

## **CHAPTER II**

### **LITERATURE REVIEW**

#### **2.1.Introduction**

This chapter aims to explain the theoretical background of this research. The researcher will emphasize the theory about Instagram interaction, Instagram usability, brand sacralization, online purchase intention and brand loyalty from some previous studies that are related to this research as a reference. Furthermore, this chapter also contains the conceptual framework and the hypothesis of this research.

#### **2.2.Theoretical Background**

##### **2.2.1.Instagram Interaction**

Instagram is a social media that could be called as most entertain platform, most people are using this as a sharing platform. Instagram could share photos, 60 seconds video, 15 seconds story, and also Instagram TV that could contain 10 minutes of video. Guidry *et al.*, (2015) stated that Instagram in 2013, upgrade the application with the capability of sharing videos and sending photos through direct messages. Relate with Abbott *et al.* (2013); Chante *et al.* (2014) said that Instagram connecting physical environments and digital realms which means real life and digital life, and help company enhances online presence and identity. Moreover, Instagram creates interactive communication and spread information effectively as well. Other than that, most of the companies also use it as a sharing platform for their business because of the features. The features in Instagram that not only for

personal uses but help a company in expanding their business are the interaction among users, e.g. like, comment, share, tap or visit a profile. Instagram could help brand to build deeper relationship with the consumer through intense interactions and story related to the product that they sell (Geissinger and Laurell, 2016). Moreover, interaction in Instagram invites users to involve in creating a campaign or a project that could attract among each other, i.e. Matoi Brand used Instagram stories as their platform to create questions and answers or discussion about their product with their consumer. Moreover, Kim and Ko (2012) stated the features of social media for instance Instagram marketing activities as entertainment, interaction, trend, customization, and also word-of-mouth.

### **2.2.2. Instagram Usability**

The Instagram usability mentioned in this research is one of the effective ways for an individual to express and explain about themselves to others (Kusay, 2010: 68) and moreover, Instagram is now used by the user to show their social status (Chu *et al.*, 2016; Jain *et al.*, 2015). Instead of a platform for showing the social status, Instagram could help a company in expanding business as well, Instagram is a valuable marketing tool for business that want to create loyal customers with its ability to share visual information desired by the consumer (AdAge, 2019). Moreover, Instagram brings possibility for brand to deliver the information related to the product in more interesting way (Roncha and Radclyffe-Thomas, 2016) through features in it, such as visual images or pictures (Luarn *et al.*, 2015), and videos (Kim, Spiller and Hettche, 2015; Schultz, 2017). Instagram user could receive the interaction from another user share or like a photo or video of the

product, then it will be shown in other Instagram user explore. As well as the like and share feature, nowadays Instagram gives an option to a business profile that they could use “sponsor” feature, which the user or company need to pay Instagram and their photo or video will be shared to other user as an advertisement and the user or company could track the insight of their “sponsor” feature works. Therefore, the “sponsor” user could understand the type of advertisement that works and improve to become more attractive. Macarthy (2014) stated that by some people, Instagram is called the “World’s Most Powerful Selling Tool”, which indicates that the levels of passion and loyalty shown by Instagram users.

### **2.2.3.Brand Sacralization**

Commonly, as a buying habit, people could buy many products from a brand. This phenomenon can be called brand sacralization in which a brand attains sacred status with certain strictness like attributes apparent by a gathering of fan brand devotees or brand being a fan (Wang, 2017). The characteristics of this phenomenon include true belief and faith in the brand, and also worship the brand. Related to this phenomenon, brand that was sacralized by the consumer is one of many ways how the consumer express their self-worth (Shachar *et al.*, 2011), by using the product of the brand that the consumer use. However, different brands can represent a consumer self-worth in different ways (Shachar *et al.*, 2011). The presence of the brand in social media tools allows consumers to perceive the brand as more prestigious in their mind (Kazanci and Basgöze 2018).

Brand devotion is also a key component for brand sacralization (Sarkar *et al.*, 2015). As an essential component of brand sacralization, brand devotion creates the

consumer devoted to the brand. According to Pichler and Hemetsberger (2007), devotion is the highest form of love, and brand devotees can sacralize brands by placing a high value on the brand. Once the consumer devoted to the brand, the consumer will start considering the brand as sacred entities.

