

The Impact of Brand Identification, Social Media Marketing, and Brand Satisfaction Towards Brand Loyalty in the Indonesian Food and Beverage Sector

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ABSTRACT

This study was conducted in order to determine the role of brand identification, social media marketing, and brand satisfaction on brand loyalty among Indonesian in the food and beverage sector. Data were collected using convenience sampling method and distributed digitally to all respondent who participated in this study. Among 303 respondents, as many as 272 data were usable. All data then were analysed using PLS-SEM method using SmartPLS 3.2.9 program. Based on the results of data analysis, the authors conclude that there's a significant and positive impact of brand identification, social media marketing, brand satisfaction on brand loyalty. Moreover, the results of this study could be implemented to formulate brand management and appropriate marketing strategies in order to improve brand loyalty and competitiveness.

Keywords: Brand identification, social media marketing, brand satisfaction, brand loyalty

1. RESEARCH INTRODUCTION

Intense competition due to the strong current of globalization is something that experienced by various industries in the world, one of which is the food and beverage industry. Based on data that obtain from Statista [1], despite being able to grow positively and generate income in 2020 was \$261,500 billion, but this income cannot be said under normal conditions. The food and beverage industry experienced the biggest impact due to the pandemic Covid-19, causing a weaken of people's purchasing power. As well as the food and beverage industry in the world is experiencing a crisis, Indonesia also experienced the biggest impact of the decline the food and beverage industry income due to the pandemic, which was 92.47% [2]. Nationally, this industry plays a major role in the Indonesian economy because it absorbs 29.23% of the workforce and contributes to the non-oil and gas processing industry sector of 38.42% in the second quarter of 2021 [3]. The food and beverage industry actually has the opportunity to grow and rise, considering to the high demand for this industry in Indonesia, which is an important consumptive product. In the food and beverage industry, restaurants are one of the main contributors to being affected by the pandemic, ranging from a reduction in the number of employees, conflicts with the workforce, experiencing losses, and finally being forced to close outlets. To improve success and maintain the sustainability of the food and beverage business, real, targeted, and significant solutions are needed as a way out. A business certainly needs to develop the right strategy, especially in gaining loyal

customers, in order to maintain its business existence in Indonesia, increase sales, and win against competitors. Loyal customers are more valuable than ordinary customers, even though both are customers [4]. Brand loyalty itself refers to the willingness of customers to prioritize their choice of certain brands repeatedly in the future. Brand loyalty increases competitive advantage, revenue, lower costs, and leads to higher profitability [5]. There are several variables that can affect brand loyalty, namely brand identification, social media marketing, and brand satisfaction.

A business in the food and beverage industry needs to create a brand that represents the lifestyle and characteristics of its customers well. Customers tend to be loyal to using brands that can raise their self-image through the similarity of characteristics and concepts raised [6]. The better the similarity of characteristics that can be represented by a brand, the higher loyalty of the customer is. Furthermore, the ease of interaction, communication, and interesting social media posts as a form of marketing can also encourage customer loyalty to purchase the brand [7]. Customers tend to be more loyal to a brand that can promote its uniqueness and advantages through social media marketing that is attractive and easily accessible to anyone, especially in the era of the Covid-19 pandemic, where everything is digital. Moreover, a brand that can meet or even exceed what is expected from various aspects, will encourage repeat customer purchases on an ongoing basis [8]. The better the assessment and customer satisfaction after consuming a brand, the higher the loyalty towards the brand [9].



2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

2.1. Brand Identification

Nyamekye et al. [10] defined brand identification as a perception of a sense of belonging or unity between customers and a brand. Furthermore, according to Tuškej, Golob, and Podnar brand identification also has a similar meaning, that is the perception of similarity felt by customers to brands that are considered to have symbolic meaning [11]. Based on the definitions that have been put forward, it can be concluded that brand identification is the feeling of customers who have the same self-concept, so that they become one with the brand.

2.2. Social Media Marketing

Yadav and Rahman [12] explain social media marketing as a corporate process in creating, communicating, and delivering offers as a form of online marketing through social media platforms to build and maintain stakeholder relationships by facilitating interaction, information, offering personalized recommendations, and creation of word-of-mouth marketing among stakeholders regarding existing product and service trends. Furthermore, based on previous research, social media marketing can also be defined as a system that allows marketers to engage, collaborate, and utilize traffic on social media for marketing purposes [13]. In this study, social media marketing is a form of brand communication through social media, which facilitates interaction, sharing information, offering personalized purchase recommendations, and spreading word of mouth about products and services according to customer needs and trends.

