What Influences Fashion Consumers’ Loyalty On Social Media in Indonesia?

Golan Hasan¹ & Eva Noorliana²

¹,² Faculty of Economics and Business, Batam International University, Indonesia
Email: ¹ golan.hasan@uib.ac.id & ²1941367.eva@uib.edu

https://doi.org/10.54099/ijibmr.v2i1.125

ARTICLE INFO

Article history:
Received: 3 May 2022
Revised: 8 June 2022
Accepted: 16 June 2022

Keywords: Customer Engagement, Influencer Marketing, Perceived Value, Trust, Purchase Intention, Customer Loyalty

JEL Classification Codes: R20

ABSTRACT

This research examines the determining factors which can affect consumer loyalty for fashion products on social media mediated by purchase intention. This research focuses on both locally produced and imported fashion products sought after by Batam City residents. Collected data is pooled from 352 respondents using Google Forms. The questionnaires were taken from the works of (Abou Ali et al., 2021) dan (Prasad et al., 2019). The causal-comparative quantitative approach is used in this research, while linear regression is used to prove the relationship between each hypothesis. This research shows that the relationship between country of origin, customer engagement, influencer marketing, purchase intention, and trust can explain about 53% of customer loyalty. Meanwhile, perceived value does not significantly affect customer loyalty directly. To examine the mediating relationship of purchase intention, this research uses the aforementioned variables to be compared. The result shows that there is a mediating relationship between purchase intention and independent perceived value and trust. Altogether this research is conducted in a relatively short time. Additionally, the lack of supporting journals and sources that can reinforce the mediating relationship of purchase intention toward perceived value and trust makes this study not thoroughly discussed.

INTRODUCTION

The rapid growth of social media users promotes its use as a marketing tool and as a place to sell products directly. (HootSuite, 2021) stated that Meta platforms are the most widely used social media today with a total of 5.961 billion users. Social media, widely regarded as a medium to express and self-actualize, provides a great opportunity for retailers to build strong relationships with consumers, particularly those who have an interest in the fashion world. As reported by (BPS, 2021) fashion is one of the non-primary needs in high demand, accruing 23% of all product searches during the pandemic.

Transactions on social media raise many issues and encourage consumers’ speculation about the validity of products or brands, while many factors also affect purchases which eventually lead to consumer loyalty (Abou
Ali et al., 2021). To investigate what leverages buying interest in consumers which leads to loyalty in the social media context this research focuses on five independent variables: country of origin, customer engagement, influencer marketing, perceived value, and trust. This research considers customer loyalty as dependent on a combined independent variable, which has not been found in other studies.

Consumer loyalty is also closely related to where a brand originates from. (Hasan, 2018) mentioned the origin of a product or brand (country of origin) as one of the references which support brand equity (brand loyalty and brand distinctiveness). (IPSOS, 2021) showed that the level of trust of the Indonesian consumers towards fashion products offered by local brands is now increasing, as evidenced by 59% of respondents disagreeing that global brands have superior products compared to local ones. The social media phenomenon of busy uploading selfies using the hashtag OOTD (Outfit of the Day), an expression for self-actualization, is increasing (Narita, 2021). This has resulted in the rise of social media influencers (influencer marketing) in the fashion world which becomes the reference point for fashion trends for the current generation (Jun & Yi, 2020). Consumer trust is also believed to be one of the important elements that brands should maintain (Tong & Su, 2018).

Consumers’ high level of trust in brands will certainly make it easier for brands to launch new products and be more easily accepted by the public. When customer loyalty shows that there is a sense of loyalty, trust, and satisfaction with a brand from the consumers’ perspective, consumers are considered to have carried out a valuation process for the brand. This shows that there is a value that is considered equal (perceived value) by consumers, giving rise to a sense of satisfaction and compatibility with the brand (Iskamto, 2020, 2021; Rasheed & Abadi, 2014a). The existence of customer loyalty in a company is considered a validation attributed to brands by consumers because it is perceived that the brand can create appropriate value of equality, which leads to purchase intentions (Das, 2014). Established trust, satisfaction, and equality of values also need to be supported by maintaining a good relationship between a brand and consumers (customer engagement). The reciprocal relationship felt by consumers today is facilitated by the existence of social media, resulting in more flexibility in communication between brands and consumers (Toor et al., 2017).

**LITERATURE REVIEW**

*Theoretical Background*

![Diagram with relationships between country of origin, customer engagement, influencer marketing, perceived value, customer loyalty, and purchase intention]
Customer loyalty
Muflih (2021) explained in his research that customer loyalty is a brand’s successful approach to consumers that creates an identification of a consumer’s tendency to use products or services in the present or future and persuades others to use the same products or services. This shows that customer loyalty is considered a form of loyalty by consumers and gives preference to products and services of a brand as the first choice (Gao & Huang, 2021). In line with (Boateng, 2019) who assessed that customer loyalty is an important factor that must be maintained by a brand for the long-term success of a business.

