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Factors That Influence Brand Loyalty on Scarlett Whitening Products

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ABSTRACT

This research aims to analyze the factors that influence brand loyalty for Scarlett Whitening products. The population of this study was domiciled people in Jakarta, Bogor, Depok, Tangerang and Bekasi who had used Scarlett Whitening products using a purposive sampling technique and distributing questionnaires to a total of 265 respondents. Data was analyzed using PLS-SEM. The results showed that advertising spending, attitudes towards advertising, and value congruity have a positive effect on brand identification and brand image. Brand identification has a positive effect on brand image, brand engagement, brand love and brand loyalty. Brand image has a positive effect on brand love. Brand engagement and brand love have a positive effect on brand loyalty.

Keywords: *Advertising Spending, Attitudes Toward Advertisement, Brand Engagement, Brand Love, Monetary Promotion, Non-Monetary Promotion, Value Congruity*

INTRODUCTION

The beauty industry has consistently developed in the world from time to time throughout human history. Increasingly, local brands in the beauty industry are also competing to increase consumer buying interest through digital strategies such as using e-commerce platforms to carry out online promotions. Scarlett Whitening itself is a local beauty brand that was founded in Indonesia in 2017 by Felicya (Scarlett Whitening, 2017). In fact, if we look at data from 2022 for the period April to June 2022, the Scarlett Whitening brand received first position in the Top Brand Body Lotion category with a market share of 23.42%, beating the Vaseline brand. Based on the explanation of the phenomenon above, this indicates a decline in total sales of Scarlett Whitening products, which means the decision to buy or repurchase Scarlett Whitening products has decreased.

LITERATURE REVIEW

Advertising Spending. Often related to the amount of costs required by a company to be able to create maximum advertising.

Attitudes toward Advertisement. Customer responses which can be given in good or bad form as well as in the form of likes and dislikes.

Monetary Promotion. Transactional in nature and tend to provide direct rewards to consumers such as coupons, discounts, fixed price discounts, and price packages

Non-Monetary Promotion. Include gifts that are tangible or intangible and are given immediately or after purchase.

Value Congruity. The level of similarity of assessment responses given to a brand as well as the similarity of responses between identity and customer expectations for that brand.

Brand Identification. Selective action, active, and vocational which is motivated by the satisfaction of one or more self-definition needs.

Brand Image. Brand image is a dynamic and subjective concept based on individual cognitive aspects.

Brand Engagement. Psychological state in a service relationship that occurs based on creative and interactive customer experiences with the focus object, in this case the brand.

Brand Love. Positive and strong bonds or relationship between a brand and an individual.

Brand Loyalty. Consumer's willingness to spend more to obtain a product because they feel the product is worth obtaining.

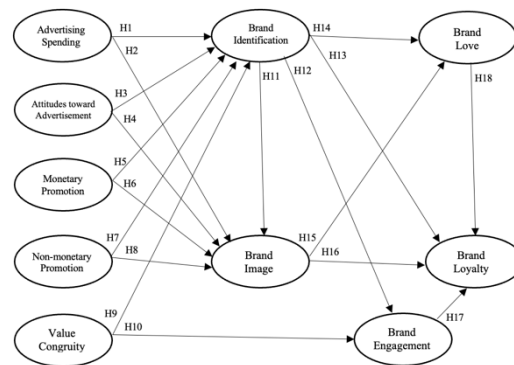Based on the sixteen hypotheses mentioned, the following research model is proposed

Figure 1. Research Model

METHODOLOGY

This research examines a number of populations of customers who have used Scarlett Whitening products in Jakarta, Bogor, Depok, Tangerang and Bekasi. This research has fifty-three indicators which defines the minimum value of 265 samples. The questionnaire uses five-point likert scale, with response values ranging from one (strongly disagree) to five (strongly agree). Data from the sample was collected through an online questionnaire. The sampling method chosen was purposive sampling, targeting Jabodetabek customers who have used Scarlett Whitening products. Data analysis was carried out using partial least squares structural equation modeling (PLS-SEM) with SmartPLS3 software. Advertising spending presents four indicators adopted from S. H. Kim & Lee (2019); Ha et al. (2011), attitudes toward advertisement presents five indicators adopted from S. H. Kim & Lee (2019) Belanche et al. (2019). Monetary and non-monetary promotion presents three indicators adopted from (Kim & Lee, 2019). Value congruity presents five indicators adopted from (Rather et al., 2018). Brand identification presents five indicators adopted from S. H. Kim & Lee (2019) and (Rather et al., 2018). Brand image presents six indicators adopted from (Bianchi et al., 2019). Brand love presents nine indicators adopted from (Kim & Lee, 2019). Brand loyalty presents six indicators adopted from (Kim & Lee, 2019). Brand engagement presents seven indicators adopted from (Paruthi et al., 2023).

