

How Digital Marketing Through IMC influences Brand Retail and Brand Loyalty

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Abstract—The development of digital technology that encourages the growth of digital marketing has made many businesses start using an integrated marketing communication system as a tool to carry out promotions because they are able to reach large market segments. Coffee Shop business is one of the businesses that need to reach large segment. This research aims to determine the influence of digital marketing through integrated marketing communication on retail brands and brand loyalty in the coffee shop business. This research uses quantitative research methods with data collection techniques in the form of distributing questionnaires online. The sampling technique used is a probability sampling technique with a total sample of 120 people. The data analysis technique used to answer the hypothesis of this study is SEM-PLS. The results of data analysis found that digital marketing through integrated marketing communication has an influence on retail brand and brand loyalty, and indirectly influences brand loyalty, through retail brands as a mediation variable.

Keywords—*Digital Marketing, IMC, Brand Retail, Brand Loyalty.*

I. INTRODUCTION

Every company wants their product/service brand to be known by the wider community and get customer satisfaction with all products and services provided [1]. If a company's product/service brand can be known by the wider community, then the company has succeeded in promoting it well [2].

Promotional activities aim to disseminate information about a product/service to the public or potential consumers, reach new consumers and maintain consumer loyalty, help increase sales figures while increasing profits for the company, and create an image of the product/service in the eyes of consumers according to the company's image, thereby influencing consumer opinions and behavior towards the product/service [3], [4].

A company can use various types of media as a promotional tool for the products / services they offer, some examples of promotional media that are commonly used by companies are flyers, billboards, banners, and what is currently also used in a digital marketing way, is social media such as Facebook, Twitter, LinkedIn, Pinterest, YouTube, TikTok, Snapchat, Telegram and Instagram[5]. Digital

marketing helps company to reach their segmented consumer in a very easy way.

Many businesses use various media available as communication media and even create a collaboration system from these media which is often known as Integrated Marketing Communication which can also be abbreviated as IMC because of the dissemination of information that can reach every layer of society [6].

Brand is a term that refers to the name, designation, logo, or combination of writing and image components that have a function to distinguish a product / service offered by a company from other competitors, which are usually engaged in the same business field [7].

A brand that is engaged in selling its products individually to consumers for personal consumption and not for resale is referred to as a retail brand [8]. Brand loyalty is a term for a brand that gets loyalty from its consumers, brand loyalty is also a measuring value of a company's relationship with its consumers [9].

Brand loyalty obtained by a brand, will have a positive impact on a brand. Because it will have a positive relationship with consumers. This positive relationship will direct consumers' positive views of a brand and motivate consumers to voluntarily come to the brand. Loyalty describes the commitment of consumers who will continue to choose the same brand consistently in the future. Brand loyalty can foster good feelings in consumers towards the brand [10].

Consistent exposure and leaving a good impression using integrated marketing communication media by technology can build a positive sense from consumers such as liking, admiration, and love for a retail brand [11]. This is what will influence the emergence of brand loyalty.

All of interaction and communication that is actively carried out by the company with consumers through integrated marketing communication can bring a good and warm response from consumers to the retail brand presented by the company and at the same time add to the image of the retail brand itself. Consumers will feel comfortable because their aspirations are listened to by the company. So, to build a brand loyalty between the company's relationship with consumers,

integrated marketing communication and brand retail are needed [12].

Coffee shop is one of the trendy retail businesses [13]. The 'Kedai Kopi' business or Coffee shop in Indonesia requires these three components, namely integrated marketing communication, brand retail, and brand loyalty as one of the foundations in its business journey. This can be seen from the coffee shop activities that actively utilize social media platforms by utilizing existing digital marketing platforms to build direct and close relationships with consumers, as well as explain the brands and products offered consistently.

This research was made to seek for empirical study that digital marketing through an integrated marketing communication strategy can influence the formation of retail brands and grow brand loyalty to coffee shop consumers in Indonesia.

II. LITERATURE REVIEW

A. Integrated Marketing Communication

Integrated Marketing Communication is a method of marketing communication. Integrated Marketing Communication can also be called one of the marketing elements that can be applied in marketing activities. Integrated marketing is a concept where companies plan to create, communicate, and expose company value to consumers by integrating company elements so that consumers can remember and easily recognize the company [14], [15].

IMC's strategy also follows the latest digital technology developments so that it is easy to create and adapt on various social media platforms in the form of interesting content. Content about companies and brands can be recognized and spread evenly in various circles of life. The content displayed must be consistent and positive [6].

Another meaning of IMC is also stated in a scientific journal entitled Information technology adoption on digital marketing communication channel, it is written that IMC is a concept related to communication strategies to get clarity, consistency, and good understanding in order to create communication power in marketing such as promotional activities, advertisements, through social media and directly [16].

B. Brand Retail

Retail is the activity of selling products/services from the company to consumers for personal use or not for resale. It is rather difficult to find a definite understanding of retail itself, because the understanding of retail is more inclined to the activities of the economic actors themselves [17].