Customer loyalty is referred to as the goal of a brand to consumers, by providing satisfaction and a sense of trust that can be created from the quality or value of a product or service received by consumers (Jung et al., 2021). In other words, customer loyalty is an attitude of consumers who continuously buy products or services of a brand and make a recommendation of the brand to others to use the same products and services (Molinillo et al., 2021). Many research supports the idea that there is a correlation between interrelated variables that encourage consumers to offer their loyalty to a brand (Bergel et al., 2019; Karim, 2021; Masyhuri, 2022).

Country of origin
Country of origin describes consumer behaviors in which consumers concern themselves with the origin of a product. This view related to the country of origin of a brand or product gives shape to a positive or negative perspective. (Al-Abdallah & Abo-Rumman, 2013) stated that a positive perception will usually lead to a higher purchase intention in a brand. Country of origin is said to have a significant positive relationship with customer loyalty. The relationship between these two variables exists because globally competitive brands are associated with the country of origin of the brand. This surely affects the loyalty of consumers to a brand. (Panda & Misra, 2014) also stated the same thing in their research on the relationship between Country of Origin and Customer Loyalty based on their examination that consumers use their purchased products for a longer time if they are aware of the origin of the products. Research by (Hanaysha & Hilman, 2015) stated that the relationship between country of origin and customer loyalty has a positive significance. The country of origin of a brand is considered an important element that underlies consumer loyalty due to the background of the country of origin of the brand and products, which determines whether the products released are of good quality. This significant positive relationship between country of origin and customer loyalty is also affirmed by (Cheng et al., 2019).

Brands originating from countries that have a positive image are considered capable of evoking the desire in making a purchase. In line with (Bruwer et al., 2014) who stated that country of origin is one of the reasons for some consumers in determining whether to make purchases, thus the importance of knowing the origin of a product or service, based on the consumers’ valuation of the image of the where a product is sourced from. The research indicated that the relationship between country of origin and purchase intention is significantly positive. (Yunus & Rashid, 2016) also showed a positive significant relationship between Country of origin and Purchase intention where the country of origin is mentioned as a consideration made by consumers before deciding to purchase a product or service. In line with research conducted by (Berry et al., 2015) which shows an indication of a positive relationship between country of origin and purchase intention, where the country of origin is a consideration that consumers take into account when buying products or services of a brand.

H1: Country of Origin has a significant positive effect on Customer Loyalty
H2: Country of Origin has a significant positive effect on Purchase Intention

Customer engagement
Customer engagement is an indication of consumer loyalty to the brand (Thakur, 2016). It is also mentioned in the research that customers who interact with a brand may not directly lead to purchase, but are more likely to recommend products from that brand to people around them. This shows that customer engagement has a positive value on customer loyalty. The existence of a good relationship between the customer and the
brand/company must be maintained because having customers who are willing to be loyal to the brand is a difficult thing to achieve, even new customers will not necessarily be loyal to the brand (Boateng, 2019). Similar to the research results of (Banyte & Dovaliene, 2014) which stated that customer loyalty is an important element that must be maintained by a brand to its consumers, and this can be gained by having interaction between the two. Social media is a platform that can be utilized to connect consumers and brands (Abror et al., 2019).

Customer attitudinal engagement is a psychological foundation that forms habits in customer engagement itself (Prentice et al., 2019). The willingness of consumers to interact with the brand indicates the consumer's interest in the brand. This is believed to be a purchase intention experienced by consumers through interaction with brands (customer engagement). Supported by (Y. R. Chen, 2017) who revealed that the more intensely consumers interact with a brand, either through social media or others, the higher the consumer's purchase intention. The positive relationship between customer engagement and purchase intention was also endorsed by (Sun et al., 2019). Social media opening vast access for its users is widely used by businesses in brand-building efforts. Additionally, the interaction also adds to the intimacy between brands and consumers, which is believed to develop purchase intentions in consumers (Huang et al., 2016).

