Community Analysis of Local Fashion Brands in Social Media, Customer Centric Model, Brand Trust, and Brand Loyalty

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This study focuses on brand communities in developing countries, especially local fashion brand communities with brand trust and brand loyalty aimed at proving that the local fashion brand communities on social media can influence customer centric models, namely: the relationship between customers, brands, products, companies, and other customers, and their influence on brand trust and brand loyalty. This study is based on a survey that uses 100 respondents who were selected by random sampling as a technique for withdrawing samples. The results of the structural equation model test show that the social media-based brand communities have a positive impact on customer relationships with brands, customer relationships with products, customer relationships with the company, and customer relationships with other customers. But only variables of customer relationships with brands and customer relationships with other customers affect brand trust. Variables of customer relationships with products and customer relationships with companies partially have no effect on brand trust. Brand trust affects brand loyalty.

Keywords: customer centric model, social media, brand community, brand trust, brand loyalty

Introduction

Nowadays, social media is a medium of communication and even a business for its users. Facebook, which has more than 955 million active users, is accessed the longest every 30 days. Half of the active users are really active every day (Laroche, Habibi, & Richard, 2013). On average, consumers spend almost a third of their time accessing social media (Lang, 2010). Some practitioners in the industry and researchers are very enthusiastic about encouraging businesses to use social media if they want to survive (Kaplan & Haenlein, 2010). In the era of social commerce, individuals share knowledge, experience, and information about products and services with people in their neighborhood or close friends (Rachbini, 2017).

In the past few years, the technology, information, and communication (ICT) industry in Indonesia has developed very rapidly. The Indonesian Internet Service Providers Association (APJII, 2016) revealed that Internet users in Indonesia in 2016 compared to the population (256.2 million) were around 51.80%, even 33.57% of them were in Java and 35.91% through cellphone. The Indonesian E-Commerce Association (Idea, 2017) stated that Indonesia has a strong foundation on the growth of Internet and social media users. This shows the huge market potential in Indonesia in the realm of the digital world. According to APJII (2016), the

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content most frequently visited by Internet users in Indonesia (132.7 million) is on-line shop webs around 61.94%. Meanwhile, the social media content most visited by Internet users in Indonesia is Facebook, which is around 53.96% and the second is Instagram around 15%. The digital economy phenomenon has been going well, because practitioners currently use social media as a promotional tool (Rachbini, 2018). In addition, the creative economy sector showed significant growth in Indonesia's GDP from 2010 to 2015, which amounted to 10.14% per year (Bekraf, 2017). This proves that the creative economy has potential in the future. There are three sectors that contribute the most to the creative industries in Indonesia, namely: the culinary, fashion, and handicraft business sectors. In the meantime, when viewed from an export point of view, the fashion business sector contributed 56%, handicrafts by 37%, and the culinary sector by 6%. Creative economy exports fall into the category of non-oil and gas exports. In 2014-2015, non-oil and gas exports experienced a significant decline, but creative economy exports continued to increase (Bekraf, 2017). On the other hand, the business sector in the creative economy industry in Indonesia mostly (53.72%) uses on-line media.

Although the development of social media users in the world and in Indonesia continues to increase significantly, this fact still raises doubts about branding in social media. There are a number of people who refer to the brands as "uninvited crashers" on social media (Fournier & Avery, 2011), meaning that social media aims only to connect people, not brands. Therefore, the issue of how social media has a role as a place to improve brand image has not been proven (Laroche et al., 2013). Despite the importance of the brands and the high level of adoption of social media, there are still very few empirical studies that are specific (Hsu & Tsou, 2011). Most of the researches on marketing and branding on social media include descriptive description of social media, definitions, characteristics, implications, or impact on strategies for marketers and how a business utilizes opportunities and faces these challenges (Edelman, 2010; Hanna, Rohm, & Crittenden, 2011; Kaplan & Haenlein, 2010; Kietzmann, Hermkens, & McCarthy, 2011). Thus, there is a need to explore the effects of branding on marketing variables related to social media (Laroche et al., 2013). Laroche et al. (2013) described the influence of brand community on brand loyalty and brand trust as the mediating variables of these two variables.

Based on the description above, research is needed on the analysis of local fashion brand community on social media, customer centric model, brand trust, and brand loyalty. This study aims to determine the influence of the local fashion brand community in the social media on customer centric, the influence of customer centric on brand trust, and the influence of brand trust on brand loyalty.

