

CHAPTER II

LITERATURE REVIEW, RESEARCH FRAMEWORK AND HYPOTHESIS

DEVELOPMENT

2.1 Introduction

Several years ago, the concepts already build by experts about perceived social media marketing activities on brand loyalty : the mediation effect of brand and value consciousness. The concept enrich the research and continues to improve each years. Implementation on social media for enhancing brand loyalty in the marketing concept are important. In this chapter will consists of detail explanation of perceived social media marketing activities, brand loyalty, brand consciousness and value consciousness based on the previous study that had done. The research framework and hypothesis development shows at the end of this chapter.

2.2 Brand Loyalty

According to Keller (2012) cited in Beneke and Zimmerman (2014), brand loyalty refers as a quantification of the attachment that a consumer has to a specific brand. Brand loyalty also can be said as habit to choose selected products. Consumers that have brand loyalty towards brand may perceive the brand that selected to be the best brand than other brands. Brand loyalty gives significant contribution to the marketing process. Brand loyal consumers are special than other consumers.

Brand loyalty in marketing divided into two types of consumers' brand loyal. Behavioral loyalty describes as consumers will continue to purchase products or services from the same supplier and attitudinal loyalty refers to consumers'

commitment or preferences when considering unique value associated with a brand (Chaudhuri and Holbrook, 2001 cited in Zheng *et al.*, 2015). The behavioral dimension embraces such aspects as repurchase behavior, purchase frequency, and switching habits, while the attitudinal dimension covers consumers attitude, commitment, and intention to recommend (Foscht *et al.*, 2009). Consumers who are loyal may have the one of the behavioral or attitudinal. For example if the consumers always purchase the products from that brand can consider as behavioral dimension whereas when consumers motivate to buy and recommend the product then it consider as attitude dimension.

Brand loyalty differs from one consumer to other consumers. Brand loyalty as a shopper characteristic that makes consumers value brands more and that limit switching behavior (Manzur *et al.*, 2011). Brand loyalty enables consumers to always pay attention towards the products. According to Foscht *et al.* (2009), feeling of the loyalty in the generation Y were greatly associated with the repurchase intention. The consumer would always prefer the product on the long term.

Every marketers who sells the product wants to achieve the goals in the company. One of the goals is making the high profit to enable company grow and success. Having lot of consumers who are loyal to the brands enables increase the possibility to achieve profit. Brand loyalty contribute to give high profit to the company. According to Reichheld and Sasser (1990) cited in Lin (2010), stated that small reduction in consumer defections can produce significant increase in profit because :

- Loyal consumers buy more products
- Loyal consumers are less-price sensitive and pay less attention to competitors' advertising
- Servicing existing customers is cheaper
- Loyal consumers spread positive word of mouth and refer other customers.

2.3 Brand Consciousness

Brand consciousness often exist when consumers wants to buy products through social media. Brand consciousness had many definition to the consumers. According to Nan and Heo (2007) cited in Yim *et al.* (2014), brand consciousness as an individual trait characterized by the degree to which a consumer is oriented toward buying well-known branded products. Another perspectives of brand consciousness by Ye *et al.* (2012), brand consciousness is mental orientation to select a product that has a well-known and highly advertised brand name. Brand consciousness distinguish the product brand based on the consumers opinion towards the brands.

People have different level of brand consciousness towards one brand. This level of brand consciousness transform the mindset of people for choosing the products. According to Jamal and Goode (2001) cited in Ye *et al.* (2012), explained that consumers with high level of brand consciousness believes brands represent status and prestige so consumers more likely to buy expensive and high brands status. However, consumers with low level of brand consciousness was not consider about the brand

status. Low brand consciousness consumers tend to choose the brand that are not well-known on society.

The example of consumers who have high brand consciousness can be seen from the habit for choose the brands. Consumers always seek the information to the famous brands. Consumers who have high brand consciousness always choose one brand that the consumers think it is good and to be known on society. Although, other brands offer special price for the consumers, definitely consumer would not choose and prefer to buy the famous brands. Moreover, Ismail (2017) added high brand conscious consumers not only seek the quality but also the prestige to other people.

2.4 Value Consciousness

Value consciousness is a concern for paying low prices, subject to some quality constraint (Lichtenstein *et al.*, 1990, Lichtenstein *et al.*, 1993, Ailawadi *et al.*, 2001 cited in Ismail, 2017). Value consciousness shopper typically attempt to maximize the quality or price ratio (Manzur *et al.*, 2011). It suggests for value conscious consumer to create good quality in the product may help the outcomes of the product in the future. Selective consumers would intend to choose product based on the value the company given.

