

**THE EFFECT OF PERCEIVED SOCIAL MEDIA MARKETING  
ACTIVITIES ON BRAND LOYALTY : THE MEDIATION EFFECT OF  
BRAND AND VALUE CONSCIOUSNESS**

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**ABSTRACT**

Perceived social media marketing activities especially on context of Instagram used to promote the products for company. For selecting products, value consciousness and brand consciousness appears on consumers evaluation in order to be brand loyal. This research examine the effect of perceived social media marketing activities on brand loyalty : The mediation effect of brand and value consciousness. Questionnaire was distributed to 160 respondents who have and follow one of brand account on Instagram and buy 2 times in last 6 month which held on Faculty of Economy in Universitas Atma Jaya Yogyakarta. The analysis used path analysis and operated on IBM SPSS 22.

The finding shows perceived social media marketing activities on brand loyalty with mediation effect of brand and value consciousness was significant. All of the hypothesis was supported. This indicate consumers who brand loyal on Instagram considered about brand and value company offers.

Keywords : Perceived Social Media Marketing Activities, Brand Loyalty, Brand Consciousness, Value Consciousness

**INTRODUCTION**

Nowadays, many company promote the products through social media which influence marketing activities because of technology development. Social media gives wide opportunity to introduce the products in order to gain consumers interest. Social media enables the users to sharing information, comment, likes and follow the product updates. Consumers have their own perception for choosing the brands exist on the society. One of the consideration on consumers is brand consciousness. According to previous study by Siddique and Rashidi (2015), brand consciousness refers to consumers' orientation towards the purchase of expensive and well-known brands. Another variables that consumer would loyal toward company are value consciousness. Based on Jin and Suh (2005), value consciousness implies consideration of quality not in absolute terms but in relation to the price of a particular brand. It means that consumers who have value consciousness are sensitive towards the price, quality and value of the products.

Company need to know each characters from consumers in decision making process for gain more consumers. The consumers who have high value conscious will consider about the benefit the consumers get from the company. According to Lee and Kang (2012) define brand loyalty as degree of consumer's attachment to a specific brand. Brand loyalty build by the commitment of the company to the consumers. Consumers will choose only that brand

although there are several brands appears. Brand loyalty enables company to growth from the other competitors. Survey by Snapcart (2017) showed from 150.000 shoppers users in Indonesia, 32% loyal to only one source and the others 68% loyal to more than two source. This shows that improvement toward brand in the company still questionable and ineffective.

Some business enlarges the market by register the brands into Instagram account. It is makes brands to be well-known for the consumers and expand the market of the company. Based on Ting *et al* (2016), Instagram founded by Kevin Systrom and Mike Krieger since 2010, Instagram is relatively new friends and connecting with others as well as searching for and disseminating information. In fact, research by Kusyati and Safitri (2016) stated that approximately 400 million activities on Instagram every month and 3.5 billion likes a day with average of photo upload more than 80 million. According to Parikesit (2016), most of Instagram users in Indonesia dominantly from the age of 18-24 years old with 59%.

The usage of social media especially Instagram contribute to marketing activities. These phenomena also happen in Yogyakarta as part of Indonesia. In other hand, variety of consumers' consideration creates challenges for company in order to fit the consumers' choice. The disadvantages of company if company cannot maintain social media such as fail to market their products, harm the reputation of the brand in the company, loss the opportunity in leveraging the market, loss potential consumers and bankruptcy. Company should pay attention in managing the social media to overcomes the disadvantages.

This paper will examine the effect of social media marketing activities on brand loyalty with mediation effect of brand and value consciousness. The main object in social media to be discussed in this research is Instagram because Instagram is the most popular and familiar social media to follow and promote the products in Indonesia especially on Yogyakarta. People still consider Instagram as trend and choose Instagram as well-known application for buying the products.

## **LITERATURE REVIEW**

### **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. 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).

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's advertising, servicing existing customers is cheaper, loyal consumers spread positive word of mouth and refer other customers.