RESULTS

A. Figures and Tables

Table 1. Respondent Profile

Profile		Quantity	Percentage	Total
Gender	Male	61	21.25	287
	Female	226	78.75	
Age	17 to 26	185	64.46	
	27 to 42	102	35.54	287
	Above 43	0	0	
Domicile	Jakarta	93	32.40	
	Bogor	25	8.71	
	Depok	17	5.92	287
	Tangerang	123	42.86	
	Bekasi	16	5.57	
	Others	13	4.53	
Education	High School Students	56	19.51	
	Diploma	53	18.47	
	Bachelor Degree	165	57.49	287
	Master Degree	13	4.53	
Occupation	Unemployed	7	2.44	
	Students	69	24.04	
	Government Employees	15	5.23	
	Private Employees	125	43.55	287
	Entrepreneur	58	20.21	
	Housewife	9	3.14	
	Others	4	1.39	
In the last 6 months, how many times have you shopped for Scarlett Whitening products?	1x	75	26.13	
	2x	100	34.84	
	3x	73	25.44	287
	Above 3x	39	13.59	
How long have you been using Scarlett Whitening products?	6 Months	63	21.95	
	1 Year	88	30.66	287
	2 Years	94	32.75	
	Above 2 Years	42	14.63	

Table 2. Convergent Validity of Measurement Model

Constructs and Items		Outer Loading
***Advertising Spending* (AS), AVE (0.506); CR (0.755)**		
AS2	The Scarlett Whitening brand seems to spend a lot of money on its advertising compared to other competing brands' advertising	0.716
AS3	Scarlett Whitening advertisements are often shown	0.705
AS4	Advertising campaigns for Scarlett Whitening are often seen	0.713
***Attitudes Toward Advertisement* (ATA), AVE (0.569); CR (0.798)**		
ATA3	Scarlett Whitening advertisements are different from competing brand advertisements from other brands	0.797
ATA4	The Scarlett Whitening commercial is fun	0.738
ATA5	Scarlett Whitening ad liked	0.727
***Monetary Promotion* (MP), AVE (0.611); CR (0.825)**		
MP1	The Scarlett Whitening brand often offers discounts	0.794
MP2	The Scarlett Whitening brand often offers discounts	0.748
MP3	The Scarlett Whitening brand offers discounts more frequently than other competing brands	0.801
Non-Monetary Promotion (NMP), AVE (0.617); CR (0.829)		
NMP1	The Scarlett Whitening brand often offers giveaways	0.767
NMP2	The Scarlett Whitening brand often gives prizes	0.801
NMP3	The Scarlett Whitening brand provides giveaways more frequently than other competing brands	0.789
***Value Congruity* (VC), AVE (0.606); CR (0.822)**		
VC2	I support the core values of the Scarlett Whitening brand	0.773
VC3	I agree with the core values of the Scarlett Whitening brand	0.775
VC4	Scarlett Whitening is relevant to my values	0.787
***Brand Identification* (BID), AVE (0.696); CR (0.902)**		
BID1	I feel that my personality and the brand personality of Scarlett Whitening are similar	0.844
BID2	I feel like my values and the Scarlett Whitening brand values are similar	0.847
BID3	I identify with the Scarlett Whitening brand	0.823

BID5	I have a lot in common with other people who use the Scarlett Whitening brand	0.823
Brand Image (BIM), AVE (0.570); CR (0.799)		
BIM3	Scarlett Whitening is excellent	0.743
BIM4	Scarlett Whitening is a great brand	0.747
BIM6	Scarlett Whitening is a sympathetic brand	0.774
Brand Love (BL), AVE (0.643); CR (0.844)		
BL3	Scarlett Whitening is absolutely amazing	0.804
BL6	I love Scarlett Whitening	0.805
BL7	Scarlett Whitening is a real treat	0.797
Brand Loyalty (BLO), AVE (0.657); CR (0.852)		
BLO2	I'll choose Scarlett Whitening next time I buy this category of product	0.825
BLO4	I'm willing to pay a higher price for Scarlett Whitening than others	0.780
BLO5	I would most likely recommend Scarlett Whitening to anyone asking for advice	0.826
Brand Engagement (BE), AVE (0.690); CR (0.899)		
BE4	I pay a lot of attention to everything about Scarlett Whitening that I love	0.827
BE5	I follow things related to Scarlett Whitening that I like	0.829
BE6	Everything related to Scarlett Whitening, I love attracts my attention	0.828
BE7	Interacting with Scarlett Whitening which I like makes me feel happy	0.837

Note: AVE(Average Variance Extracted); CR (Composite Reliability)