According to Ballester *et al.* (2014), low value consciousness is less motivated to secure the best value. It means that low value consciousness would make quick decision without consider the benefit of the products. Instead of low value consciousness people, high value consciousness people had different ways for determining the value.

According to Mandrik (1996) cited in Ballester *et al.* (2014), high value consciousness have a high motivation to secure valid information, feeling sufficiently confident that it will assuage their concerns about the amount of risk. High value consciousness may help the decision making process of consumers and avoid the damage of risk and increasing benefit of the products. The strategy created by private labels offering the value to creates more room in the competitive landscape who offer a pure quality image (Thanasuta, 2015). This may lead people who have low and high value consciousness interested to brands.

2.5 Perceived Social Media Marketing Activities

Social media marketing activities growing rapidly. Social media enables interaction and effective communication to loyal consumers. Social media marketing activities was essential in marketing fields especially in attractive advertising. Based on Tuten (2008) cited in Ismail (2017), social media marketing is 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.

Social media marketing is a term which describes the actual acts of using social networks for marketing purposes (Keinanen and Kuivalainen, 2015). People in social media can comment, like and share the information about the product. It enhance the improvement towards the product and leads to satisfaction in using the social media. They can also promote their favorite product by posting the positive comment in social media. It can jack up rating, prestige and preference of recommend product to others.

According to Constantinides and Fountain (2008) cited in Keinanen and Kuivalainen (2015), proposed a classification based on various application types which can be used as social media marketing channels to provide and promote social media services are blogs are online personal journals which were one of the earliest well-known web 2.0 applications and can be seen as social media's equivalent to personal web sites, social networks are applications allowing users to build personal web sites accessible to other users for exchange of personal content and communication, content communities are web sites meant for organizing and sharing particular types of content, forums or bulletin boards are sites for exchanging ideas and information usually around special interests and can also be seen as communities, content aggregators are applications allowing users to fully customize the web content they would like to access.

In this context of social media discuss in this research is Instagram. Instagram is a types of photo and video sharing platform as well as a social networking channel that allows users to take and share photos after applying a choice of digital filters to their pictures via an Instagram smartphones application (Guidry *et al.*, 2015). On Instagram, company can promote the products to the users of Instagram. According to Gordhamer (2009) cited in Erdogmus and Cicek (2012), social media marketing is related to relationship marketing where company need to shift from sell to making connection with consumer and more sincere to its communication and trying to show the brand rather control brand image. This shows Instagram as social media platform can push brand to grow.

2.6. Previous Research

Table 2.1
Previous Research

No	Title of Journal	Purpose	Variables	Hypothesis	Methodology of Research	Result
1	The influence of perceived social media marketing activities on brand loyalty : The mediation effect of brand and value consciousness. Ismail, A. R. (2017). <i>Asian Pacific Journal of Marketing and Logistics</i> , Vol. 29 No. 1, pp. 129-144.	The purpose is to investigate the impact of social media marketing activities on brand loyalty, value consciousness and brand consciousness .	The dependent variable is brand loyalty. The independent variable is perceived social media marketing activities. The mediating variables are brand consciousness and value consciousness .	H1 : perceived social media marketing activities will have a positive effect on brand loyalty H2 : Perceived social media marketing activities will have a positive effect on brand consciousness H3 : Brand consciousness will have a positive effect on brand loyalty H4 : Perceived social media marketing activities will have a positive effect on value consciousness. H5 : Value consciousness will have a negative effect on brand loyalty H6 : Brand consciousness will mediate the relationship between perceived social media marketing and brand loyalty. H7 : Value consciousness will mediate the relationship between perceived social media marketing and brand loyalty	Used self - report questionnaire to University of Northern Malaysia with 346 undergraduate students as respondents. Structural equation modelling with AMOS 17.0 as the tools analysis and confirmatory factor analysis as the validity analysis.	All of the hypothesis is supported that means perceived social media marketing activities will assist marketers in conceiving brand loyalty. The results shows that social media marketing makes consumers well inform and up to date about products. Sharing information with followers as ideal communication in brand consciousness. Besides that, social media marketing has been influential to the brand followers who are value conscious so users can sharing opinion, recommendation to other based on personal experience.
2	Antecedents of social media B2B use in industrial marketing context : their social customers' view . Keinanen, H. and Kuivalainen , O. (2015). <i>Journal of Business and Industrial Marketing</i> , pp. 711-722.	The purpose is to clarify B2B customers' behavior regarding their social media use for B2B purposes and the antecedents of their behavior in the industrial marketing setting and explore the influence of corporate cultural, social, personal and psychological factors on customer behavior toward social	The dependent variable is social media business use. The independent variable is social media private use, company motivates to use social media, supervisor see benefits, colleagues support, user characteristics (age, gender, job level), perception of usability of social media (easiness to use, social media's	H1 : The use of social media for private purposes has a positive effect on the use of social media for business purposes H2 : Corporate culture, which is favorable to social media has a positive effect on the social media business usage of B2B customers H2a : Company motives the use of social media through its corporate culture when there is a supporting culture, social media business use increases H2b : When a supervisor in the company sees benefits in using social media, the social media business use increases H3 : Colleagues' support increases the social media business usage of B2B customer H4 : User characteristics affect the social media business usage of B2B customers H4a : Younger people use social media more for business purposes H4b : Gender affect the social media business usage	Used questionnaire and online cross sectional survey in Finland. The total respondents was 616 respondents consists of senior, middle and general manager. Partial least squares path modeling was utilized to analyze the relationship between dependent variable to independent variable.	H1, H3, H4 is supported. The other hypothesis is not supported. The finding shows people who have private social media tend to use social media for business purposes. User characteristics is age and job position level tend to use social media for business purposes.