### **Brand Consciousness**

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 perspective 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. 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.

**Value Consciousness**

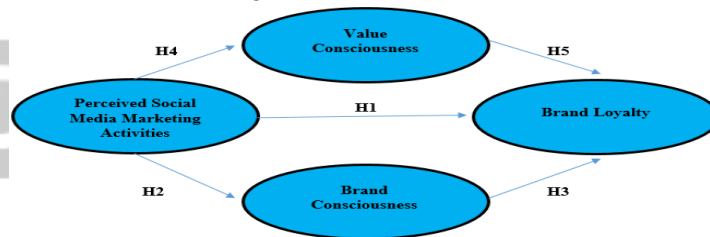
Value consciousness is a concern for paying low prices, subject to some quality constraint (Lichtenstein *et al.*, 1990, Lichtenstein *et al.*, 1993, Ailawadi *et al.*, 2001 cited in Ismail, 2017). Value consciousness shopper typically attempt to maximize the quality or price ratio (Manzur *et al.*, 2011). 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.

**Perceived Social Media Marketing Activities**

Social media enables interaction and the communication effective 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. Social media marketing is a term which describes the actual acts of using social networks for marketing purposes (Keinanen and Kuivalainen, 2015). 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). 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.

**Research Framework**

Figure 1 Research Model



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

**Hypothesis Development**

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). 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. 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

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. Users that always checking their social media especially Instagram had 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. Therefore, the hypothesis are :

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

Consumer who are knowledgeable and already know a lot of information more be careful in selecting the products. Lee *et al.* (2011) found that building trust and good reputation, added value and usefulness of this mode be enhanced and communicated to consumers. 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 Hanzae (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. 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

Value conscious shopper tend to visit online sites for best offer and price benefit (Goswami and Khan, 2015) making high calculations of value by trading off what they received compared with what they gave up in service use (Hu *et al.*, 2015). 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

The previous study by Kotler and Keller (2005) cited in Lin (2010) indicates that the top 20% customers may create 80% profit for company. Finding by Ferreira and Coelho (2015) indicate price conscious consumers likely to be brand loyal, they are loyal to lower priced brand. The consumers would maximize the income to fit with the needs of the products although they may leave the brand that consumers always buy. People who follow and buy the products on Instagram seek the information and from the information if company fulfill value of consumers, the consumers would be brand loyal. Therefore, the hypothesis are:

H5 : Value consciousness will have a positive effect on 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. 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

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. 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

## **RESEARCH METHODOLOGY**

### **Population and Sample**

The population in this research is students of Universitas Atma Jaya Yogyakarta for gathered the data which useful for the research. The sample of the research is students of Faculty of Economy in Universitas Atma Jaya Yogyakarta. The types of non-probability used in this research are purposive sampling. the total valid respondents are 160 respondents consists of 70 respondents from online questionnaires and 90 from offline questionnaires.

### **Validity and Reliability Test**

Based on Sekaran and Bougie (2013) validity is a test of how well an instrument that developed measures the particular concept it is intended to measure. The validity test used 30 respondents as sample. Each of item questions on the questionnaire was valid. According to Sekaran and Bougie (2013), reliability refers to test the consistency of the data, when reliability less than 0.60 are considered to be poor, those in the 0.70 range, acceptable and those over 0.80 good. All of the variables had coefficient Cronbach alpha more than 0.6 which means all of the item questions are consistent and reliable.

### **Data Collection Method**

The types of the collect the data used primary data. Primary data means collect the data directly from the respondents. Questionnaire is one of method collect the data from the respondents. The respondents need to fill the answer which is fit with the respondents' opinion. Offline and online questionnaire were used in the research. The questionnaire came from Ismail (2017) titled the influence of perceived social media marketing activities on brand loyalty : The mediation effect of brand and value consciousness.