H3: Customer Engagement has a significant positive effect on Customer Loyalty
H4: Customer Engagement has a positive significant effect on Purchase Intention

Influencer marketing
Influencer marketing, a type of marketing focusing on using Key Opinion Leaders (KOL) to push messages through from brands to a wider market, is considered effective in increasing consumer loyalty to a brand (Černikovaitė, 2019). The selection of KOL is one of the key factors toward the business goals realization of a company and brand. Thus it is necessary to give attention to several aspects in choosing KOL. Assessing KOL can be done by looking at the credibility, attractiveness, and relationship between KOL and their followers on social media (Yoon & Kim, 2021). The same results are shown by (Pinto & Paramita, 2021) who stated that what supports the relationship between influencer marketing and customer loyalty is the credibility of KOL itself. Influencer marketing is considered to have a significant relationship with customer loyalty. Consumers who have trusted KOL, even though it does not have a direct impact on purchases, usually will recommend it to the people around them (Audi & Ghazzawi, 2015). In their research, Jiménez-Castillo & Sánchez-Fernández, (2019) stated that there was a significant positive relationship to purchase intention by influencer marketing. This is similar to research conducted by (Sokolova & Kefi, 2020) which explained that influencer marketing is an effective form of digital marketing with certain ratings from influencer followers. This research examined the credibility, attractiveness, and good attitude of the influencer.

H5: Influencer Marketing has a significant positive effect on Customer Loyalty
H6: Influencer Marketing has a significant positive effect on Purchase Intention

Purchase intention
Consumers see purchase intentions as fulfilling needs, having satisfaction with preferences, and positioning a product or service better than other products or services while considering other products or services not as a substitute compared to the preferred product or service. It can be inferred that there is a positive relationship between purchase intention and customer loyalty (Das, 2014). (Foroudi et al., 2018) also supported this statement through their research that consumers who have purchase intentions are considered more loyal to the brand by satisfying consumers’ expectations. Customers who have purchase intentions for these brands are predicated on a sense of trust in a brand or company. Loyalty is the result of the purchase intention of the customers. This purchase intention is built upon their wish to see a trusted company be able to develop and be successful Foroudi et al., (2018).

H7: Purchase Intention has a significant positive effect on Customer Loyalty

Perceived value
Empirically customer loyalty is obtained from the fulfilment of perceived value felt by consumers (Keshavarz & Jamshidi, 2018). Perceived value is defined as the value attained by consumers in a brand with certain considerations. (Rasheed & Abadi, 2014b) in their research revealed that perceived value has a significant
positive relationship with customer loyalty. Perceived value is assessed as a level of fairness seen by consumers on prices to get products or services provided by brands (El-Adly, 2019). Consumers who have evaluated a brand and feel the worthiness of the value attributed by the brand are more likely to be loyal to a brand (Rahi, 2016).

(Gan & Wang, 2017) defined perceived value as the overall value of a product or service based on perceptions of what is received and what is given. This is based on evaluations made by consumers on the products and services of a brand. This assessment includes whether or not what they receive is proportional to what they paid (Hsu & Lin, 2016). Consumers who feel that the perceived value is commensurate with a brand will increase purchase intentions. This statement is also supported by research by Bonsón Ponte et al., (2015). (Chinomona et al., 2013) concluded that perceived value is a crucial step taken into consideration by consumers in making purchases of a product or service. Perceived value is considered by consumers as a value that must be met before making a purchase decision.

H8: Perceived Value has a significant positive effect on Customer Loyalty
H9: Perceived Value has a positive significant effect on Purchase Intention

Trust
Trust can be summarized as an important element in a marketing process to create comfort and safety for consumers (S. C. Chen & Quester, 2015). This shows that there is a significant positive relationship between trust and customer loyalty. Similar results (Martínez & Rodríguez del Bosque, 2013) presented that trust by consumers consists of two components: trust in the company’s performance and trust in the company's good intentions. These two components of trust are considered to have a significant positive relationship with consumer loyalty. According to (Bilgihan, 2016) trust is a significant construct for business relationships and transactions. The fact that shopping on social media carries a high risk and creates uncertainty on consumers’ behalf is proof that trust is an element that must be taken into account by businesses. (Savila et al., 2019) stated that when consumers trust a brand, it will be easier for the brand to issue new products that are acceptable to consumers.

Trust is achieved by a brand when consumers understand and feel safe with the intent and purpose of the brand itself so that consumer purchase intentions emerge. This is in line with research conducted by (Abou Ali et al., 2021) which indicates a significant positive relationship between trust and purchase intention. Trust is used as one of the important aspects in increasing consumers’ buying desire where consumers have evaluated the brand in question. The results of (Tong & Su, 2018) research also showed a positive relationship between trust and purchase intention. Trust is considered to be able to reduce the anxiety felt by consumers so that it promotes purchase intention. Trust is also mentioned as a factor that creates a sense of security in consumers because a lack of trust distracts consumers from purchasing decisions (Alcoba et al., 2018).

