



## Social Media Usefulness on Increasing Brand Loyalty Study On Beverage Industry

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**Abstract:** *The aims of this study are to find out a description regarding social media and brand loyalty and to discover the influence of social media towards brand loyalty. The type of this study is descriptive and verification using online survey method. The sampling technique used is simple random sampling. The sample in this study is 235 people. The data technique uses simple linear regression analysis. The result shows that social media and brand loyalty are in the high category on the continuum line. The result of correlation variable shows that social media has a significant influence towards brand loyalty.*

**Keywords:** *social media, brand loyalty, Facebook fanpage of Teh Botol Sosro.*

### 1. INTRODUCTION:

Marketing is an important activity performed by a company to fulfill society need and desire to a product expected to give benefit to consumers. Besides, a company performs marketing activities to earn a profit. Based on American Marketing Association (AMA) quoted by Kotler and Keller (2012:5), the definition of marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners and society at large. The rapid growth in food and beverage industry brings about lots of brands emerge and compete to get the market share in Indonesia. Recently, food and beverage industry undergoes growth at the amount of 8.16% compared to last year. The growth of population and society with middle-class income causes an increase in purchasing power and the rapid emergence of modern retail stores encourages the demand in food and beverage industry. A study from Mandiri Bank in early 2015 which mentions the data from BPS in the last decade shows that the monthly average outcome per capita for food and beverage is 51% out of the total outcome. Meanwhile, Euromonitor predicts the annual average growth of the market of snack and soft drink during 2013—2017 will be above 10% (Source: Warta Ekonomi, 2015:45—46). It will cause a tighter competition so that a company will work harder to improve services and changes in retaining its brand in the market. One of the things should be retained is customer loyalty in using products. The development of industry in this era brings about a company to compete in the market. The emergence of lots of food and beverage brands makes consumers think to try another brand. It occurs in ready-to-drink (RTD) beverages getting mushrooming in the market. It is because people like to have something instant and practical and they need to fulfill their thirst.

That phenomenon can be seen from the percentage of the beverage industry growth in 2015, which was estimated approximately 11%—12%, that goes beyond the industry. There is a growing space for beverage sector that is bigger than food sector (Consume! Consumer Business Media, accessed on 15<sup>th</sup> December 2015).

Targeting on red ocean market with lots of players and a tight competition is not an easy thing in the category of RTD tea. Tens of brands look competing fiercely to master the market share and become the leader in the market. Teh Botol Sosro is the market leader and pioneer in the market of RTD. Although based on the Top Brand Index (TBI), it goes down. Even worse, it underwent decline significantly in three years back. In 2016, the decline was in 33.8%. It decreased 14% from 2015. On the other hand, the TBI of Teh Pucuk Harum goes up six times from the year before. If in 2015 Teh Pucuk Harum placed the sixth position with TBI 4.1%, in 2016 the TBI of Teh Pucuk Harum gained 24.8%. This achievement places Teh Pucuk Harum in the second position with its index gap 9% of the market leader, Teh Botol Sosro. In 2017, eMarketer predicts Indonesian netizen will reach 112 million people defeating Japan in the fifth rank which has a slower growth of internet user. The use of social media, Facebook, becomes one of the media used by consumers to find out a product and be involved in an activity set by the producer. A conversation between a company and consumers in social media has an effective cost to increase brand loyalty as well as improve loyalty. Thus, it can be said that social media helps a company to build loyalty, brand through a network, conversation, and community (Purnomo, 2013). If the brand loyalty keeps retained and maintained properly then it will generate a long-term profit for a company (Kiyani, 2012). The aim of this study is to find out a description of



social media of Teh Botol Sosro, a description of brand loyalty of Teh Botol Sosro, and the influence of social media towards brand loyalty of Teh Botol Sosro.