### **Data Analysis Techniques**

Descriptive statistics analysis and path analysis used in this research analyzed by IBM SPSS 22. Path analysis consider as the analysis to examine mediating variables towards the dependent and independent variables with regression model. There is two model in this research, the first model consists of value consciousness as mediating variable on perceived social media marketing activities on brand loyalty. The second model consists of brand consciousness as mediating variable on perceived social media marketing activities on brand loyalty. The first step of path analysis is to regress the dependent and independent variables. At each stage, dependent variable is regressed on the variables that are hypothesized to affect it and  $\beta$ 's are path coefficients for path leading from the independent variable to dependent variable (Pedhazur, 1997 cited in Zolait, 2010). According to Zhao *et al.* (2010) explained the criteria of the mediating variable that :

1. If a x b is significant but c is not significant means indirect only mediation
2. If a x b is not significant but c is significant means direct only nonmediation
3. If neither a x b nor c is significant it means no effect nonmediation
4. If both a x b and c are significant, determine the sign of a x b x c by multiplying the three coefficients, or by multiplying c by mean value of a x b from bootstrap output. If a x b x c is positive, it is complementary mediation and if a x b x c is negative, it is competitive mediation.

According to Ghozali (2011), in order to analyzed the proportion for mediation effect of path analysis are :

Direct effect :  $p(c)$   
 Indirect effect :  $p(a) \times p(b)$   
 Total Effect :  $p(c) + (p(a) \times p(b))$

## DATA ANALYSIS AND DISCUSSION

### Screening Questions Data

In the screening questions, respondents must from the students of Faculty of Economy Universitas Atma Jaya Yogyakarta, have Instagram account, follow and buy the product from the brand they already mention at least 2 times in 6 month.

Table 1 Students of Faculty of Economy Universitas Atma Jaya Yogyakarta

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	160	100.0	100.0	100.0

Source : Primary data (2017)

Students of Faculty of Economy Universitas Atma Jaya Yogyakarta is the target respondents on the research. The next result is users of Instagram account. The result of users of Instagram account shows on table.

Table 2 Users of Instagram Account

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	160	100.0	100.0	100.0

Source : Primary data (2017)

For the third screening questions data was respondents required to became follower in one of brand account on Instagram. The result shows :

Table 3 Followers in One Brand Account

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	160	100.0	100.0	100.0

Source : Primary data (2017)

To generalized the respondents answers, for brand that respondents followed divided into product categories stated on below.

Table 4 Product Brand Categories

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Food and Beverages	57	35.6	35.6	35.6
Clothing and Shoes	66	41.3	41.3	76.9
Cosmetics	31	19.4	19.4	96.3
Others	6	3.8	3.8	100.0
Total	160	100.0	100.0	

Source : Primary data (2017)

The most popular product brand categories that respondents followed and buy at least 2 times in 6 months was clothing and shoes products because it was primary need and the

respondents could find a lot of information about clothing and shoes products on Instagram such as discount, materials, size and brand that interest them and fit with their taste of fashion on Instagram. In addition, growth of online shop on Instagram add clothing and shoes become the choice of consumers.

### Respondents' Profile

The respondents' profile consists of gender and income. The gender of the respondents shows below.

Table 5 Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Man	64	40.0	40.0	40.0
Woman	96	60.0	60.0	100.0
Total	160	100.0	100.0	

Source : Primary data (2017)

It means most of the respondents' gender were woman. For the respondents' profile about average monthly income, the result table presented below.

Table 6 Average Monthly Income

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid < Rp. 2.000.000	123	76.9	76.9	76.9
Rp. 2.000.001 - Rp. 4.000.000	34	21.3	21.3	98.1
Rp. 4.000.001 - Rp. 6.000.000	1	.6	.6	98.8
> Rp. 6.000.001	2	1.3	1.3	100.0
Total	160	100.0	100.0	

Source : Primary data (2017)

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

The first path analysis determines path (c) or direct effect of perceived social media marketing activities on brand loyalty.