2.3. Brand Satisfaction

According to Cuong [14], satisfaction can be expressed as a customer's thinking that the consumption of a selected brand can provide results that are contrary to the standard of pleasure versus not pleasure. In addition, brand satisfaction can also be explained as the perception that customers have regarding the performance of a product or service that is related to their expectations when choosing a particular brand [15]. Based on the above understanding, brand satisfaction in this study is summarized as an evaluation or customer assessment of a brand related to products, services, and experiences after buying or consuming products or services.

2.4. Brand Loyalty

According to Schiffman and Wisenblit [15], brand loyalty is a measurement of the extent to which consumers change brands, how often, and the extent to which they are committed to buying the same brand on a regular basis. Furthermore, according to Oliver [16], brand loyalty can

also be interpreted as a deeply held commitment to repurchase or re-subscribe to preferred products and services consistently even in the future, despite situational and marketing influences that are more potential from competitors. In this study, brand loyalty is defined as a customer's behavior that is committed to buying products from the same brand repeatedly and consistently and recommends the brand positively.

2.5. The Impact of Brand Identification on Brand loyalty

According to Kim and Lee [17] who research about coffee shop customers in South Korea, it is known that brand identification has a positive effect on brand loyalty. In line with previous results, it shows that brand identification has a positive and significant effect on brand loyalty related to the research of restaurant customers in Ghana [10]. For the last, it is also known that there is a positive and significant effect of brand identification on the brand loyalty of star hotel customers [18]. The higher the similarity of the characteristics of a brand with the customer's self-concept, the higher the customer loyalty [17]. Based on this connection, the research hypothesis can be formulated as:

H1: Brand Identification Has a Positive Impact on Brand Loyalty.

2.6. The Impact of Social Media Marketing on Brand loyalty

The results of previous studies show that social media marketing can have a positive and significant influence on brand loyalty [19][20]. Through marketing content on social media that is entertaining, according to customer tastes and needs, as well as advertisements containing information that is packaged in an attractive and clear way, it can be a contributor to driving continuous purchases of a brand consistently. This is in line with Bilqin's research [21] in Turkey, which shows that entertaining social media marketing and following what customers like can increase brand loyalty. Based on the relation of this research, the research hypothesis can be formulated as such:

H2: Social Media Marketing Has a Positive Impact on Brand Loyalty.

2.7. The Impact of Brand Satisfaction on Brand loyalty

Customers who have a high level of satisfaction will always use the same brand consistently and recommend the brand positively [7]. This statement is corroborated by the results of previous studies which found that brand satisfaction positively and significantly affects brand loyalty. To increase customer loyalty, brands must be able to meet or even exceed what customers expect [14]. Based on the



relation of this research, the research hypothesis can be formulated as such:

H3: Brand Satisfaction Has a Positive Impact on Brand Loyalty.

From the framework above, the research model is as follows:

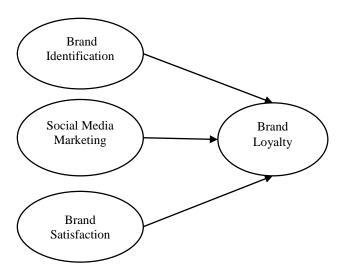


Figure 1 Research Model

3. RESEARCH METHOLODGY

This research is a cross sectional descriptive study. The population of this study is all food and beverage customers who make purchases of the same food and beverage brands from October to November 2021. The samples were taken using the non-probability sampling method, with convenience sampling technique to facilitate and speed up data collection. Data was successfully collected from 303 respondents who are food and beverage customers of the same brand. Due to the Covid-19 pandemic data were collected using online questionnaires. A total of 31 data had to be discarded because they did not pass the screening stage, so a total of 272 data were viable. The data were then analyzed using the Partial Least Square - Structural Equation Modeling (PLS-SEM) method using SmartPLS 3.2.9 software because it can analyze data simultaneously and precisely on complex and simple research models. Furthermore, this study uses a five-point-likerts scale measurement with number 1 indicating "strongly disagree" and number 5 indicating "strongly agree". The indicators used to measure the variables of this study were adapted from previous research. The following are indicators adapted from previous research to measure the variables of this research.