## 2. LITERATURE REVIEW:

### *Marketing Mix*

Basically, in a line with the vision of a company, a company needs to be able to grow and develop. It needs an effective marketing strategy to reach the vision. To determine an effective marketing strategy, it is needed a combination of elements of marketing mix. The variable in marketing mix will be related to each other. According to Ms Charity, quoted by Kotler and Keller (2015:25), marketing-mix tools offer broad kinds, which he called the four Ps of marketing: product, price, place, and promotion.

### *Social Media*

Social media, according to Neti (2011), is an effort to use social media to persuade consumers into a company that has a precious product or service. Social media marketing is a marketing using a social network, marketing blog, and so on. Kaplan and Haelin (2010) define social media as a group of internet-based application deploying the ideology and technology of Web 2.0, where users could make or exchange information on the app. Some social media that become popular and have millions of users in Indonesia are Facebook, Twitter, Instagram, YouTube, blog, and so on. Social media allows its users to communicate with other millions of users around the world (William et al., 2012). According to Kotler and Keller (2012:546), social media is a means for consumers to share text, images, audio and video information with each other and with companies and vice versa. Besides, Heuer in Brian Solis (2010:262) states that social media describes online tools used to share contents, profiles, opinions or arguments, knowledge or insight, experience, and the perspective of media itself so that it can facilitate conversation and online interaction between a group of people.

### *Social Media Dimension*

According to Gurnelius (2011:16), there are four pillars of social media marketing, namely:

- Read  
A marketing through social media starts with research and the research must be continuous. A social media marketing needs lots of reading. It does not only sit what inside an industry but also online conversation happening related to industry, product, service, customer, and competitor. Reading various form of text is used to digest business-related information as much as possible so that effectively, it can communicate properly.
- Create  
Create and publish a useful and meaningful online content. Success in social media marketing comes from developing an online conversation about business, brand, product, and promotion by offering a content that attracts the interest of the targeted audience.
- Share  
A unique aspect of social media is to share content as a method to directly market a business. Nowadays, consumers have depended on a relationship, reviews, recommendation, and conversation, so that they can be used to share information with various online content. Sharing content is divided into two main forms. First, interesting and useful content sharing is found through online during reading (the main pillar) by finding a blog post containing tips to help customers. Second, content sharing is made of the second pillar, for instance uploading presentations to SlideShare, videos to YouTube, and pictures to Flickr. Content sharing itself is published online through various tools of social media as in publishing posts to a blog, tweets to Twitter, as well as bookmark and social network. The aim is to share contents with a broader audience.
- Discuss  
When a consumer interacts with a marketer by leaving a comment in one of the blog posts or a consumer is connected to a marketer through Twitter or other social networks, it is important for a company to respond such interaction. No one likes to be ignored but everyone likes to be a positive knowledge. In other words, it shows how a company appreciates and respects opinions and wants to build a relationship with consumers.

### *Brand Loyalty*

Lau and Lee (1999:351) state that brand loyalty has been conceptualized as an actual pattern of buying behavior of a brand or a behavior of buying intention towards a brand. Erdogmus and Cicek (2012) in Purnomo (2013) state that the elements of brand loyalty are an intention to interact more with the brand, an intention to increase



rebuying towards the brand, an intention to interact with the brand through social media, and an intention to recommend the brand to other people. According to Assel (1998) in Singh (2016), brand loyalty is defined as a favorable attitude of the customer towards a brand which is a result of a consistent purchase of the brand over time.

Rangkuti (2009) explains that brand loyalty can be measured based on:

- Behavior measures  
A direct way to determine loyalty, especially a behavior that has become a habit, is by discovering buying patterns commonly done by consumers. The measure that can be used is buying rate, buying percentage, and the amount of brand bought.
- Measuring switching cost  
The analysis sacrifice cost to switch brand can give a broader insight because the sacrifice is a foundation for the creation of brand loyalty. If consumers need a very expensive cost and it has a huge risk, it will bring about the level of switching to be very low.
- Measuring satisfaction  
Measuring the level of satisfaction or dissatisfaction is an important tool to detect consumer level of satisfaction.
- Measuring liking brand  
The forth stage of loyalty involves liking. A whole and general liking can be measured by various brands, for instance, attention, friendliness, and trust. Another measurement of liking is reflected in consumer willingness to get their favorite brand even though the price is higher than other brands.
- Measuring commitment  
Strong brands would have many customers that own a commitment. One important indicator is the amount of interaction and communication being involved in a product. For instance, consumers like to talk about a brand with their friend, even suggest and recommend buying the brand