Table 7 Result of Perceived Social Media Marketing Activities on Brand Loyalty

Independent Variables	Dependent Variables	Standardized Coefficients	t	Sig.	Result
		Beta			
Perceived Social Media Marketing Activities	Brand Loyalty	.544	8.142	.000	Significant
R Square = .296		F value = 66.287		.000	Significant
Adjusted R Square = .291					

Source : Primary data (2017)

Perceived social media marketing activities on brand loyalty had coefficient beta ( $\beta$ ) 0.544 with p-value of  $t(0.000) < \alpha(0.05)$  shows perceived social media marketing activities have positive effect and influence on brand loyalty. Hence, H1 is supported. In Yogyakarta, the factors that make Instagram as effective tools on promoting brands because the company successful to create interesting content on Instagram in order promoting the brand which

enhance the consumers to keep loyal on brands, Instagram applicable for every range of people with easy to use application and enable consumers identified the products fit with needs of consumers' expectation, Instagram can building communication to loyal consumers with attractive contents which grab consumers' intention on loyalty on the company.

It is consistent with finding by Ismail (2017) that perceived social media marketing activities is effective tool to developing relationship with customers and building brand loyalty with social media. This also supported by Erdogmus and Cicek (2012) that company which social media campaign should take consideration of benefit, values, advantages and updates about what costumers are interested in.

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

The second analysis is to examine the H4 which is perceived social media marketing activities will have positive effect on value consciousness contribute to path (a).

Table 8 Result of Perceived Social Media Marketing Activities on Value Consciousness

Independent Variables	Dependent Variables	Standardized Coefficients	t	Sig.	Result
		Beta			
Perceived Social Media Marketing Activities	Value Consciousness	.603	9.510	.000	Significant
R Square = .364		F value = 90.437		.000	Significant
Adjusted R Square = .360					

Source : Primary data (2017)

The coefficient beta ( $\beta$ ) of perceived social media marketing activities on value consciousness as mediating variable is 0.603 with p-value of  $t(0.000) < \alpha(0.05)$  means perceived social media marketing activities have positive effect and influence on value consciousness. Hence, H4 is supported. Users on Instagram in Yogyakarta determine the value of the brands. When people open Instagram, they may seek the brand that give more benefit. This finding in line with Ismail (2017) social media marketing influential for consumers who are value consciousness. Value consciousness is higher for high price compared to low price categories (Zielke and Komor, 2015). Instagram gives opportunity for consumers in order to maximize the value of brands which fit with their preferences.

### The Effect of Value Consciousness on Brand Loyalty

The next analysis is H5 stated value consciousness will have a positive effect on brand loyalty. This also contribute to path (b) which value consciousness as mediating variable on brand loyalty.

Table 9 Result of Value Consciousness on Brand Loyalty

Independent Variables	Dependent Variables	Standardized Coefficients	t	Sig.	Result
		Beta			
Value Consciousness	Brand Loyalty	.508	7.414	.000	Significant
R Square = .258		F value = 54.974		.000	Significant
Adjusted R Square = .253					

Source : Primary data (2017)



The coefficient beta ( $\beta$ ) amounted 0.508 with p-value of  $t(0.000) < \alpha(0.05)$  means value consciousness on brand loyalty have positive effect and influence on brand loyalty. Hence, H5 is supported. Increasing of value consciousness will increase brand loyalty. Although, on previous study by Ismail (2017) finding the path of value consciousness on brand loyalty was negative but still significant. The reason for this contradict result might be because of different of cultures, different opinion towards product, different level of value consciousness and behavior on Malaysia and Indonesia consumers. Company that provide better in term of price, quality and benefit enables attract to brand loyalty. Manzur *et al.* (2011) stated value consciousness has stronger impact on attitudes towards national brand and store brands. In addition, Ballester *et al.* (2014) explained also consumers who are highly value-conscious are sufficiently rational in their decision-making.

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

For examine H7 stated value consciousness as mediating variable on perceived social media marketing activities and brand loyalty. The result presents below on table.