H10: Trust has a significant positive effect on Customer Loyalty
H11: Trust has a significant positive effect on Purchase Intention

<table>
<thead>
<tr>
<th>Variable</th>
<th>Operational Definition Measurements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Loyalty</td>
<td>Possibility I will continue to buy certain products of my favourite brands on social media.</td>
</tr>
<tr>
<td></td>
<td>For my next purchase, I will consider repurchasing the same product from the previous brand on social media.</td>
</tr>
<tr>
<td></td>
<td>I will do business (buy stock or invest) in the same fashion brand in the future (if my fashion brand expands to the capital market).</td>
</tr>
<tr>
<td></td>
<td>I say positive things to colleagues, friends, or family about my favourite fashion brand on social media.</td>
</tr>
<tr>
<td>Customer Engagement</td>
<td>I am a follower integrated into the social media pages of my favourite fashion brands.</td>
</tr>
<tr>
<td></td>
<td>I am a loyal follower of my favourite brand's social media pages.</td>
</tr>
<tr>
<td></td>
<td>I am an active follower of the social media pages of my favourite fashion brands.</td>
</tr>
<tr>
<td></td>
<td>I often participate on my favourite brand's social media pages.</td>
</tr>
<tr>
<td></td>
<td>I often interact on my favourite brand's social media pages.</td>
</tr>
<tr>
<td>Country of</td>
<td>I consider where my fashion bags and shoes come from.</td>
</tr>
</tbody>
</table>
Origin

The fashion trend which country it comes from influences my opinion. Which country my fashion bags and shoes come from influences me in making purchases.

Influencer Marketing

Social media influencers can be trusted.
Social media influencers look experienced.
Social media influencers can be relied on.
Social media influencers look honest.

Perceived Value

Shopping on social media doesn't take long.
Product prices on social media are reasonable.
Overall shopping on social media is beneficial.

Trust

I believe that the brand owner on the social media platform that I use provides the best service or product for me.
I believe that the brand I use has good intentions.
Overall, I believe social media is effective in providing a trusted brand when making a purchase.
Brands on social media will keep their commitments.
On social media, I can find fashion brands that are very good at buying processes or servicing.

Purchase Intention

I want to buy products from social media.
I want to recommend fashion products on social media to my family and friends.
If there is a product that I want to buy, I am willing to buy it through social media.

Table 1. Measurements

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>142</td>
<td>35.2</td>
</tr>
</tbody>
</table>

METHOD

Based on the review conducted, this research belongs to causal-comparative research. Studies that indicate a relationship between independent and dependent variables are the purpose of comparative casual research Purba et al., (2021). From the characteristics mentioned which have been described in this research, it can be observed that there is a bond between the independent variables of the country of origin, perceived value, trust, influencer marketing, customer engagement, and purchase intention towards the dependent variable of customer loyalty.

This research targets the Gen Y and Gen Z population in Batam City who has social media accounts and is actively using them. In addition, the target of this research is those who follow fashion trends, both domestic and foreign brands. The reason this researcher targets this population is to find out how much impact the buying interest of the Gen Y and Gen Z population in Batam on social media has on consumer loyalty for fashion products. From the previous explanation, it can be determined that the sample requirements in this research are Batam residents within the 15-40 age group, who have visited or followed fashion brands on social media, and have an interest and local and imported fashion products. Using the method proposed by (J. Hair et al., 2018) which formulates a calculation on a population of 1:10, because based on the data it has not been concluded accurately and with certainty regarding the population of social media users who are interested in purchasing fashion products through social media platforms. Judging by the number of variables and questionnaire in this research, it can be calculated that the correspondence needed in this research sample is 270 respondents. However, to better confirm the validity of the data and to anticipate unforeseen elements, this researcher decides to distribute a questionnaire to a total of 350 respondents.

RESULT AND DISCUSSION

© ADPEBI Publications. All Rights Reserved.
Female 228 64,8

Table 2. Respondent Characteristics

Table 2 is the result of data processing on the demographic frequency of respondents. As listed above, this research is mostly populated by women at 64.8%. This is per (Detik, 2021) which stated that women have more fashion items variation than men. The results of this data also show that respondents aged 12-25 years are the most prevalent age group to follow the latest fashion trends, totalling 218 respondents. Followed by the age group of 26-39 with 67 respondents. This is per (VIVANEWS, 2022) which stated that Gen Y and Gen Z are the highest fashion enthusiasts. Almost half of the respondents use Instagram as the most frequently used social media platform at 44.6%. Followed by WhatsApp and Facebook with 95 and 50 respondents respectively. A total of 37 respondents chooses TikTok and the remaining 13 use other social media platforms. This result is in accordance with data from HootSuite, (2021) which stated that Meta groups (Facebook, Instagram, and WhatsApp) are the most frequently used social media platforms in the world. A total of 258 respondents prefer local products or 73.3%. The remaining 26.7% prefer imported or foreign products. This is in line with research conducted by (IPSOS, 2021) that Indonesian people prefer local fashion products compared to imported products.