Theoretical Review

Customer Centric Model and Social Media-Based Brand Community

Basically, the social media-based brand community consists of two concepts, namely: social media and brand community (Laroche et al., 2013). Kaplan and Haenlein (2010) revealed that Internet-based applications built on the basis of Web 2.0 ideology and technology enable the creation of user-generated content exchanges. That is, the content is not passively consumed by people, but is produced, shared, and consumed by users who actively produce content. Harris (2009) revealed that there are many platforms on social media, such as social networks, text messages, sharing photos, wikis, weblogs, and discussion forums. However, most are created with the most popular Internet-based applications in the world, such as YouTube, Wikipedia, Facebook, Twitter, and Second Life (Laroche et al., 2013).

According to Laroche et al. (2013), the brand community consists of a number of entities including their

members, their relationships, and sharing essential resources both emotionally and materially. The social media-based brand community includes entities, such as brands, products, customers, companies, and social media, which is a platform for the community in order to remain existing. Social media can provide higher context interaction among elements in the brand community when a member logs in on a social media platform and explores brand pages, provides comments, shares photos or experiences, interacts with marketers, asks questions about brands or products, and answers comments. As such, these things indicate that the members actively participate in community activities, which enable the invisible activities to become visible. In this interaction, there are exchanges of information, value, and resources among members, so that the bond becomes stronger. The interaction supports the sharing of information and the welfare of members, and strengthens the bonds between them, the social media-based brand community, as well as the off-line brand community—all entities from customer centric model brand communities, namely: the relationship between customers and brands, products, companies, and other customers.

Customer Centric Models and Brand Trusts, Brand Loyalty

There are similarities between previous researchers that one of the effects of building a brand community is to make customers loyal to the brand (Schau, Muniz, & Arnould, 2009; Zhou, Jin, Vogel, Fang, & Chen, 2011). But the influence of the brand community on improving brand loyalty qualitatively has not been proven (Laroche et al., 2013).

According to various related literature on loyalty and trust, trust is one of the main antecedents of loyalty (Chiu, Huang, & Yen, 2010; Hong & Cho, 2011; Kim, Chung, & Lee, 2011; Zhou et al., 2011). According to Laroche et al. (2013), they argued that increasing relationship in customer centric model can have a positive influence on brand trust, which in turn affects brand loyalty. Brand trust also has a role as a mediator in translating the influence of the social media-based brand community on brand loyalty.

Due to the uncertainty situation, information asymmetry, or fear of opportunism, trusts play a role in reducing uncertainty and lack of information (Laroche et al., 2013). This makes customers feel comfortable with the brands they trust (Chiu, Huang, & Yen, 2010). Laroche et al. (2013) stated that there are two things that can improve the relationship between customers and brand elements that can increase brand trust. First, repeated interactions and long-term relationships are key to developing trust. Second is that the increase in relationships occurs simultaneously with the distribution and acceptance of information among various brand elements. This is useful for reducing information asymmetry, reducing uncertainty, and increasing brand predictability which results in increased trust (Laroche et al., 2013).

The relationship between trust and loyalty has been examined in a number of different contexts. This is supported where trust is one of the antecedents of loyalty (Chiu et al., 2010; Kim et al., 2011; Zhou et al., 2011). According to Laroche et al. (2013), there is a relationship between social media-based brand community to consumer satisfaction and brand trust as mediation. Another study conducted by Rachbini (2018) proves that brand trust has a positive and significant effect on brand loyalty.