Table 10 Result of Value Consciousness as Mediating Variable on Perceived Social Media Marketing Activities and Brand Loyalty

Independent Variables	Dependent Variables	Standardized Coefficients	t	Sig.	Result
		Beta			
Perceived Social Media Marketing Activities	Brand Loyalty	.373	4.608	.000	Significant
Value Consciousness		.283	3.500	.001	Significant
R Square = .347		F value = 41.627		.000	Significant
Adjusted R Square = .338					

Source : Primary data (2017)

The coefficient beta ( $\beta$ ) of value consciousness as mediating variables on perceived social media marketing activities and brand loyalty is 0.373 with p-value of  $t(0.000) < \alpha(0.05)$  indicate value consciousness as mediating variable have positive effect and influence on perceived social media marketing activities and brand loyalty. Hence, H7 is supported. Finding by Rubio *et al.* (2015) that consumer who are loyal to brands to the extent they are more value conscious, perceive greater value for store brand not only because of competitive price but lower perception of functional risk in acquiring brands. In addition, Ismail (2017) also supported that value consciousness as mediating variables had effect on perceived social media marketing activities. It shows in Yogyakarta selection of brands on Instagram also consider about the value consciousness on consumers.

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

In the first model, perceived social media marketing activities on brand loyalty become direct effect and value consciousness as mediating variable on perceived social media marketing activities and brand loyalty become indirect effect.

Table 11 Summary of Value Consciousness as Mediating Variable on Perceived Social Media Marketing Activities and Brand Loyalty

Step	Variables	Standardized Coefficients	Prob.	Result
		Beta		
1	Perceived Social Media Marketing Activities → Brand Loyalty (c)	.544	.000	Significant
2	Perceived Social Media Marketing Activities → Value Consciousness (a)	.603	.000	Significant
3	Value Consciousness → Brand Loyalty (b)	.508	.000	Significant

Source : Primary data (2017)

All of the  $p < 0.05$  means significant. Value of direct effect which is perceived social media marketing activities on brand loyalty or path (c) is 0.544. Value consciousness as mediating variable on perceived social media marketing activities and brand loyalty shows on path (a) and (b). According to Ghazali (2011), for calculating the indirect effect is path (a) × path (b) which  $(0.603 \times 0.508)$  is 0.306. According to Zhao *et al.* (2010), the types of mediation for the effect of perceived social media marketing activities on brand loyalty with value consciousness as mediating variable is complementary mediation, it is because path (a) × path (b) × path (c) which  $0.603 \times 0.508 \times 0.544$  is 0.166 shows the value of coefficient beta in path (a) × path (b) × path (c) is positive and significant.

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

On the H2 stated perceived social media marketing activities will have positive effect on brand consciousness. This result shows path (a) which perceived social media marketing activities on brand consciousness as mediating variable.

Table 12 Result of Perceived Social Media Marketing Activities on Brand Consciousness

Independent Variables	Dependent Variables	Standardized Coefficients	t	Sig.	Result
		Beta			
Perceived Social Media Marketing Activities	Brand Consciousness	.557	8.432	.000	Significant
R Square = .310		F value = 71.107		.000	Significant
Adjusted R Square = .306					

Source : Primary data (2017)

The coefficient beta ( $\beta$ ) shows 0.557 with p-value of  $t (0.000) < \alpha (0.05)$  means perceived social media marketing have positive effect and influence on brand consciousness. Hence, H2 is supported. It is in line with Kang *et al.* (2014) that brand consciousness positively related towards online shopping social network sites. In addition, Goswami and Khan (2015) stated consumers with brand consciousness tend to shop online. In case of Yogyakarta, prestige of brands on Instagram influence the consumers to purchase. They also keep follow up trend on the environment. By that, the more famous of brands and to be well-known on Instagram would affect consumers to follow and check on Instagram.