		media business use.	applicability for B2B, social media's usage benefit for B2B)	H4c : Job level affect the social media business usage H5 : The higher the perception of the usability of the social media for B2B purposes, the more the social media business usage increases H5a : Perceived easiness to use increases social media business usage H5b : Perceived social media's applicability for B2B activities increases social media business usage H5c : Perceived social media's usage benefits for B2B activities increase social media business usage		
3	The relationship of consumer personality trait, brand personality and brand loyalty : an empirical study of toys and video games buyers. Lin, L.Y. (2010). <i>Journal of Product and Brand Management</i> , Vol. 19 No.1, pp. 4-17.	The purpose is explore the relationship of personality traits and brand personality, study the influence of brand personality on brand loyalty, examine the impact of personality traits on brand loyalty.	The dependent variable is brand loyalty consists of affective loyalty and action loyalty. The independent variable is personality trait consists of extroversion, agreeableness, conscientiousness, neuroticism and openness, brand personality consists of excitement, competence, peacefulness, sincerity, sophistication .	H1 : There is a significant positive relationship between personality trait (extroversion, agreeableness, conscientiousness) and brand personality (excitement, competence, sincerity) H2 : Brand personality has a significant positive influence on brand loyalty H3 : Personality trait has a significant positive influence on brand loyalty	Used questionnaire for collecting data to 387 valid respondents. Male respondents with 74 percent and female respondents with 26 percent. The sampling survey at Taipei City Mall of Taipei Main Station. The regression analysis using SPSS 10.0 for test the hypothesis.	H1, H2 and H3 are partly supported. The finding shows there is a significantly positive relationship between extroversion personality trait and excitement brand personality, there is a significantly positive relationship between agreeableness personality trait and excitement brand personality, sincerity brand personality and competence brand personality, competence and sophistication brand personality have a significantly positive influence on affective loyalty, competence, peacefulness and sophistication brand personality have a significantly positive influence on action loyalty, agreeableness and openness personality trait have a significantly positive influence on affective loyalty, Agreeableness and openness personality trait have a significantly positive influence on action loyalty. The successful brand requires the building of distinct brand personality and different from other brands to make consumers notice its brand personality and form strong relationship.