Table 3. Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>CL1</td>
<td>4,08</td>
<td>0,907</td>
</tr>
<tr>
<td>CL4</td>
<td>4,17</td>
<td>0,838</td>
</tr>
<tr>
<td>T1</td>
<td>4,16</td>
<td>0,735</td>
</tr>
<tr>
<td>T2</td>
<td>4,16</td>
<td>0,716</td>
</tr>
<tr>
<td>T3</td>
<td>4,13</td>
<td>0,784</td>
</tr>
<tr>
<td>T4</td>
<td>3,79</td>
<td>0,82</td>
</tr>
<tr>
<td>T5</td>
<td>4,05</td>
<td>0,772</td>
</tr>
<tr>
<td>PV1</td>
<td>4,09</td>
<td>1,003</td>
</tr>
<tr>
<td>PV2</td>
<td>4,07</td>
<td>0,777</td>
</tr>
<tr>
<td>Indicator</td>
<td>Outer Loading</td>
<td>VIF</td>
</tr>
<tr>
<td>-----------</td>
<td>--------------</td>
<td>-----</td>
</tr>
<tr>
<td>CE1</td>
<td>0.933</td>
<td>2.290</td>
</tr>
<tr>
<td>CE2</td>
<td>0.938</td>
<td>2.290</td>
</tr>
<tr>
<td>CL1</td>
<td>0.856</td>
<td>1.133</td>
</tr>
<tr>
<td>CL4</td>
<td>0.779</td>
<td>1.133</td>
</tr>
<tr>
<td>COO1</td>
<td>0.873</td>
<td>2.103</td>
</tr>
<tr>
<td>COO2</td>
<td>0.883</td>
<td>2.177</td>
</tr>
<tr>
<td>COO3</td>
<td>0.905</td>
<td>2.700</td>
</tr>
<tr>
<td>IM1</td>
<td>0.847</td>
<td>2.239</td>
</tr>
<tr>
<td>IM2</td>
<td>0.840</td>
<td>1.952</td>
</tr>
<tr>
<td>IM3</td>
<td>0.863</td>
<td>2.281</td>
</tr>
<tr>
<td>IM4</td>
<td>0.844</td>
<td>2.102</td>
</tr>
<tr>
<td>PI1</td>
<td>0.902</td>
<td>2.506</td>
</tr>
<tr>
<td>PI2</td>
<td>0.842</td>
<td>1.712</td>
</tr>
<tr>
<td>PI3</td>
<td>0.875</td>
<td>2.287</td>
</tr>
<tr>
<td>PV1</td>
<td>0.784</td>
<td>1.449</td>
</tr>
<tr>
<td>PV2</td>
<td>0.833</td>
<td>1.649</td>
</tr>
<tr>
<td>PV3</td>
<td>0.832</td>
<td>1.480</td>
</tr>
<tr>
<td>T1</td>
<td>0.834</td>
<td>2.153</td>
</tr>
<tr>
<td>T2</td>
<td>0.750</td>
<td>1.824</td>
</tr>
<tr>
<td>T3</td>
<td>0.774</td>
<td>1.755</td>
</tr>
<tr>
<td>T4</td>
<td>0.780</td>
<td>1.767</td>
</tr>
<tr>
<td>T5</td>
<td>0.795</td>
<td>1.826</td>
</tr>
</tbody>
</table>

Table 5. Reliability and AVE Result

<table>
<thead>
<tr>
<th>Indicator with Variable</th>
<th>Composite Reliability</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Loyalty</td>
<td>0.802</td>
<td>0.670</td>
</tr>
<tr>
<td>Trust</td>
<td>0.891</td>
<td>0.620</td>
</tr>
<tr>
<td>Perceived Value</td>
<td>0.857</td>
<td>0.667</td>
</tr>
<tr>
<td>Influencer Marketing</td>
<td>0.911</td>
<td>0.720</td>
</tr>
</tbody>
</table>
Before conducting further analysis, this research tests the validity, reliability, and multicollinearity through SmartPLS so that each indicator is accurate and can be trusted. Table 4 shows the results of validity based on the outer loading value and multicollinearity based on the VIF value. According to (J. Hair et al., 2018), an indicator can be claimed as valid if the outer loading test value is \(> 0.7\). The table shows that the overall indicator value in this research is above 0.7. Therefore, it can be concluded that each indicator shown is valid. Additionally, Table 4 shows the results of the VIF test in this research. According to (Sholihin & Ratmono, 2021) research ideally will get multicollinearity test results that show a value below 3.3. Based on the data, this research does not show any multicollinearity.