### The Effect of Brand Consciousness on Brand Loyalty

The effect of brand consciousness on brand loyalty stated on H3. The result of regression contribute to path (b) which brand consciousness as mediating variable on brand loyalty. The result shows below.

Table 13 Result of Brand Consciousness on Brand Loyalty

Independent Variables	Dependent Variables	Standardized Coefficients	t	Sig.	Result
		Beta			
Brand Consciousness	Brand Loyalty	.598	9.388	.000	Significant
R Square = .358		F value = 88.127		.000	Significant
Adjusted R Square = .354					

Source : Primary data (2017)

The result of coefficient beta is 0.598 with p-value (0.000) <  $\alpha$  (0.05) means brand consciousness have positive effect and influence on brand loyalty. Hence, H3 about brand consciousness have positive effect on brand loyalty is supported. It is in line with finding of Giovannini *et al.* (2015) that consumers with high level of brand consciousness are brand loyal and Ye *et al.* (2012) stated brand consciousness had positive significant on brand loyalty. In Yogyakarta, it can be significant because consumers think the brands that well-known can be trusted in producing good products.

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

Next analysis is to examine the effects of brand consciousness as mediating variable on perceived social media marketing activities and brand loyalty which stated on H6.

Table 14 Result of Brand Consciousness as Mediating Variable on Perceived Social Media Marketing Activities and Brand Loyalty

Independent Variables	Dependent Variables	Standardized Coefficients	t	Sig.	Result
		Beta			
Perceived Social Media Marketing Activities	Brand Loyalty	.305	4.174	.000	Significant
Brand Consciousness		.429	5.866	.000	Significant
R Square = .422		F value = 57.354		.000	Significant
Adjusted R Square = .415					

Source : Primary data (2017)

The coefficient beta ( $\beta$ ) of perceived social media marketing activities on brand loyalty with brand consciousness as mediating variable is 0.305 with p-value of t (0.000) <  $\alpha$  (0.05) indicates perceived social media marketing activities and brand consciousness as mediating variable have positive effect and influence on brand loyalty. Hence, H6 stated that brand consciousness will mediate the relationship between perceived social media marketing activities and brand loyalty is supported. It is in line with Siddique and Rashidi (2015) that advertising are influence customers and customers are influencing brand selection on social media. Moreover, Ye *et al.* (2012) added brand consciousness for consumers choice and perception. In Yogyakarta, brand consciousness gives significant contribution on loyalty

towards consumers. People with high brand consciousness prefer to select the famous product and highly advertise to avoid uncertainty and insecurity while purchasing products. Company who are well-known in consumers orientation will be easier to identified and get lot of intention to be loyal.

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

The summary of path analysis for second model which is brand consciousness as mediating variable on perceived social media marketing activities and brand loyalty shows below.

Table 15 Summary of Brand Consciousness as Mediating Variable on Perceived Social Media Marketing Activities and Brand Loyalty

Step	Variables	Standardized Coefficients	Prob.	Result
		Beta		
1	Perceived Social Media Marketing Activities → Brand Loyalty (c)	.544	.000	Significant
2	Perceived Social Media Marketing Activities → Brand Consciousness (a)	.557	.000	Significant
3	Brand Consciousness → Brand Loyalty (b)	.598	.000	Significant

Source : Primary data (2017)

All of the  $p < 0.05$  means significant. Value of direct effect which perceived social media marketing activities on brand loyalty shows on path (c) is 0.544 and the value of indirect effect which brand consciousness as mediating variable on perceived social media marketing activities and brand loyalty shows on path (a) and (b). According to Ghazali (2011), for calculating the value of indirect effect is path (a)  $\times$  path (b) means  $0.557 \times 0.598$  is 0.333. According to Zhao *et al.* (2010), the types of mediation for the effect of perceived social media marketing activities on brand loyalty with brand consciousness as mediating variable is complementary mediation, it is because path (a)  $\times$  path (b)  $\times$  path (c) which  $0.577 \times 0.598 \times 0.544$  is 0.187 shows the value of coefficient beta in path (a)  $\times$  path (b)  $\times$  path (c) is positive and significant.