Thinking Framework

Based on the above theoretical description, the thinking framework developed and the hypotheses to be tested in this study are as follows:
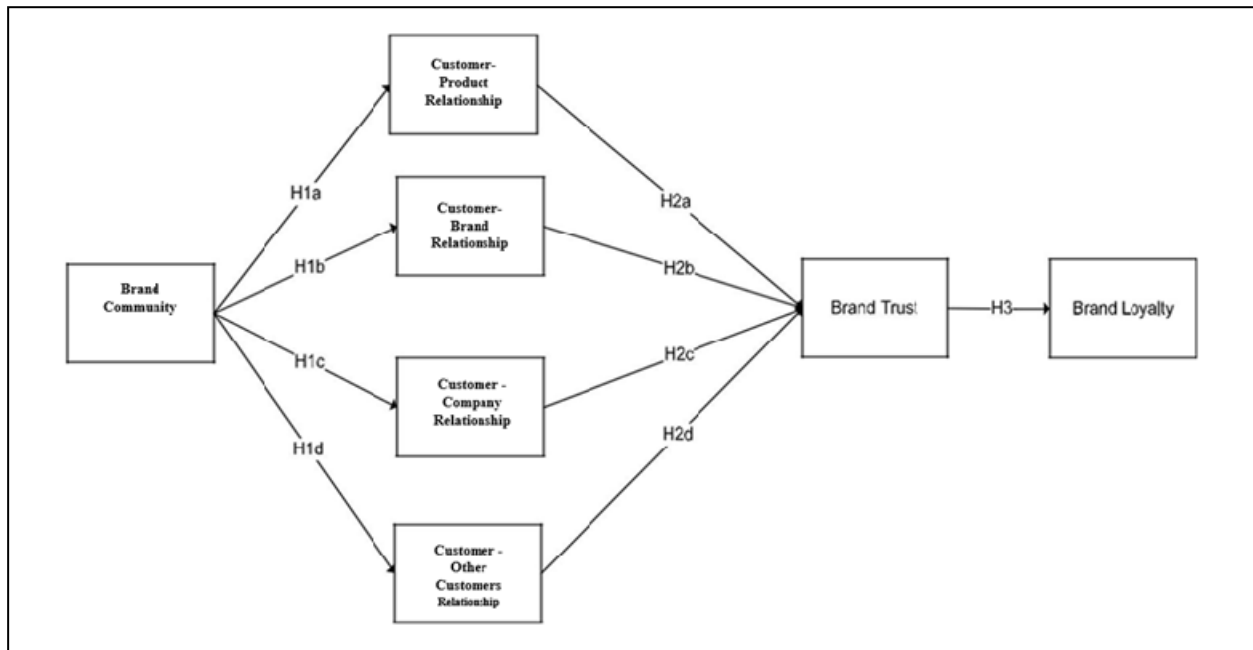
Figure 1. Thinking framework.

H_1: The influence of the social media-based local fashion brand community on customer-product relationship;

H_2: The influence of the social media-based local fashion brand community on customer-brand relationship;

H_3: The influence of the social media-based local fashion brand community on customer-company relationship;

H_4: The influence of the social media-based local fashion brand community on customer-other customers' relationship;

H_5: The influence of the customer-product relationship of local fashion on brand trust;

H_6: The influence of the customer-brand relationship of local fashion on brand trust;

H_7: The influence of the customer-company relationship of local fashion on brand trust;

H_8: The influence of the customer-other customers' relationship of local fashion on brand trust;

H_9: The positive influence of brand trust on brand loyalty.

Research Methods

The population of this research is local fashion brand customers who are members of the social media community. The data used in this study are primary data, namely data collected directly by researchers to answer the problems or research objectives. The sampling method is random sampling, meaning that each member of the population has the same opportunity to be chosen as a respondent (Sekaran, 2003).

The measuring instrument used is a questionnaire with answers to the statements that are closed-ended. Answers use a 1 to 5 Likert scale (1 = "Strongly disagree", 2 = "Disagree", 3 = "Neutral/Doubtful", 4 = "Agree", and 5 = "Strongly agree"). The total questionnaires distributed were 100 questionnaires and all of them (100%) were returned because filling out of the questionnaires was done directly and face to face. The exact size of the sample size in most scientific studies ranges from 30 to 500 respondents (Sekaran, 2003).

Data are processed using the Statistical Product and Service Solution (SPSS) Program for Windows Version 24. This program can also test validity and reliability. Validity testing, if the value of $r \geq 0.3$ or has an asterisk, namely 1 (*) star or 2 (**) stars, then the indicator in the instrument is declared valid, while reliable testing is declared valid if a construct or variable is worth Cronbach Alpha > 0.60 (Hair, Black, Babin, Anderson, & Tatham, 2010).

To answer research questions about the relationship between variables, structural equation models are used. In this case, the test model will use the help of SmartPLS v 3.0M software. SmartPLS is used with Partial Least Square (PLS) approach. PLS is an alternative method of estimating models to manage Structural Equation Modeling (SEM).

Data analysis is the form of SEM analysis, so that the testing of the significance level of the influence of each independent variable on the dependent variable is obtained, which is conducted with t test. According to Hair et al. (2010), testing the null hypothesis (H_0) and the alternative hypothesis (H_a) is as follows H_0: $B_i = B_j = 0$, meaning that there is no significant effect between the independent variables on the dependent variable. Ha: $B_i \neq B_j \neq 0$, meaning that there is a significant influence between the independent variables on the dependent variables; Determine the level of significance (α) = 5% or t_{table} = 1,976 with the testing criteria as follows that H_0 is accepted, if the value of $t_{count} \leq t_{table}$, H_0 is rejected, and H_a is accepted, if the value of $t_{count} \geq t_{table}$.