4	Building brand loyalty through user engagement in online brand communities in social networking sites. Zheng <i>et al.</i> (2015). <i>Information Technology and People</i> , Vol.28 pp. 90-106.	The purpose is to explore the concept of user engagement in the context of online brand communities and explain why members actively engage in online brand communities on Facebook and how their engagement behaviors affect brand loyalty.	The dependent variable is brand loyalty. The independent variable is participation, promotion, online community commitment. The moderating variable is perceived benefits, and perceived cost.	H1 : Perceived benefits are positively associated with user participation in online brand communities in social networking sites H2 : Perceived benefit are positively associated with user promotion in online communities in social networking sites H3 : Perceived costs are negatively associated with user participation in online brand communities in social networking sites H4 : Perceived costs are negatively associated with user promotion in online brand communities in social networking sites H5 : User participation in online brand communities in social networking sites is positively associated with online community commitment H6 : User promotion in online brand communities in social networking sites is positively associated with online community commitment H7 : User participation in online brand communities in social networking sites is positively associated with brand loyalty H8 : User promotion in online brand communities in social networking sites is positively associated with brand loyalty H9 : Online community commitment is positively associated with brand loyalty	The research used 185 valid members as respondents using online questionnaire towards Facebook Fan Page members in Hongkong. Among 185 respondents, 51 percent were female and 49 percent were male. The partial least squares approach was used to perform the statistical analysis.	H1, H2, H5, H6, H7, H8, and H9 are supported. However, H3 and H4 are not supported. The finding shows brand community building has been recognized as an effective approach for developing and maintain customer relationships. Social networking tools have enormous potential in enhancing brand loyalty. The results found out user engagement behavior are essential ingredients that foster brand loyalty. members more likely to repeat behaviors that lead to positive rewards and achievements.
5	The impact of social media marketing on brand loyalty. Erdogmus, I.E and Cicek, M. (2012). <i>Social and Behavioral sciences</i> , pp. 1353-1360.	The purpose is to identify the effect of social media marketing on brand loyalty of the consumers.	The dependent variable is brand loyalty. The independent variable is campaign on social media, contents on social media, contents that are popular among the friends on social media and various platforms and offers application on social media.	H1 : Brand loyalty of the customers is positively affected when the brand offers advantageous campaigns on social media H2 : Brand loyalty of the customers is positively affected when the brand offers relevant contents on social media H3 : Brand loyalty of the customers is positively affected when the brand frequently updates its contents on social media. H4 : Brand loyalty of the customers is positively affected when the brand offers contents that are popular among the friends on social media H5 : Brand loyalty of the customers is positively affected when the brand appears on various platforms and offers application on social media	Data collected by structured questionnaire with a sample of 338 respondents who were in social media and followed at least a brand on social media platforms. The sample consisted of 62% male and 38% female. Multiple regression analysis were applied for hypothesis testing.	All of the hypothesis is supported. The finding shows social media are the most significant drivers of brand loyalty followed by relevancy of the content, popularity of the content among friends, and appearing on different social media platforms and providing application. Company may work on creating more engaging, participative, interesting application, games, contents on social media to draw their customer's interest. Information and instructional manual about brand also provided on social media since information sharing are important. For increasing brand loyalty also company can

						provide incentives to social media users to spread words about presence, campaign, and content on social media.
6	Assessing the outcomes generation Y customers' loyalty. Foscht <i>et al.</i> (2009). <i>International Journal of Bank Marketing</i> , Vol. 27 No.3 pp. 218-241.	The purpose is to examine what factors influence the satisfaction, loyalty, and behavioral intentions of the members of Generation Y with regards to their banking needs.	The dependent variable is behavioral intention. The independent variable is satisfaction and loyalty and share of wallet.	H1 : The factors that influence overall satisfaction differ for the various subgroups within the youth market H2 : There us a significant difference among different youth groups regarding the influence of customer satisfaction on customer loyalty H3 : There is a significant difference among different youth groups in the influence of customer loyalty and share of wallet on behavioral intention	The research used multiple-item survey instrument consists of personal interview and questionnaire with 242 respondents belonging to generation Y in Austria. 59 percent of the respondents were male and 41 percent were female. Factor analysis and multiple regression analysis selected as tools to analyzed the hypothesis.	All of the hypothesis are significant. The finding shows the association of customer satisfaction with customer loyalty is highly significant for all sub-group examined. The only differences to the intensity of the relationship.
7	Drivers of attitudes towards luxury brands cross-national investigation into the roles of interpersonal influence and brand consciousness Yim, <i>et al.</i> (2014). <i>International Marketing Review</i> , Vol. 31 No. 4, pp. 363-389.	The purpose is to address how and why cultural characteristics affect interpersonal influence and whether to expect differences in this effect between the United Kingdom and Taiwan. The second purpose is address the relationship between interpersonal influence attitudes toward luxury brand.	The dependent variable is attitude towards luxury brand. The independent variable are susceptibility to normative interpersonal influence consists of horizontal individualism, vertical individualism, horizontal collectivism, vertical collectivism. The mediating variable is brand consciousness.	H1 : The greater the consumers' horizontal individualistic cultural orientation, the less the susceptibility to normative interpersonal influence H2 : The greater the consumers' vertical individualistic cultural orientation, the greater the susceptibility to normative interpersonal influence H3 : The greater the consumers' horizontal collectivistic cultural orientation, the less the susceptibility to normative interpersonal influence H4 : The greater the consumers' vertical collectivistic cultural orientation, the greater the susceptibility to normative interpersonal influence	The respondents amounted 174 college students from United Kingdom and 209 from Taiwan. In collecting the data, the research used questionnaire and to analyze the hypothesis used multi-group structural equation modeling.	All of the hypothesis supported except for H2 only supported in United Kingdom areas. The results shows that brand consciousness in Asian market are motivated to enhance their social image through the use of brands and more likely to display brands other admire so the luxury brand value will receive the attention. Focus on building shared value among social members are preferred in targeting Asian market.
8	Dispelling the collective myth of Chinese consumers : a new generation of	The purpose is to understand brand perceptions in light of self and gender	The dependent variable is willingness to pay a price premium. The independent	H1a : Consumers with high self-consciousness will develop high brand consciousness H1b : Consumers with high gender consciousness will develop high brand consciousness	The research used online survey based questionnaire as data collection method. The sample is 302	H1a and H1b were not supported whereas H2a, H2b, H2c, H3a, H3b, H3c, H4, and H5. The finding shows consumer's need for uniqueness plays an