#### **2.2.4. Online PI**

Poddar *et al* (2009) stated that online PI explains the evaluation of parameter assessment of buyers through internet site characteristics, experience survey, instruction search, and also post-purchase analysis. Regarding to this, many people share their experiences in buying some products through Instagram, e.g. photo or video in their story or feed. Moreover, Instagram users are more likely to believe on what the source said (Cheung & Thadani, 2012; Kudeshia & Kumar, 2017). For some company, they could attract their consumer to buy their product by share promotions, good photos or videos on Instagram as a virtual catalogue, and reach out to the consumers through campaign and hashtag. Consumers will probably purchase online if the company provides about the functions of the product, including their model types, payment strategies, and searching mechanisms (Liang and Lai, 2002).

Instagram as a virtual catalogue and promotion platforms, the photos and videos provided by the company should be good and as well as the real product, so that consumer doesn't feel tricked. Sun (2010) stated that a promotion technique has a significant impact on online purchase intention. Moreover, the company need to create a good promotion that could increase consumer purchase intention. As the consumer enjoying their involvement with the brand, the consumer could share

their experiences on Instagram (Gensler *et al.*, 2013; McCarthy *et al.*, 2014). Saragih *et al.*, (2012) stated that consumer satisfaction after doing online shopping strongly influences consumer intention to repurchase at the same online shop. However, positive PI not only the chance of making a purchase, but a positive commitment or loyalty towards brand and product as well (Schiffman and Wisenblit, 2015).

#### **2.2.5.Brand Loyalty**

Brand loyalty is a situation where the consumer keeps buying the product and do not prefer switching to other brands. Brand loyalty could be created by consumer satisfaction experience toward brand, and the satisfaction refers to consumer emotional response to the entire experience toward the recent purchase (Kim *et al.*, 2016). Machado *et al.* (2019) stated that brand loyalty has offered brands numerous significant chances to create value, present interesting and real-time contents, ensure co-creation with consumers and encourage them to the new ideas. Moreover, brand loyalty includes positive word-of-mouth which supports the brand and creates behavioral patterns from consumer either purchase intentions of the brand or repurchase intention in the future. Moreover, brand loyalty could reflect the way consumer associates themselves toward brand, regardless of price adjustments or changes in product features (Shobri *et al.*, 2012). As stated by Mao (2010), there are several important strategic benefits for the brand toward brand loyalty, i.e. an essential feature of brand value, cut down costs, less sensitive to price, bring in new faithful consumers and benefit in the global market place.

## 2.3.Previous Study

**Table 2.1**  
**Previous Study**

No.	Tittle	Variable	Method	Findings
1.	Evaluating the Influence of social media on Brand Sacralization (Payel Das, 2016)	Social Media Interaction, Social Media Usability, Brand Sacralization, Online Purchase Intention, Brand Loyalty	Questionnaire used to collect the data. SPSS 17 and Amos 17.0 were used to test the collected data.	This research found that social media interaction and usability positively influences brand sacralization.
2.	The Impact of Perception Related Social Media Marketing Applications on Consumers' Brand Loyalty and Purchase Intention (Ayben Ceyhan, 2019)	Social Media Marketing Applications, Functional Value, Social Value, Co-creation Value, Self-brand Image Congruency, Purchase Intention, Brand Loyalty	The researcher use questionnaire to collect data. SPSS 23.0 and SEM were used to test the data.	This research found that some marketing applications do not affect brand loyalty or purchase intention.
3.	Factor Influencing Generation Y's Online Purchase Intention toward XYZ Online Store in Thailand (Tuangporn Kongprapunt and Nathaya Papat, 2018)	Quality, Brand Image, Convenience, Promotion, Trust, Online Purchase Intention	Questionnaire used to collect the data. Multiple Linear Regression (MLR) and Cronbach alpha were used to test the data.	This research found that Trust was the key factor that respondents concern in online purchase intention and following by Promotion, Quality, Convenience, and Brand Image.

No.	Title	Variable	Method	Findings
4.	The Impact of Learning Style on Web Shopper Electronic Catalog Feature Preference (Muhammad Muazzem <i>et al.</i> , 2009)	Learning Styles, Electronic Catalogs	The researchers use 2 instruments in collecting data, VARK (Visual, Auditory, Read, Kinesthetic) and e-catalog survey questionnaire. Multiple Regression and Canonical correlation were used to test the data.	This research found that web shoppers differ in their preference for different features of e-catalogs based on their learning styles.
5.	Exploration of Brand Sacralization among The Young Adult Consumers in the context of Emerging Asian Market (Sarkar <i>et al.</i> , 2015)	Favorable Country of Origin, Favorable Brand Hero Image, Brand Ethicality, Sustainable Marketing, Brand Devotion, Need for Self-Expressiveness, Brand Sacralization, Display Behavior	The researcher uses interviews to collect the data.	This research found that the dimensions of brand sacralization have similarity with the dimensions of religiosity.
6.	Innovative Consumers of the Digital Age: Opinion Seeking on Instagram (Sibel Aydogan <i>et al.</i> , 2019)	Instagram Usage Attitude, Consumer Innovativeness, Opinion Seeking	The researcher uses questionnaire to collect the data. Amos 25 was used to test the data.	This research found that Instagram usage attitude positively affects opinion seeking.