Results and Discussion of the Research

From the results of related data processing, it was found that the characteristics or profiles of respondents included the majority of respondents were active Internet users and were local fashion brand customers (100%), following social media of local fashion brands (100%), female (62.4%), have a final education S1 (81%), and live in Jakarta (72.3%), and the majority have monthly expenditures of Rp. 5,000,000-Rp. 10,000,000 (43%).

Based on the results of the validity and reliability test, it was found that the Cronbach's Alpha value is each construct or variable (brand community on social media, customer products, customer brands, customer companies, customers and other customers, brand trust, brand loyalty) ≥ 0.70. This shows that all constructs in this study can be said to be reliable or the answers of all respondents are consistent. In addition, all indicators used have value factor loading > 0.60. Thus, all of these indicators can be said to be valid or have a correlation with each variable.

Based on Figure 1, it is known t_{count} on each path. If t_{count} is compared with t_{table} (α = 5%) = 1,976, then it is found the results of hypothesis testing that H_1, H_2, H_3, H_4, H_6, H_8, and H_9 are accepted because they have $t_{count} \geq 1,976$. But H_5 and H_7 are rejected because they have $t_{count} \leq 1,976$.

H_1, H_2, H_3, and H_4 are accepted, meaning that there is an influence of the social media-based local fashion brand community on customer-product relationship, customer-brand relationship, customer-company relationship, and customer-other customers' relationship. The diversity of values of these variables can explain the relationship between these variables. There is debate about issues in social media, marketing, and branding activities on social media, and some studies have empirically proven these things. Technological advances have provided a variety of opportunities for consumers to be able to create their own content, services for reviewing and evaluating a product or service and providing comments on the Internet (Rachbini, 2017). According to Fournier and Avery (2011) and Kaplan and Haenlein (2010), some people believe that social media is an ideal environment for businesses to reach their customers, while others believe that social media is damaging the environment because it interferes with communication in the media.

H_5 and H_7 are rejected but H_6 and H_8 are accepted, meaning that there is no influence on customer-product relationship of local fashion and customer-company relationship of local fashion partially on brand trust; there is an influence on customer-brand relationship of local fashion and customer-other customers' relationship partially on brand trust. The diversity of values on variables of customer-product relationship of local fashion, customer-company relationships of local fashion, and brand trust have not been able to explain the relationship between these variables. But the diversity of values on variables on the influence of customer-brand relationship of local fashion, customer-other customers relationship, and brand trust can explain the relationship between these variables. The results in this study are in accordance or in line with the main characteristics of social media, namely user generated content. Some researchers refer to social media as a "people" or "people's web" media which implies that the main purpose of social media is to get people together and to facilitate interaction between them (Fournier & Avery, 2011). In addition, the results of study by Laroche et al. (2013) explained that brand communities in social media can enhance brand trust through increasing customer relationships with brands, and other consumers.
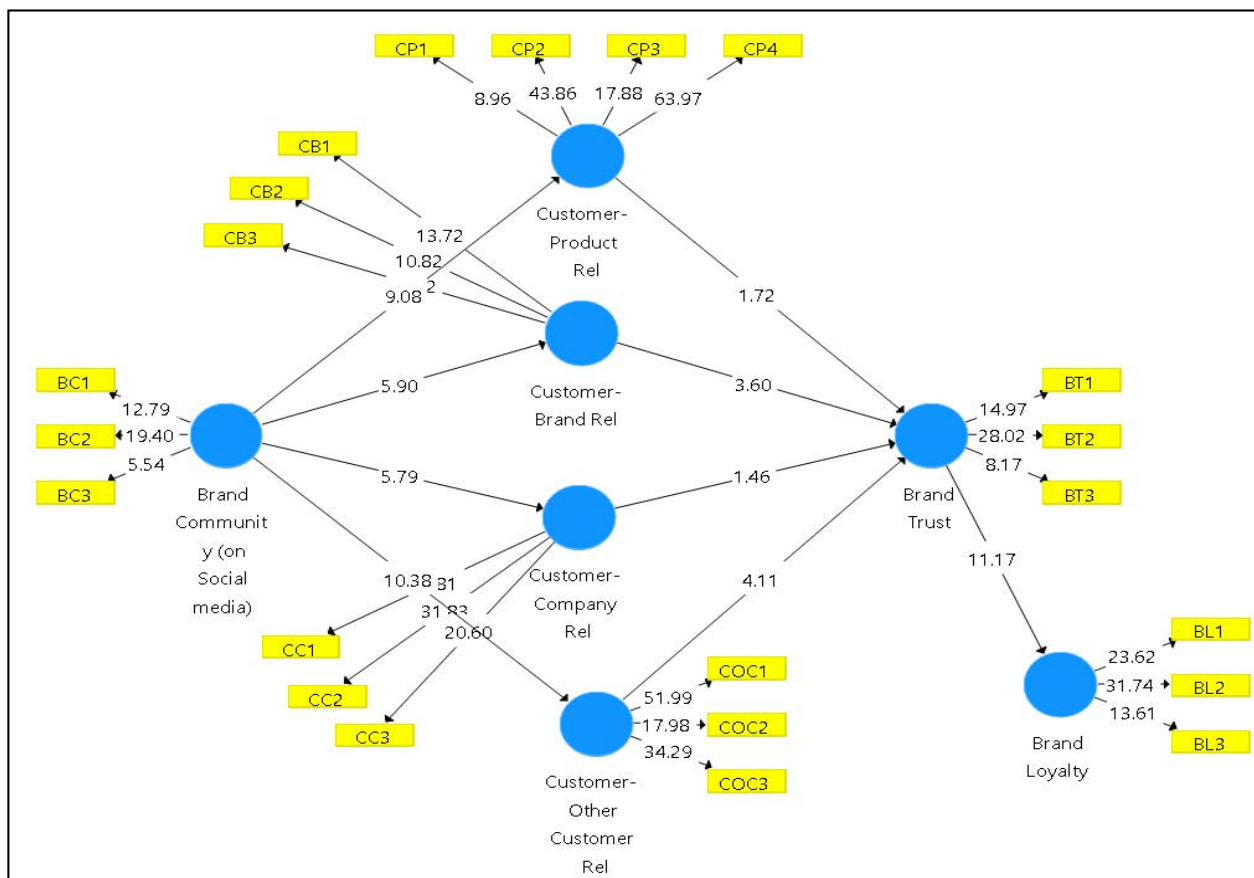