	<p>brand conscious individualists. Ye <i>et al.</i> (2012). <i>Journal of consumer marketing</i>, Vol. 29 No. 3, pp. 190-201.</p>	<p>consciousness, to understand the relationship between consumer consciousness and brand perception, to investigate brand perception in china consumers.</p>	<p>variable is self-consciousness, gender consciousness, need for uniqueness, brand consciousness, brand attitude, and brand loyalty.</p>	<p>H2a : self-consciousness is positively related to consumers' need for uniqueness H2b : Gender consciousness is positively related to consumers' need for uniqueness H2c : Consumers' need for uniqueness is positively related to brand consciousness H3a : Brand consciousness positively affects brand attitude H3b : Brand consciousness positively affects brand loyalty H3c : Brand consciousness positively affects willingness to pay a price premium H4 : Brand attitude is positively related to brand loyalty H5 : Brand loyalty is positively related to willingness to pay a price premium</p>	<p>chinese participants. Male is 50 percent and female 50 percent. Structural equation modelling used to testing the hypothesis.</p>	<p>important role in educating consumers about brand concepts and building favorable image. For brand consciousness, it is importance for facilitating consumer brand perception such as brand attitude, brand loyalty and willingness to pay a price premium and creating a strong brand value.</p>
9	<p>Store brand and national brand promotion attitudes antecedents. Manzur <i>et al.</i> (2011). <i>Journal of Business Research</i>, Vol. 64 No. 3, pp. 286-291.</p>	<p>The purpose is to investigate if these shopper-level antecedents of attitudes toward store brands and national brand promotions are similar or not in a Latin American setting and examine price related such as value consciousness, smart shopper self-perception and non-price related consumer characteristics such as impulsiveness and consumer loyalty as antecedents of store brands or promotion attitudes.</p>	<p>The dependent variable is store brand and national brand attitudes. The independent variables are price related variables consists of value consciousness and smart shopper perception, non-price related variables consists of brand loyalty, store loyalty, impulsiveness.</p>	<p>H1a : Value consciousness increases the positive attitude toward store brands H1b : Value consciousness increases the positive attitude toward national brand promotions. H1c : Value consciousness more strongly increases the positive attitude toward national brand promotions than the positive attitude toward store brands H1d : Value consciousness decreases brand loyalty H2a : The smart shopper's self-perception increases the positive attitude toward store brands H2b : The smart shopper's self-perception increases the positive attitude toward national brand promotions H2c : The smart shopper's self-perception more strongly increases the positive attitude toward national brand promotions than the positive attitude towards store brands H3a : Brand loyalty decreases the positive attitude toward store brands H3b : Brand loyalty increases the positive attitude toward national brand promotions H4a : Store loyalty increases the positive attitude toward store brands H4b : Store loyalty increases the positive attitude toward promotions of national brands available in the store H5a : Impulsiveness increases the positive attitude toward store brands</p>	<p>The method in collected the data used questionnaire. The total respondents are 300 female consumers over 18 years old in United States and Europe. The analysis used structural model.</p>	<p>H1a, H1b, H1c, H1d, H2a, H2b, H2c, H3a, H4a, H4b are supported. H3b, H5a, H5b, H5c are not supported. The finding shows producers of national brands should focus in the strategies to obtain loyal consumers. Stronger store loyalty can lead probability of the store. Hence, the recommendation is analyze the action in store loyal segment and make decision based on customer equity. It also found that value consciousness has strong impact on attitudes. Producers should focus on quality more effective in increasing value by matching and surpassing the quality through information, advertising and public relation.</p>