No.	Title	Variable	Method	Findings
7.	The Influence of Electronic Word-of-Mouth on Instagram User: An Emphasis on Consumer Socialization Framework (Narges Delafrooz <i>et al.</i> , 2019)	Electronic Word-of-Mouth (eWOM), Consumer Socialization, Peer Communications, Brand Attitude, Brand Relationship Quality, Instagram Usage	Questionnaire was used to collect data. Regression was used to test the data.	This research found that there is a positive relationship between Instagram usage and following activity.
8.	Influences of Customer Participation and Customer Brand Engagement on Brand Loyalty (Birgit Andrine Apanes Solem, 2016)	Customer Participation, Brand Satisfaction, Brand Loyalty	The researcher use questionnaire to collect the data. SEM, IBM SPSS and AMOS 21 were used to test the data.	This research found that Brand satisfaction remain key to brand loyalty in short and long terms.
9.	A Structural Model of the Relationships between Brand Image, Brand Trust and Brand Loyalty (Abdullah Alhaddad, 2012)	Brand Loyalty, Brand Image, and Brand Trust	Questionnaire was used to collect data. SPSS and AMOS were used to test the data.	This research found that brand image has a significant positive effect on both brand trust and brand loyalty.
10.	Brand Loyalty: Exploring Self-brand Connection and Brand Experience (Liezl-Marié, 2018)	Self-brand Connection and Brand Loyalty, Self-brand Connection, Brand Experience and Brand Loyalty	Questionnaire with multiple choice questions was used to collect the data. IBM SPSS version 23 and AMOS version 23 were used to test the data	This research found that brand experience fully explains the relation among self-brand connection and brand loyalty.



### 2.3.1.Hypothesis Development

Sarkar *et al.*, (2015) stated that interaction happened among Instagram user can have a big influence in creating the perception of a brand as being sacred among the consumer. Interaction in Instagram (e.g. like, comment, share, tap and visit) will create a good image of a brand, and it will create both of consumer believed and devoted to the brand. Positive word-of-mouth (e.g. comment, discussion, review) among Instagram user about the brand can increase the chances that consumer become devoted to the brand and consider it as sacred. There is twofold role that consumer reviews played; it gives information about the product to consumer as well as build recommendations for another consumer (Lee *et al.*, 2008; Bingjia *et al.*, 2010). As much as consumer spread positive word-of-mouth about the brand, many of the consumer may develop positive perceptions regarding the brand.

#### ***H1: Instagram interaction has a positive influence on brand sacralization***

Besides of individual use, Instagram could help in expanding business for company as well. The use and usefulness of Instagram are the strongest factors for user to determine the usage. By create the Instagram profile as a visual catalog (e.g. photos, videos, and stories), it will help consumer in choosing the product that they will buy. Photos and videos that were updated from a brand could build a trust and believe to the brand and bring a good bond between the brand and the consumer. Gao *et al.*, (2003) explain that trust refers to reliability, confidence, and credibility and all are important elements on e-commerce. Furthermore, photos and videos

about the product that were uploaded to the Instagram as well as the real condition of the product, it will make the consumer devoted to the brand and by the positive word-of-mouth it will make the consumer devoted to the brand.

***H2: Instagram usability has a positive influence on brand sacralization***

Instagram is a platform where the user can share a moment, story, and etc. Other than that, in this era, Instagram is used for a company in order to expanding its business as well. AdAge (2019) stated that Instagram is a valuable marketing tool for business that want to create loyal customers with its ability to share visual information desired by consumer. By the interaction that happened among Instagram user (e.g. like, comment, share, tap and visit profile) will help the company that use Instagram as their promotion media. Moreover, as much as the company could give an interesting photos and videos, it will attract the consumer to visit their profile and create a loyal consumer as well. Create a good promotion for business for their goods and services, consumer would buy the products in large quantities (Rojuee and Rojuee, 2017).

***H3: Instagram interaction has a positive influence on Instagram usability***

In this era, more people are getting devoted to a brand and realize it as “sacred” entities. Consider brands as sacred entities might increase the intention to purchase online among consumers through increasing brand loyalty (Sarkar *et al.*, 2015).