Table 3. Fornell-Larcker Criterion

	AS	ATA	BE	BID	BIM	BL	BLO	MP	NMP	VC
AS	0.711									
ATA	0.292	0.755								
BE	0.061	0.559	0.830							
BID	0.076	0.570	0.727	0.834						
BIM	0.252	0.632	0.649	0.648	0.755					
BL	0.217	0.618	0.751	0.749	0.702	0.802				
BLO	0.138	0.575	0.735	0.759	0.634	0.761	0.811			
MP	0.309	0.435	0.407	0.513	0.470	0.428	0.433	0.782		
NMP	0.118	0.548	0.654	0.671	0.543	0.587	0.607	0.530	0.786	
VC	0.284	0.615	0.649	0.715	0.695	0.702	0.676	0.584	0.655	0.778

Table 4. Multicollinearity Test

	AS	ATA	BE	BID	BIM	BL	BLO	MP	NMP	VC
AS	-	-	-	1.187	1.202	-	-	-	-	-
ATA	-	-	-	1.770	1.752	-	-	-	-	-
BE	-	-	-	-	-	-	2.762	-	-	-
BID	-	-	2.044	-	2.177	1.722	2.745	-	-	-
BIM	-	-	-	-	-	1.722	2.186	-	-	-
BL	-	-	-	-	-	-	3.216	-	-	-

BLO	-	-	-	-	-	-	-	-	- -
MP	-	-	-	1.690	1.639	-	-	-	- -
NMP	-	-	-	2.023	2.106	-	-	-	- -
VC	-	-	2.044	2.367	-	-	-	-	- -

Table 5. Path Coefficients and Hypothesis Testing

|	Hypothesis	Original Sample	T value	P value	Results
H1	AS -> BID	-0.154	3.003	0.001	Not Supported
H2	AS -> BIM	0.100	1.713	0.043	Supported
H3	ATA -> BID	0.165	2.506	0.006	Supported
H4	ATA -> BIM	0.322	5.434	0.000	Supported
H5	MP -> BID	0.099	1.408	0.080	Not Supported
H6	MP -> BIM	0.073	1.135	0.128	Not Supported
H7	NMP -> BID	0.270	3.885	0.000	Supported
H8	NMP -> BIM	0.063	0.873	0.191	Not Supported
H9	VC -> BID	0.423	5.412	0.000	Supported
H10	VC -> BE	0.264	3.040	0.001	Supported
H11	BID -> BIM	0.377	5.362	0.000	Supported
H12	BID -> BE	0.538	6.499	0.000	Supported
H13	BID -> BLO	0.325	5.367	0.000	Supported
H14	BID -> BL	0.507	9.361	0.000	Supported
H15	BIM -> BL	0.374	6.754	0.000	Supported
H16	BIM -> BLO	0.062	0.926	0.177	Not Supported
H17	BE -> BLO	0.236	2.838	0.002	Supported
H18	BL -> BLO	0.297	3.727	0.000	Supported
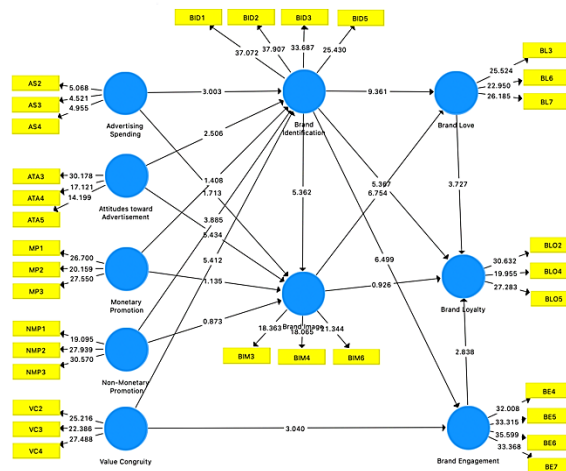
Figure 2. SEM-PLS Structural model analysis for this research showing each construct's indicator's outer loading as well as original sample value for each construct relation
Source: (Smart-PLS, 2023)

DISCUSSION

This study aims to analyze the factors that influence brand loyalty for Scarlett Whitening products. The findings on H1 do not confirm that advertising spending has a positive effect on brand identification. Due to the findings, Advertising can build a brand and become a memory in consumers' minds if the content of the message is repeated and continuous so that consumers' brand awareness can increase, and they are able to identify the brand (Saleh, 2017). H2 supports previous studies by Erkan et al. (2021);