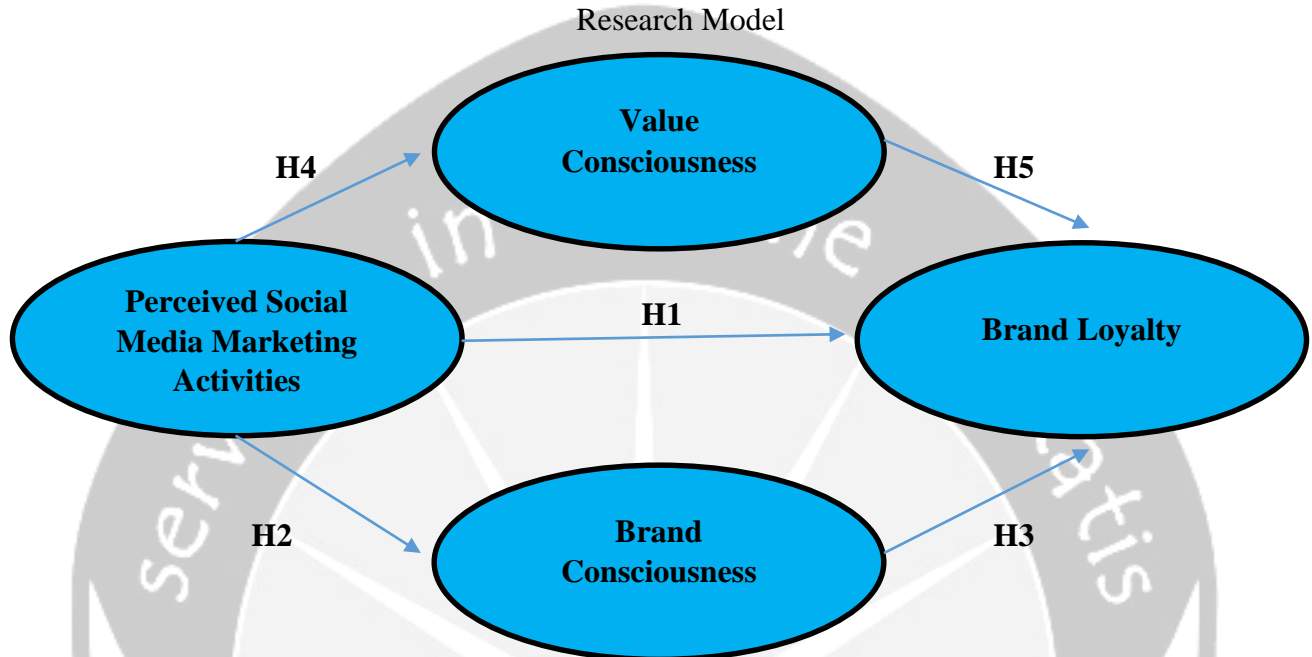
				H5b : Impulsiveness increases the positive attitude toward the national brand promotions H5c : Impulsiveness more strongly increases the positive attitude toward national brand promotions than the attitude toward store brands		
10	Store image influences in consumers' perceptions of store brands: the moderating role of value consciousness . Ballester, <i>et al.</i> (2014). <i>European Journal of Marketing</i> , Vol. 48 No. 9-10.	The purpose is develop and test a conceptual model of the moderating effect of customers' value consciousness on the relationship of store image with four dimensions of the perceived risk associated to the purchase of a store brand over a manufacturers' brand, and the direct effect of those variables on the perceived unfairness of manufacturer' brand prices.	The dependent variable is perceived price unfairness of manufacturers' brands. The independent variable is store image, perceived functional risk of store brands, perceived financial risk of store brands, perceive social risk of store brands, perceived psychological risk of store brands. The moderating variable is value consciousness .	H1 : A positive store image reduces consumers' perceptions of the functional and financial risks of buying stores' own brands to a greater (lesser) degree with diminishing (rising) levels of value-consciousness H2 : A positive store image reduces consumers' perceptions of the social risk of buying stores' own brands to a greater (lesser) degree with rising (diminishing) levels of consumer value-consciousness H3 : A positive store image increases consumers' perceptions of the psychological risk of buying stores' own brands to a greater (lesser) degree with diminishing (rising) levels of consumer value-consciousness H4 : Perceptions of functional, financial, social and psychological risks associated with a store's own brand will diminish the perception of the price unfairness of an alternative manufacturer's brand	The respondents were adult in charge of household shopping. The sample method used quasi-random sample in outside carrefour and Exito supermarket in Bogota, Colombia. The research used 600 useable questionnaires. 50.7 percent was female with mean age was 36.6 years old. To test the hypothesis in this research used structural equation modelling with Lisrel 8.5.	H1 is supported in the level of low value consciousness. H2 is not supported to high and low value consciousness. H3 is supported to low value consciousness than high consciousness. H4 is supported. The findings shows store image influence the risk perception by improve the positioning of store brands as less functional, financial and social riskier alternative. Consumers who are highly value conscious are sufficiently rational in decision making to recognize the best choice in term of financial characteristics. Price and quality are highly correlated. Consumers perceive high price when price inequality in term of quality and functional differences.