Table 5 describes the overall AVE test on each variable in this research. Country of origin has a value of 0.787; customer engagement at 0.875; customer loyalty at 0.670; influencer marketing at 0.720; purchase intention at 0.763; perceived value at 0.667; and trust at 0.620. (Sholihin & Ratmono, 2021) stated that if the test results get an AVE value > 0.5 then it can be declared valid. According to (J. F. Hair et al., 2018), the reliability test can use two indicators: the Cronbach’s Alpha test and the Composite Reliability test. According to the research, the Composite Reliability value that met the requirements was > 0.7. Based on the table, it can be judged that this study passed the reliability test because all variables have a value above 0.7.

The path coefficient test is used in this research to prove each hypothesis. The relationship between variables can be said to have an effect if it generates a significance value of 5%, where the P-value is \(<0.05\) and the T-Statistics value is 1.96 (Juliandi, 2018). Based on the output in Table 6 it can be identified the connection between Country of Origin and Customer Loyalty at a T-Statistics value of 2.166 and P-value of 0.030, which shows a number below 0.05 (<0.05), so it can be indicated that H1 is accepted. The direct relationship between Country of Origin and Purchase Intention has a T-statistic value of 2.063 with a P-value of 0.039, which indicates a significant relationship so that H2 is accepted. Customer Engagement and Customer Loyalty obtained a T-Statistics value of 2.454 with a P-value of 0.014 describing the results of the direct relationship between the two as significant hence it supports H3 as accepted. The test results on Customer Engagement and Purchase Intention get a T-Statistics value of 2.377 and a P-value of 0.018 which indicates below 0.05, which means that H4 is accepted.

The relationship of Influencer Marketing was found to be significantly related to Customer Loyalty having a T-Statistics value of 2.531 and a P-value of 0.011, this indicates that H5 is accepted because the value obtained is <0.05. Meanwhile, the relationship between Influencer Marketing and Purchase Intention has a T-Statistics value of 0.183 and a P-value of 0.855 and this indicates a significance value greater than
0.05, which means that it is not significant so H6 is not accepted. Between Purchase Intention and Customer Loyalty, it obtained a T-Statistics value of 2.253 and a P-value of 0.024, so this indicates that H7 is accepted because it has a significance value of <0.05. In the relationship between Perceived Value and Customer Loyalty, the T-Statistics value is 0.460 and P-value is 0.646 which indicates that it is not significant so H8 is not accepted. Meanwhile, the Perceived Value and Purchase Intention obtained a T-Statistics value of 6.696 and a P-value of 0.000, which means that H9 is accepted because it has a significance value of <0.05. In the relationship between Trust and Customer Loyalty, the T-Statistics value is 5.847 and P-value is 0.000. It shows that H10 is accepted. For Trust and Purchase intention the T-Statistics value is 6.956 and P-value is 0.000. From the significance value, it can be inferred that H11 is accepted.

The effect of country of origin on customer loyalty
The output of the significance test in this research illustrates that the Country of Origin variable has a significant influence on the Customer Loyalty variable. Where a product comes from is something that fashion consumers take into account before making a purchase and deciding to be loyal to a brand. This is influenced by the image of the country of origin of the product. The increasing quality of domestic fashion products fosters a sense of loyalty from consumers in Batam City. It drives consumers to continue to purchase local fashion brands and even make recommendations for people around them to buy the same products. The results of this research match the research conducted by (Bruwer et al., 2014) and (Panda & Misra, 2014).

The effect of country of origin on purchase intention
The significance test in this research produces an output that explains that there is a significant positive relationship between the Country of Origin and Purchase Intention variables. The origin of fashion products is a consideration for consumers while making purchases. This is due to factors attributed to the country of origin of the products such as speed of delivery, product quality, and the culture depicted in the product, especially fashion. If those consumers’ criteria are met, it will increase the consumer's desire to make a purchase. This research result is in accordance with previous research conducted by (Yunus & Rashid, 2016).

The effect of customer engagement on customer loyalty
Customer Engagement has a significant influence on Customer Loyalty. Consumers who are willing to take the time to interact actively on social media with fashion brands and companies they like signify consumer loyalty. The interaction created creates a sense of belonging to the brand or company. This affiliation makes consumers more loyal and recommends fashion brands and companies to their close associates. The results of this research match the research conducted by (Boateng, 2019) and (Thakur, 2016).

The effect of customer engagement on purchase intention
The significance test in this research shows a positive significant relationship between the variables of Customer Engagement and Purchase Intention. Connections made by consumers on social media toward fashion brands indicate an interest in a product. This is believed to be an indicator that someone has a desire to buy fashion products. The interactions forged by consumers with brands and vice versa are efforts that companies can build upon to cement good relationships with consumers. The hypothesis in this research is in accordance with the research of (Prentice et al., 2019).