Table 1 Variables and Indicators

Variable	Item	Adapted from			
Independent Variable					
1.Brand		Nyamekye et al. [10];			
identification	5	Rather, tehseen, and			
		parrey [23].			
2.Social Media Marketing		Yadav and Rahman			
	12	[12]; Sohail, Hasan,			
		and Sohail [24] ;			
		Bilgin [21]; Cheung			
		et al. [25].			
3.Brand		Khan, Mohammad,			
Satisfaction	6	and Muhammad [26];			
	U	Carranza, Díaz, and			
		Martín [27].			
Dependent Variable					
Brand loyalty	5	Marcos dan Coelho			
		[9]; Kim dan Lee			
		[17].			

4. RESULT & DISCUSSION

The results of data processing show that the majority of respondents are female (60%), senior high school graduates (53%), aged 21-30 years (69%), and are students or college students (67%). Furthermore, the majority of respondents have an expenditure of Rp 500,001-Rp 2,000,000 (40%), living in West Jakarta (56%), and the reason for choosing a food and beverage brand is due to the quality of products and services (61%). The results of the outer model test use a validity analysis consisting of convergent validity and discriminant validity. For the convergent validity, using average variance extracted (AVE) value should being greater than 0.5 (> 0.5) [28] and the loading factor value of each indicator being more than 0.7 (> 0.7) [28]. For the discriminant validity uses heterotrait-monotrait (HTMT) ratio analysis [28]. The results of the study well said to be reliable by looking at the Cronbach's alpha value of more than 0.60 (>0.60) [28] and composite reliability on items for each variable is should be more than 0.70 (>0.70) [29]. For the results of validity and reliability testing can be seen in Table 2 and Table 3.



Table 2 Convergent validity and reliability test result

Variable	Denotations	AVE	Factor Loadings	Composite Reliability	Cronbach's Alpha	
Brand Identification	X101	0.664	0.801		0.874	
	X102		0.836	0.908		
	X103		0.813			
	X104		0.769			
	X105		0.852			
	X201	0.747	0.868	0.898	0.830	
	X202		0.877			
	X203		0.846			
	X204	0.682	0.807	0.865	0.768	
Social Media	X205		0.838			
	X206		0.832			
Marketing	X207	0.723	0.853		0.809	
_	X208		0.838	0.887		
	X209		0.861			
	X210	_	0.882	0.898	0.830	
	X211	0.747	0.884			
	X212		0.825			
Brand Satisfaction	X301	0.707 -	0.780	0.935	0.916	
	X302		0.789			
	X303		0.845			
	X304		0.870			
	X305		0.879			
	X306		0.876			
Brand Loyalty	Y101		0.796	_	0.873	
	Y102		0.746	0.908		
	Y103	0.664	0.843			
	Y104	•	0.835			
	Y105	<u>-</u>	0.851			

Table 3 Discriminant validity heterotrait-monotrait (HTMT) ratio result

Variable	Brand Identification	Brand Loyalty	Brand Satisfaction
Brand Loyalty	0.776		
Brand Satisfaction	0.672	0.893	
Social Media Marketing	0.718	0.870	0.781

It is known that all variables in this study have met the validity and reliability requirements. The analysis is then continued with the inner model test. This test is carried out to determine the relationship between variables in this study, and at the same time determine whether the hypothesis is supported or rejected.

The hypothesis can be supported if the significance value between variables is less than 0.05 (95% confidence interval). A significance value that exceeds 0.05 indicates that the hypothesis is rejected. The results of the hypothesis testing can be seen in Table 4.



Table 4 Path coefficient and hypothesis testing result

Hypothesis	Path Coefficient	T -Statistics	P Values	Results	Conclusions
H1: Brand Identification Had a Positive Impact on Brand Loyalty.	0.195	4.167	0.000	Significant	Hypothesis (H1) was supported
H2: Brand Social Media Marketing Had a Positive Impact on Brand Loyalty.	0.342	6.076	0.000	Significant	Hypothesis (H2) was supported
H3: Brand Satisfaction Had a Positive Impact on Brand Loyalty.	0.438	7.736	0.000	Significant	Hypothesis (H3) was supported

Based on the structural model test stage, it is known that the results of the coefficient of determination (\mathbb{R}^2) test on the brand loyalty variable is 0.753, this value is considered within the medium category and implies that 75.3% of the brand loyalty variables can be explained by the brand identification, social media marketing, and brand satisfaction. The remaining 24.7% can be explained by other variables outside of this study. Furthermore, the predictive relevance test (\mathbb{Q}^2) or construct-cross validity redundancy yields a result of 0.493, which is greater than 0. This indicates that the variables used in this study can predict the existing research model well.