Source : International Journals

2.7 Research Framework

The research model is mainly to examine the effect of perceived social media marketing on brand loyalty : the mediation effect of brand consciousness and value consciousness. Research model shows on Figure 2.1.

Figure 2.1



Source : Adapted from Ismail (2017), pg. 133.

2.8 Hypothesis Development

2.8.1 The Effect of Perceived Social Media Marketing Activities on Brand Loyalty

The intensity to use social media marketing enhances the consumers to follow the product from the company. Rapp *et al.* (2013) found out social media applications enable firms to provide real-time updates and information on products, promotions, which provides advertising for the firm and lead greater loyalty. Marketing communication goes to building and maintaining customer relationship (Yu, 2012). Merisavo and Raulas (2004) cited in Ismail (2017) believed that regular

communication from the brand can enhance brand loyalty. This determine consumers to always follow the brand.

Perceived social media marketing activities leads to the brand loyalty. Social media give detail description of the products that represents the products. Research by Schivinski and Dabrowski (2015) found that social media can increasing the brand awareness of the company which encouraging consumers to engage into the creation of brand related content. The advertisement in social media can give the overview of the product, interaction and participation of the consumers on social media especially Instagram which give high satisfaction. Consumers can be loyal because consumers get satisfaction of the products. Research by Barroso and Martin (1999) cited in Curras-Perez *et al.* (2013) explained the essential aspect for consumer to be loyal in social media marketing which is consumers satisfied, receive value, repeat purchase and recommend to others.

On Instagram, people enables to search, follow and buy the products based on their interest. If people spend lot of time on Instagram, then they can get involved in the brand they like and buy the brand repeatedly. Maintaining the good communication avoid the bad impact from the consumers may create brand loyalty to company. Consumers can evaluate the company based on like, comment and interact to the company that shows brand loyalty. Hence, the hypothesis are :

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

2.8.2 The Effect of Perceived Social Media Marketing Activities on Brand Consciousness

Kang *et al.* (2014) believed consumer who are brand conscious may seek the and find their brand tribe online and enjoy socializing and sharing their experiences related to purchasing and using their brand products. Dahl (2005) explained consumers can express different types of customer value in form of self-expression for example by posting pictures of products they consume. Brand with excellent image creates the perception of better quality among consumers rather than acquiring a brand with inferior brand image (Lee *et al.*, 2011). The increasing of advertising through social media especially Instagram which are well-known application, consumers tend more knowledgeable.

Instagram are well - known application to introduce brand in the global. consumers would find the advertisement consists of photo and video with full description of the products in the company. Users that always checking their social media especially Instagram has bigger chance in involving to the online purchasing. They can share photo, video consists of advertisement of brands. It also given the chance in purchasing the products from the famous brand that they admire. For example, the products made in United states can be known and purchase in Indonesia especially in Yogyakarta. People can interest by the pictures shown in Instagram. Therefore, the hypothesis are :

H2 : Perceived social media marketing activities will have a positive effect on brand consciousness

2.8.3 The Effect of Brand Consciousness on Brand Loyalty

Consumer who are knowledgeable and already know a lot of information more be careful in selecting the products. It happens because when consumers purchase through online, there is no guarantee for customers if the products are not fit with consumers expectation. By selecting the famous brand, it can reduce the uncertainty online product on the consumers.