The effect of influencer marketing on customer loyalty
The significance test value obtained shows that there is a significant influence of Influencer Marketing on Customer Loyalty. The increased sense of customer loyalty caused by promotions carried out by KOL on social media depends on KOL’s credibility, knowledge of the world of fashion, and the interaction they have with followers on social media. KOL who possess these three factors can provide a sense of security for their followers and influence them to recommend brands and companies to their colleagues. The results of this research match with previous research conducted by (Ismail, 2017) dan (Pinto & Paramita, 2021).

The effect of influencer marketing on purchase intention
Influencer Marketing does not show a significant effect on Purchase Intention. The lack of credibility of KOL is due to the factor that brands only choose influencers based on their viral status without considering other
aspects such as knowledge about fashion and fashion taste, so there is no desire to purchase marketed products in consumers. In marketing, it is very important to do an analysis first before deciding on carrying out a marketing strategy. Each KOL has its market segmentation. This affects consumers who have an interest in that segment. Failure in the selection of KOL can result in the use of this marketing method not having an impact on the purchase intention of a product or brand. This is in accordance with (Jin & Ryu, 2020) research.

The effect of purchase intention on customer loyalty
Purchase Intention has a significant positive effect on Customer Loyalty. Consumers who have the intention of making purchases on fashion products and brands get the values that are fulfilled, resulting in a sense of loyalty. The existence of this purchase intention shows that consumers believe in the product, brand, or company. These aspects of fulfilled purchase intentions make consumers feel safe and willing to recommend to their family, relatives, or people around them. This research is in accordance with research conducted by (Foroudi et al., 2018).

The effect of perceived value on customer loyalty
It is concluded that there is no significant effect between Perceived Value and Customer Loyalty. The benefits obtained by consumers related to costs do not make someone loyal to a fashion brand or company. This is related to the income factor, consumer ignorance of fashion products, or other factors. Consumers who prioritize products at lower prices are usually not concerned with quality. So they only look for products that are at the same price or cheaper than their budget. Where there is no effect between Perceived Value and Customer Loyalty is also in line with research by (El-Adly, 2019).

The effect of perceived value on purchase intention
The significance test of this research resulted in a significant positive relationship between Perceived Value and Purchase Intention. The satisfactory value determined by each consumer can drive the intention to purchase fashion products. The value in question refers to what consumers pay according to what they get. This relates to quality, product model, and price suitability for fashion products. The more factors that are met, the higher the consumer's desire to make a purchase. This research fits the hypothesis proposed by (Gan & Wang, 2017).

This research also found an indirect effect of Perceived Value on Customer Loyalty mediated by Purchase Intention with a T-Statistics value of 2.188 and a P-value of 0.029. Additionally, it was also found that the indirect effect between Trust and Customer Loyalty mediated by Purchase Intention is an output of T-Statistics value of 2.102 and P-value of 0.036. These two indirect effect results have values below 0.05 (<0.05), which means that they both show significant positive results.

<table>
<thead>
<tr>
<th>Table 7. R square Adjusted Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable</td>
</tr>
<tr>
<td>Customer Loyalty</td>
</tr>
<tr>
<td>Purchase intention</td>
</tr>
</tbody>
</table>

R square describes the percentage of model suitability. Based on the data presented, the relationship between Country of Origin, Influencer Marketing, Customer Engagement, Perceived Value, Trust, and Purchase Intention towards Customer Loyalty has an R Square Adjusted value of 53.0%, which explains the dependence, the remaining 47% is explained by other factors outside the scope of this research. So, it can be concluded that this research model is moderate (> 0.33 and <0.67). Meanwhile, the relationship between Country of Origin, Customer Engagement, Influencer Marketing, Perceived Value, and Trust toward Purchase Intention obtained an R Square Adjusted value of 59.9%. So it can be concluded that this research model is moderate (>0.33 and <0.67).

<table>
<thead>
<tr>
<th>Table 8. Goodness Fit of Index Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communalty</td>
</tr>
<tr>
<td>0.73</td>
</tr>
</tbody>
</table>
The use of the goodness fit of index for this research is intended as a test of the suitability of sample data between two specific variables. (Sholihin & Ratmono, 2021) stated that there are three criteria used to determine this test: in the weak category if it scores > 0.01, moderate if it touches 0.25, and strong if it scores above 0.36. The GoF in this research obtained a score of 0.639 which indicates that it is categorized in the strong criteria.