Based on the first hypothesis testing (H1), it shows that there is a positive and significant effect of brand identification on brand loyalty. This is supported by the research of Kim and Lee [17] who examined Coffee Shop customers in South Korea and according to Nyamekye et al. [10] regarding restaurant customers in Ghana. The better a brand is able to represent the characteristics and lifestyles of customers from certain food and beverage brands, the customers will feel one with the chosen brand, thus encouraging the formation of customer loyalty only to the same brand consistently (brand loyalty). Customers will tend to be loyal to brands that are able to represent the desired self-image in front of others.

Furthermore, based on the results of the second hypothesis (H2) testing, it is known that social media marketing can positively and significantly affect brand loyalty. The results of this test are in line with previous studies that examined fast food customers in Indonesia [19], online transportation customers in Jakarta [20], and social media followers of certain brands in Turkey [21]. The existence of marketing content containing attractive advertisement, fit customers' tastes, and provides clear information will create a positive customer impression of a brand which then leads to an urge to make continuous purchases of the same brand even in the long term. This indicates that brand loyalty has been formed.

For the last, the result of the third hypothesis (H3) testing shows that there is a positive and significant effect of brand satisfaction on brand loyalty. The results of this study show similarities with the results of previous studies which found that brand satisfaction can increase brand loyalty [9] [22]. A brand must be able to meet or even exceed what customers expect to increase loyalty. Study by Singh et al. [8] related to fast food restaurant customers in Fiji, showed that satisfied customers will be more loyal to make purchases of the same brand compared to buying other

brands that are unable to provide the expected level of satisfaction.

5. CONCLUSION

Based on the results of the analysis and discussion, it can be concluded that there is a positive and significant influence of brand identification, social media marketing, and brand satisfaction on food and beverage brand loyalty in Indonesia. Food and beverage brands in Indonesia need to create a brand that can represent the concepts and lifestyles of customers properly and precisely as desired. The stronger the similarity that customers feel with a brand, the stronger their loyalty to the brand will be. The existence of brand identification can also distinguish a certain brand from other competitors, so that customers are encouraged to be loyal to the brand compared to other brands that are less able to represent the personality and image that customers want to show in front of others.

In addition, in this digital era and the Covid-19 pandemic, it encourages customers to access social media more often, so food and beverage brands need to massively intensify marketing content on social media as a form of marketing strategy. Through social media marketing, it can also encourage the ease of interaction and communication needed between customers and brands, therefore, they need to be utilized properly. Content distributed through social media must entertain, according to needs and trends, offer attractive advertisements, and contain easily accessible information. These tend to give a more positive, memorable, and lasting impression in the minds of consumers, so that it can lead to customer loyalty and preferences to make long term, repeated purchases of the same brand consistently over the time.

Lastly, customers also tend to have expectations when choosing a brand. If the customer's expectations for a brand have been met or even exceeded what was expected, it will lead to brand loyalty. Satisfied customers will be more loyal to make purchases of the same brand compared to other brands that are unable to provide the expected level of satisfaction, even customers will be willing to recommend positively a brand that can satisfy to others as a sign that brand loyalty has been formed.



6. LIMITATION & SUGGESTION FOR FUTURE RESEARCH

Although this research uses a unique and rigorous approach, it is not without limitations. First, the majority of respondents come from the Jakarta area. It is possible that there are differences in the results of research conducted in other cities in Indonesia, so that other researchers who wish to examine the same topic are expected to be able to conduct research in different cities in Indonesia, especially outside Java. Second, the respondents selected from this study are from Indonesia. It is possible for further research to involve respondents from various countries in the world because there are characteristics that might affect the results of the study. Third, because not all variables that affect brand loyalty are tested, it is hoped that further research can increase the number of variables. Moreover, this study only focuses on the food and beverage industry, while customer behaviour may different in other industry. Researcher can examine different various industrial context to improve uniqueness and add new knowledge. Last, for the next researcher can also increase the number of samples more than this study to increase the validity of research results.

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