## **2. METHOD:**

Based on the level of explanation and field of study, the type of this study is categorized as descriptive and verification. It engages survey explanatory method. The research population is the Facebook fanpage members of Teh Botol Sosro at the number of 235 people. The sample collection technique is simple random sampling whereas the analysis technique uses simple regression analysis.

## **3. RESEARCH FINDINGS :**

### **Social Media on Facebook Fanpage of Teh Botol Sosro**

Social media is a process of empowering individuals and companies to promote their website, online products or services, and communicate with a way broader community that is impossible to be embraced using a traditional advertising channel (Durry, 2008:274). The result of the response from respondents shows that social media as the highest score is in the discussion dimension with the question item of promo held by Teh Botol Sosro at the amount of 0.802. The more people discuss in social media, the closer the brand to the consumers.

### **Brand Loyalty on Facebook Fanpage of Teh Botol Sosro**

Brand loyalty can be described as a customer without a requirement of commitment and a strong relationship with a brand that is impossible to be influenced by a normal condition (Khan and Mahmood, 2012:33). Meanwhile, Rangkuti (2009) says that brand loyalty can be seen from behavior measure, switching cost, measuring satisfaction, measuring liking brand, and measuring commitment. The highest aspect of brand loyalty is the dimension of measuring commitment that earns score 3,723 or 75.44% while the lowest one is in the dimension of measuring satisfaction that gains score 2,338 or 71.06%. Overall, the variables of brand loyalty earn score 14,398. If it becomes a percentage then it is 72.94%. It can be concluded that most of the respondents state the brand loyalty on the Facebook fanpage of Teh Botol Sosro has been in the category of satisfactory.

### **The Influence of Social Media towards Brand Loyalty on Facebook Fanpage of Teh Botol Sosro**

The data is processed so that it is gained the regression model in Table 1 below:



**Table 1. Model of Simple Linear Regression of Social Media towards Brand Loyalty**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	22.771	3.192		7.134	.000
Social Media	.535	.044	.624	12.195	.000

a. Dependent Variable: Brand Loyalty

Based on Table 1, it is gained an equation as follows:

$$Y = 22,771 + 0.533 X$$

The calculation of T-test gains  $t_{count}$  score 12,195 which is bigger than  $t_{table}$  (12,195 > 19,70). Then, it can be concluded that  $H_0$  is rejected and  $H^a$  is accepted. It means there is a positive influence of social media towards brand loyalty of Teh Botol Sosro. If social media is not effective, then brand loyalty would be low. The amount of influence of social media towards brand loyalty uses determinant coefficient analysis. Table 2 shows the amount of the percentage of free variable towards bound variable in the following output:

**Table 2**

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.624 <sup>a</sup>	.390	.387	7.22824

a. Predictors: (Constant), Social Media  
 b. Dependent Variable: Brand Loyalty

The calculation of determinant coefficient above for social media towards brand loyalty results in the percentage of the amount of 39%.

### 3. CONCLUSION:

- The highest aspect of social media is in the read dimension while the lowest one is in the share dimension. Overall, the variables in social media on Facebook fanpage of Teh Botol Sosro are in the category of effective.
- The highest aspect of brand loyalty is measuring commitment dimension while the lowest one is the measuring satisfaction dimension. Overall, the variables of brand loyalty in social media on Facebook fanpage of Teh Botol Sosro are in the category of satisfactory.
- There is a positive influence significantly of social media towards brand loyalty on Facebook fanpage of Teh Botol Sosro

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