Company should be more focus on promotions that will be given to the consumer and create a good image of their brand, as a result the consumer will give good feedback by share their experiences and indirectly positive word-of-mouth that build a good promotion as well. Moreover, a good brand, could increase consumer self-confidence and create good feeling in doing their task. Shachar *et al.* (2011) stated that by an effect of the brand name on the consumer, individuals could substitute faith with brand name. Overall, trust, price, quality and perceived risk will significantly affect consumer purchase decisions in Instagram.

***H4: Brand sacralization has a positive influence on online PI of young shoppers***

Sarkar *et al.* (2010) stated that brand devotion is a key component of brand sacralization as well. Further, more consumer become devoted to a brand, consumer start considering the brand as sacred entities. As a visual catalogue, more often the company uploading photos, videos, or promotions, it will attract the consumer to visit the Instagram profile and create an easy way for consumer in choosing product that they want to buy. The Instagram user exhibited behavioral loyalty more that attitudinal loyalty and the Instagram user more likely to purchase the products and services of the brands that they follow on Instagram (Nisar and Whitehead, 2006). Therefore, trust among company and buyer should be good and give feedback for better in the future as well. Che *et al.* (2017) explain that trust which come from the consumer was a strong determinant on the purchase intentions from Instagram.

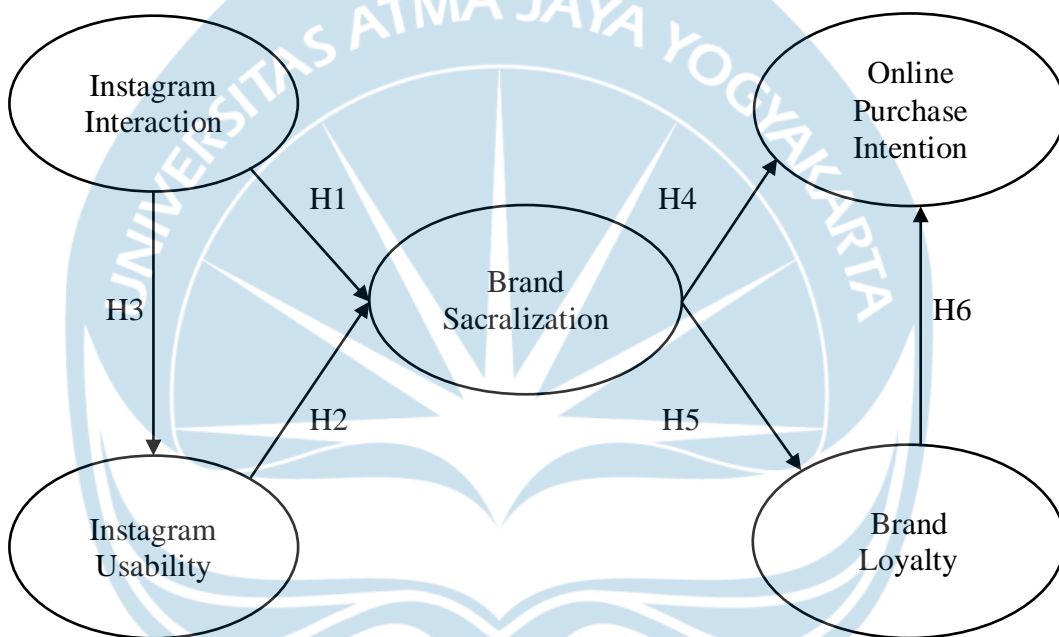
***H5: Brand sacralization has a positive influence on brand loyalty of young online shoppers***

Purchase intention indicates the possibility that consumer will plan or want to purchase products or services in the future. Maintain relation among seller and buyer is a key to create a good bond as well. Other than that, company should keep maintain their product as well, which good quality control and consumer satisfaction will bring a positive feedback that could increase the consumer trust purchase intention in future. Balakrishnan (2014) stated that online marketing communication, especially online word-of-mouth marketing, online communities, and online advertising were the effective way to develop brand loyalty and purchase intention.

***H6: Brand loyalty positively influences online PI of young online shoppers***

## 2.4. Conceptual Framework

The research framework of this research adapted from Payel Das (2016) with the research about Evaluating the influence of social media on brand sacralization. Furthermore, for this research, there are five variables: Instagram interaction, Instagram usability, brand sacralization, online purchase intention, and brand loyalty.



**Figure 2.1 Conceptual Framework  
Payel Das (2016)**