Figure 2. Full structural model—*t* value.

H_9 is accepted, meaning that there is a brand trust influence on brand loyalty. The diversity of values of these variables can explain the relationship between these variables. This study is interesting to understand because it contributes in the context of the brand community and literature related to social media and also provides theoretical implications. First, this study develops a model of how local fashion brand communities in

the creative industries in Indonesia can influence brand trust. As discussed earlier, previous research emphasized that one of the main functions of a brand community is to increase brand loyalty. This study was able to show that the brand community and customer relationship influence brand trust, and brand trust directly affects brand loyalty. This is not in line or inconsistent in supporting previous research conducted by Rievan and Dharmmesta (2012) which revealed that the level of consumer loyalty is not influenced by brand trust. This research is general because it focuses on local fashion brands not on certain brands, in contrast to the research by Junaedi and Pranatasari (2014) which focuses on one community and one brand only. Although this study examines the model in the context of social media, researchers believe this model is valid if carried out in other contexts or industries. Second, as some researchers stated, social media has its own unique characteristics that require researchers to consider it as a different domain of research (Hu & Kettinger, 2008; Soliman & Beaudry, 2010), and this research extends the concept of social media-based brand communities and helps scientists and practitioners to have more insight into brands that operate in the realm of social media.

This study also helps practitioners to support their involvement in social media. Broad reach, low cost, and the popularity of social media motivate all marketers to try to use it in different ways. The model and results of this study show that by creating and enhancing bonding in social media-based brand communities, and by facilitating communities, usability, sharing information, and strengthening social ties among members and other brand elements, and marketers can increase the trust and loyalty of local fashion brands.

Closing

There is an influence of social media-based local fashion brand community on customer-product relationship, customer-brand relationship, customer-company relationship, and customers-other customers' relationship. This shows the role of the brand community in improving customer-product relationship, customer-brand relationship, customer-company relationship, and customer-other customers' relationship.

There is no influence on customer-product relationship and customer relationship with local fashion companies partially and on brand trust. But there is an influence of customer-brand relationship and relationship between customers and other customers of local fashion partially on the brand trust and there is an influence of brand trust on brand loyalty. As far as the social media-based brand community acts to provide benefits to its members, facilitate sharing information, and mutually enhance customer bonds with each other, this can strengthen customer bonds, especially customer bonds with brands and other customers. This increased relationship is proven to have a positive impact on increasing brand trust. Overall, this study shows how social media can be a platform for brands to achieve results that increase community trust in local fashion brands.

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