending a certain amount of time with the brand in making purchases for a long period. The effects of this observe suggest that the brand experience felt by customers is not good and not by customer expectations, so it has not been able to influence and increase brand loyalty to the brand. Supposedly, brand can provide a good and positive experience for customers with excellence and consistency in the brand.

Meanwhile, the results of the hypothesis testing show that perceived value can positively predict brand loyalty, so H2 is accepted. The results are consistent with previous studies which confirmed that perceived value has an effective and great impact on brand loyalty [2][8][12]. Perceived value is an important variable because in making a purchase, customers will place great importance on and pay attention to good quality so that customers can become loyal to the brand.

Furthermore, the hypothesis testing shows that social media marketing can positively predict brand loyalty, so H3 is accepted. This result is consistent with the outcomes of previous research which showed that social media marketing has an effective and significant impact on brand loyalty [6]. Marketing through social media plays a very important role today because it is a means of communication to convince customers about the credibility of a product so that later customers can become loyal to the brand. This study also observes that the brand's Instagram account can create up-to-date content so that brand followers can follow the latest information and news from brand.

5. CONCLUSIONS & IMPLICATIONS

Based at the consequences of the information evaluation above, it is able to be concluded that perceived value and social media marketing can predict brand loyalty positively and significantly, however, the brand experience can't predict brand loyalty positively and significantly. This research has not succeeded in carrying out a method that may affect the mood and feelings of each consumer which could create a memorable experience with the brand so that there may be no loyalty to the brand.

6. LIMITATIONS & SUGGESTIONS FOR FUTURE RESEARCH

This observation only examines brand's customers who are domiciled in Jakarta. Most answers to open-ended questions acquired from respondents did not suit the questions and the real situation. Brand needs to maintain and continue to increase the right product quality to grow brand loyalty. Product quality will play a critical role because customers attach great significance to the best quality of the goods provided and brand needs to keep marketing through social media even as still supplying advertising and marketing content material that attracts customers interest and always presents the modern-day improvements to increase brand loyalty. In addition, research needs to examine other variables that may predict brand loyalty, along with brand image and service quality to find out other variables that may explain brand loyalty. Similarly, studies can research different regions in Indonesia to achieve data from respondents who've different characteristics.

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