### **CONCLUSION**

After examine the data analysis and discussion, from this research the conclusion shows that :

1. All of the respondents have account on Instagram, follow and buy the brand at least 2 times in 6 months.
2. All of the respondents from students of Faculty of Economy Universitas Atma Jaya Yogyakarta and according to the respondents' profile, most of respondents were woman with 60% and 40% of the respondents were man. Moreover, respondents average monthly income mostly have  $< \text{Rp.}2.000.000$  with 76.9%, 21.3% for  $\text{Rp.}2.000.000 - \text{Rp.}4.000.000$ , 1.3% for  $> \text{Rp.}6.000.001$  and 0.6 % for  $\text{Rp.}4.000.001 - \text{Rp.}6.000.000$ .
3. Perceived social media marketing activities have positive effect on brand loyalty stated on H1 is supported. People who follow and buy products on Instagram will lead to brand loyalty towards brands. Increasing of people using Instagram may increase loyalty towards company significantly.

4. Perceived social media marketing activities have positive effect on brand consciousness stated on H2 is supported. Company who used Instagram as marketing tool for promotion influence the brands to be well-known on consumer orientation.
5. Brand consciousness have positive effect on brand loyalty stated on H3 is supported. Consumers tend to loyal to company who have well-known brand.
6. Perceived social media marketing activities have positive effect on value consciousness stated on H4 is supported. People who join Instagram would follow the brands that gives value for them.
7. Value consciousness have positive effect on brand loyalty stated on H5 is supported. Company who give more value will make consumers to always stick with the brand.
8. Brand consciousness as mediating variable have positive effect on perceived social media marketing activities and brand loyalty stated on H6 is supported. It shows brand consciousness success for mediating perceived social media marketing activities and brand loyalty. Famous brand on Instagram would have lot of loyal consumers towards products.
9. Value consciousness as mediating variable have positive effect on perceived social media marketing activities and brand loyalty stated on H7 is supported. Value consciousness become determinant of perceived social media marketing and brand loyalty. People would follow and buy on Instagram which give more value to the consumers and become loyal consumers.

#### **Managerial Implication**

For the company who used social media especially Instagram as promoting media for enhance the brand loyalty marketers can focus on the content of advertisement which interesting for consumers and keep updates the information and interaction to consumer on Instagram to pull new consumers to be loyal on social media especially Instagram. Marketers also can create special event on Instagram to enable consumers used Instagram as promoting media to their friends, and always maintain communication towards consumers on Instagram.

Marketers on company to increase brand consciousness can combine various types of social media so brand can be remembered and delivered on consumers mind. Marketers not only use Instagram to promote the brands but also can use another social media such as facebook, twitter and etc to make the brand to be well-known. Second, cooperate with capable celebrity endorser who expertise on this field to promote the product which add more conscious of the brands because followers will follow celebrity that they admire and through celebrity endorser, consumer will trust and know the brands.

The company can increase the value consciousness on brand loyalty by providing best quality and uniqueness on product from ingredients and materials. The marketers can make differentiation of the products than other competitors. Second, giving special price to loyal consumers. Third, giving guarantee for the products that are not satisfy for consumers which can increase the loyalty on consumers perspectives. It will make consumers think that what they pay off on the products are worth it for this company.

#### **Limitation and Suggestion for Future Research**

Every research is not always perfect and still have limitation. There are several limitation of this research include :

- Regarding to the good research, sample should take widely for gain accurate result but because of time limitation, the sample of the research used only 160 respondents who follow and buy one of brand account on Instagram from students of Faculty of

Economy Universitas Atma Jaya Yogyakarta although the questionnaire spread through online and offline.

- Loyalty towards one brand to another brands are different from respondents perception. It would be more convenience to used specific brands on Instagram that represent loyalty from the customers.
- It suggests for future research to add more variables that related to brand loyalty in order to enrich the research.

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