Lee *et al.* (2011) found that building trust and good reputation, added value and usefulness of this mode be enhanced and communicated to consumers. Good reputation in the company make the well-known brand towards the consumers. Consumers may always keep the intention to the company. For example in the Instagram, well-known brand have the verified account and many of followers. Increasing of the followers on Instagram towards the brands represent the brands provides good products.

According to Teimourpour and Hanzaae (2011), consumers who are brand conscious have the tendency to purchase well-known and expensive products in order to relay a certain level of wealth or status. To get the consumer attention, the social media need to give the unique and differ from the others that leads to loyalty. Consumers would interest to seek and follow the product of the company. Hence, the hypothesis are:

H3 : Brand consciousness will have a positive effect on brand loyalty

2.8.4 The Effect of Perceived Social Media Marketing Activities on Value Consciousness

Value conscious shopper tend to visit online sites for best offer and price benefit (Goswami and Khan, 2015). Creating the social media makes the easy to evaluate the benefit of the consumers can get. Compared the quality from each of the product to get the convenience value. Value consciousness consumers really sensitive with what benefit the company offers toward brands. The consumers may seek the lower price brand through social media.

Based on Vernuccio *et al.* (2015), social group has important effects on their love for the brand in term of attachment to the brand, positive effect in response to brand and positive evaluations of brand. Continued using an online network were not only satisfied but were making high calculations of value by trading off what they received compared with what they gave up in service use (Hu *et al.*, 2015). The satisfaction of the value can be express by good review from the customers and keep buy the products. On Instagram such as receive the good testimonial from the loyal customers, high of like and comments because of value from company. Therefore, the hypothesis are :

H4 : Perceived social media marketing activities will have a positive effect on value consciousness

2.8.5 The Effect of Value Consciousness on Brand Loyalty

The previous study by Kotler and Keller (2005) cited in Lin (2010) indicates that the top 20% customers may create 80% profit for company. Value conscious consumers always stick to brands that give high benefit for them. If other competitors

offers the same products, consumers will not easily to change their decision because they already get benefit from the company offers. Curran and Healy (2014) found that high loyalty on consumer have satisfaction, commitment, meeting expectation, price, perceived value, superiority and social bonding whereas price determining for lower loyalty. Finding by Ferreira and Coelho (2015) indicates price conscious consumers likely to be brand loyal, they are loyal to lower price brand. The consumers will maximize the income to fit with the needs of the products. People who are value conscious will buy the products based on information to make sure the products are worth it to buy. From the reliable information, company which fulfill value of consumers will be brand loyal. They will always stick on that brands. Therefore, the hypothesis are :

H5 : Value consciousness will have a positive effect on brand loyalty

2.8.6 The Effect of Brand Consciousness as Mediating Variable on Perceived Social Media Marketing Activities and Brand Loyalty

Alhaddad (2015) stated that advertising gives the good source meaning and identity for brand by enhance the image of the brand. When the consumers want to search the information and loyal to the brand, consumers has to know the brands. Consumers may prefer the brand that are well-known products. Well-known brand in social media especially Instagram might decrease the anxiety for consumers. It enhance greater opportunity to gain consumer loyalty towards brands.

Based on Ye *et al.* (2012), manager can focus on their brands and increase the awareness. Company who register the brands on Instagram leads to greater brand

consciousness. People would identify and search easily of the product company offers on Instagram. Hence, the hypothesis are :

H6 : Brand consciousness will mediate the relationship between perceived social media marketing activities and brand loyalty

2.8.7 The Effect of Value Consciousness as Mediating Variable on Perceived Social Media Marketing Activities and Brand Loyalty

Every consumers perceived value towards the products. Ismail (2017) stated consumers use social media platform to shop lowest cost which bring significant benefit. Value consciousness relates to the price of the consumers perceive toward the products. When company offer special price to the consumers, consumer will easily buy the products. Many consumers appear to follow retailer stores for promotional and advertising information (Rapp *et al.*, 2013). Besides that, perceived social media increase the value consciousness and effect to loyalty. Thus, the hypothesis are:

H7 : Value consciousness will mediate the relationship between perceived social media marketing activities and brand loyalty