Febriyantoro (2020); Sanny et al. (2020) that found that advertising spending is positively related to brand image. H3 supported by previous study by S. H. Kim & Lee (2019) that found that attitudes toward advertisement are positively related to brand identification. H4 supported by previous study, attitudes toward advertisement are positively related to brand image (Lestari et al., 2020). However, consumers tend to perceive monetary promotions framed as reducing losses as having lower value than non-monetary promotions. Even though all respondents agree that Scarlett Whitening often carries out monetary promotions, this does not affect brand identification on H5. The H6 hypothesis is not confirmed. To develop a brand image, additional activities and the active attention of customers who spend time are needed (Michaelidou et al., 2015) rather than a monetary promotion that has short term effects (Bennett & Gabriel, 2003). The result from H7 is consistent with previous study by S. H. Kim & Lee (2019) which describes that non- monetary promotion is positively related to brand identification. The H8 hypothesis is not supported. To develop a brand image, additional activities and the active attention of customers who spend time are needed (Michaelidou et al., 2015). H9 is consistent with previous study by Wibowo & Pattyranie (2021) which describes that value congruity is positively related to brand identification. H10 is consistent with previous studies by Rather et al. (2018); Yuniari (2020) which describe that value congruity is positively related to brand engagement. H11 is consistent with previous study that brand identification is positively related to brand image (S. H. Kim & Lee, 2019). H12 is consistent with previous studies by Febrian & Ahluwalia (2021); Rather et al. (2018); Tuškej & Podnar (2018) that found that brand identification has positively related to brand engagement. H13 is consistent with previous studies by Lotaknio & Mahargiono (2022); Hans (2020); Rather et al. (2019); that found the brand identification has positively related to brand loyalty. H14 is supported by previous studies by Fitriani & Achmad (2023); Meilawati (2021) that found that brand identification is positively related to brand love. H15 is supported by previous studies by Cuong (2020); Hibban & Wahyudi (2022); Bustomi & Setyawati (2021) that found the brand image positively related to brand love. H16 describes even though a brand has a good image in the eyes of consumers who have used it, this will not directly influence consumers to be loyal to a brand. Loyal intentions will only increase with other incentives that can influence consumers' loyal intentions. H17 is supported by research by Adhikari & Panda (2019); Kaur et al. (2020); Ismail et al. (2020) that found that brand engagement is positively related to brand loyalty. H18 is supported by previous studies by Mody & Hanks (2020); Shetty & Fitzsimmons (2022) that found that brand love is positively related to brand loyalty

CONCLUSION

Based on the results of this study, it can be concluded that attitudes toward advertisement, non-monetary promotion, and value congruity have a positive influence on Scarlett Whitening's brand identification. Advertising spending, attitudes toward advertising, and brand identification also have a positive influence on Scarlett Whitening's brand image. From the result, value congruity and brand identification have a positive influence on brand engagement. Brand identification, brand engagement, and brand love also has a positive influence on brand loyalty. Brand identification and brand image also has a positive influence on brand love. However, advertising spending was proven to not have an effect on brand identification. Also, monetary and non-monetary promotion was proven to not have an effect on brand image. Other than that, brand image was proven to not have an effect on brand loyalty. This research serves to help the Scarlett Whitening management increase their brand loyalty. Scarlett Whitening management must continue to maintain existing advertising spending. Scarlett Whitening management

can increase advertising spending by making their advertising campaigns often shown than others. To increase attitudes toward advertisements, Scarlett Whitening management can create advertisements that are different from competitors, create advertisements that are attractive and that customers like. Monetary promotion has no effect on brand identification and brand image in this research. However, Scarlett Whitening management must continue to maintain existing monetary promotion. Scarlett Whitening management can increase non- monetary promotion by offering giveaways more often and giving away grand prizes. Non-monetary promotion was also found to have no effect on brand image, but management still had to maintain existing non-monetary promotion. Scarlett whitening management can increase value congruity by campaigning the core values of Scarlett whitening, create core values that are appropriate and relevant to the target market. To increase brand identification, Scarlett Whitening management must build a unique identity, personality and value according to the target market. Scarlett whitening management can increase brand image by creating a perfect, good, and sympathetic product image according to the target market. Brand image has no effect on brand loyalty, but Scarlett Whitening management must continue to maintain existing brand image. Scarlett Whitening management can increase brand engagement by increasing customer engagement by creating content that involves customer interaction on social media, creating content that is interesting, liked and up to date. Scarlett Whitening management can increase brand love by creating products that customers need and want, making products that are different from competitors, products that are fun and building relationships with customers. This study has limitations, which suggest an agenda for possible future research. First, this research focuses on the beauty industry as a research context. Results may differ in different contexts. Apart from that, the variables are also limited, while there may be many more variables outside. Moreover, this study only used the Scarlett Whitening brand as a basis, while other beauty brands may provide different results. Future researchers are advised to explore other variables outside those analyzed in this research and study other beauty industries besides Scarlett Whitening.

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