CONCLUSION

Consumers consider where fashion products come from (Country of Origin) to be loyal to brands or companies. In this research, consumers tend to choose products that come from within the country, while fashion trends from the Country of Origin also affect the level of Consumer Loyalty. This is influenced by the image of the Country of Origin of the products. The increasing quality of domestic fashion products fosters a sense of loyalty from consumers in Batam City. This makes consumers continue to make purchases of these local fashion brands and even make recommendations for people around them to buy the same product. Country of Origin also has a direct effect on Purchase Intention in this research, due to factors attributed to the Country of Origin of the product such as speed of delivery, product quality, and also the culture depicted on the product, especially fashion products. If those consumers’ criteria are met, it will increase the consumer's intention to make a purchase.

Customer Engagement has a significant influence on Customer Loyalty. Based on the sample of respondents in this research, consumers who are willing to take their time to actively interact on social media with fashion brands and companies they follow signify Consumer Loyalty. The interaction creates a sense of belonging to the brand or company. This drives consumers to be more loyal and willing to recommend fashion brands and companies to their close associates. Additionally, the connection made by consumers (Customer Engagement) on social media on fashion brands shows an interest in a product. This is believed to be an indicator that someone has an intention to make a purchase (Purchase Intention) on fashion products. The interactions forged by consumers with brands and vice versa are efforts that can be built upon by companies to have good and lasting relationships with consumers.

Customer Loyalty caused by promotions carried out by KOL (Influencer Marketing) on social media depends on KOL’s credibility, knowledge of the fashion world, and the interaction between KOL and its followers on social media. KOL with these three factors can provide a sense of security for their followers and can recommend brands and companies to their associates. Hence there is a correlation between Influencer Marketing and Consumer Loyalty. The lack of credibility in KOL (Influencer Marketing) is because brands only choose influencers based on being viral without considering other aspects such as knowledge about fashion and fashion taste, so there is no Purchase Intention in consumers. In marketing, it is very important to do an analysis first before deciding on carrying out a marketing strategy. Each KOL has its market segmentation. This affects consumers who have an interest in that segment.

Consumers’ intent to make a purchase (Purchase Intention) toward fashion products and fashion brands get the satisfactory values so it creates a sense of loyalty (Customer Loyalty). This purchase intention shows that consumers believe in the product, brand, or company. These aspects of realized purchase intentions make consumers feel safe and willing to recommend to family, relatives, or people around them.

The benefits which consumers get related to costs (Perceived Value) do not make them loyal to a fashion brand or company (Customer Loyalty). This is due to income factors, consumer ignorance about fashion products, or other factors. Consumers prioritizing products at lower prices are usually not too concerned with quality. So they only look for products in the same price range or cheaper. The sufficient value (Perceived Value) determined by each consumer can raise the intention to make a purchase (Purchase Intention) on fashion products. This valuation is what consumers pay according to what they get and this relates to quality, product model, and price suitability for fashion products. The more factors are met, the higher the consumer’s intent to purchase.
Customer Loyalty can be formed when consumers have Trust in a brand or company. Consumers making purchases on brands selling their products on social media certainly have concerns about many factors. For example, product quality, transaction security, etc. Consumers who already have Trust tend to make repeated purchases of the same brand or recommend the brand to their associates. Consumers who believe in fashion products and brands tend to have the intention to purchase on social media. The overall test results also show that Trust gets the highest T-Statistics value. Trust is the initial foundation that can create a sense of security for consumers to purchase fashion products on social media. This indicates that the brand or company must build good relationships with consumers to increase consumer confidence.

This research was conducted within a limited time frame. This causes the scattered respondents cannot fully represent the whole range of consumers behaviours who are interested in local and imported fashion in Batam. Additionally, the lack of supporting journals related to indirect effects in this study is still very limited because they are still rarely studied and discussed in more depth. For brand owners or companies, the trust given by consumers is sacred in the industry, especially those who rely on social media as a tool for marketing and sales. This trust can be built in various ways, including maintaining good relationships between consumers and brands created through customer engagement variables. Additionally, brand owners can increase the value of the product (Perceived Value) to create Purchase Intention which can be an opportunity to cultivate loyalty to consumers. For further researchers, the similarities between the dependent and independent variables that can be used in further research are Customer Engagement previously studied by (Boateng, 2019) and (Abror et al., 2019) also Customer Loyalty previously studied by (Monferrer et al., 2019).

References


Hasan, G. (2018). *ANALISA PENGARUH COUNTRY OF ORIGIN IMAGE DAN BRAND EQUITY DIMENSIONS TERHADAP BRAND EQUITY.*

HootSuite. (2021). *DIGITAL 2021 INDONESIA.*


Golan Hasan & Eva Noorliana: What Influences Fashion Consumers’ Loyalty On Social Media in Indonesia?