Retailing business activities are one of the stages of many stages of business activities to add value to the use of goods/services sold to consumers for personal consumption or as a fulfillment of household needs. Retailing/retail activities are all business activities involved in the sale of goods/services directly to the end consumer for personal use and not for resale. So, the target of this retail brand is the last consumer who buys products/services from the retail brand for their own use [16].

In simple terms, retail can be interpreted as a sales company on a large scale. Specifically, retail is an activity of selling products/services to consumers directly to be used/consumed by themselves, for their personal and

household needs. In the implementation process, each retail business owner will buy products/services in large quantities from producers which can then be resold to consumers directly in the form of fewer units [18].

The Retail Brand itself is conceptualized as a collection of groups of several franchises or retailers that carry unique names, symbols, logos, or combinations of the three points. This statement was put forward by Zentes et al that retail brands create ways to make it easier for consumers to identify products/services from manufacturers and what distinguishes them from products/services offered by competitors [19].

After the explanation above, it can be concluded that retail is the activity of selling products/services at retail by businesspeople or companies to the last consumer which means consumers who will use the product/service personally for personal purposes or to meet household needs, and not to be resold and the retail brand is the identity of the retailing activity so that producers can provide product differentiation from Competitors.

C. Brand Loyalty

Brand loyalty is a measuring tool that describes the bond between consumers and a brand, this measure can help estimate whether consumers will switch to another brand when competitors offer more attractive things [20].

Brand loyalty is understood as a level value that describes a positive attitude towards a brand, customer commitment to the brand, and a tendency to buy again in the future [11].

Brand loyalty reflects the loyalty attitude of consumers who are consciously committed to making decisions to repurchase products/services from one manufacturer in the future, regardless of all offers provided by business competitors, consumers will remain loyal to one product/service that comes from one producer only [9].

From the explanation above, it can be concluded that brand loyalty has the meaning of a benchmark medium that describes the relationship between consumers and brands, where brands see and assess the response given by consumers after using the products/services offered by the company, whether consumers will buy back their products/services periodically, and consumer commitment to one brand when competitors provide attractive offers to them. Brand loyalty is the loyalty that brands get from consumers.

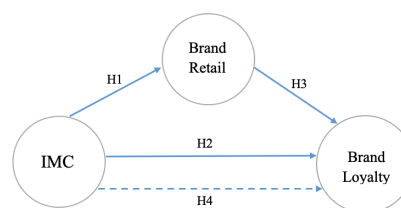


Fig. 1. Research Model

Hypothesis

H1: There is a positive and significant influence between Integrated Marketing Communication and Brand Loyalty

H2: There is a positive and significant influence between Integrated Marketing Communication and Brand Retail

H3: There is a positive and significant influence between Brand Retail and Brand Loyalty

H4: Integrated Marketing Communication directly affects Brand Loyalty through Brand Retail

III. RESEARCH METHODOLOGY

The research method used in this study is the Quantitative Research Method. In this study, researchers have determined three variables used as research variables, namely: The exogenous variable in this study is Integrated Marketing Communication, the endogenous variable in this study is Brand Loyalty, and the mediation variable in this study is Brand Retail.

The measurement in this study was carried out by adapting the measurement indicators from the previous study, namely from Rosadi's research (2017) for variable Integrated Marketing communication as many as 4 indicators [21] For variable brand loyalty, the indicator was adapted from Marvelyn's research (2020) with 5 indicators [22], and Brand Retail with 8 indicators adapted from the research of paramita et. Al., (2021) [23].

Primary data collection techniques are carried out by distributing questionnaires to the questionnaire target through a google form. The population of this study is all followers in Chuseyo Coffee Shops. This coffee shop has 19 retail stores throughout Indonesia with an Instagram follower of 2,434 followers. In this study, samples from the population were taken using the Slovin formula so that a total sample of 100 respondents was obtained. We distributed the google form to the follower by Direct message to almost 150 followers. However, because the returned questionnaires totaled 120 pieces, the researchers decided to use all the results of the answered questionnaires.

The sampling technique used in this study is a probability sampling technique with a simple random sample method. The data analysis technique used in this study is SEM-PLS, because SEM-PLS can work efficiently with a small number of samples. SEM-PLS consists of two components of the analysis model, namely the outer model and the inner model [24].

IV. RESULT AND DISCUSSION

A. Demographic Respondents

This study had a total sample of 120 respondents. Analysis of respondent characteristics was carried out to determine the existing profile of respondents, who represented the population in this study. The results of the analysis of respondents' characteristics are as follows.

The gender of the respondents consisted of women with 108 respondents (90%), and men with 12 respondents (10%). Thus, consumer respondents of Kopi Chuseyo are dominated by women.

The age of respondents is divided into five (5) categories where the age under 16 years is 5 respondents (4%), 16-20 years as many as 35 respondents (29%), 21-25 years as many as 58 respondents (48%), 26-30 years as many as 14 respondents (12%), and over 30 years old as many as 8 respondents (7%). Thus, respondents to Chuseyo Coffee consumers are dominated by the age range of 21-25 years.

Respondents' income is divided into three (3) categories where consumers who have an income of \leq Rp 1,000,000 are 26 respondents (22%), Rp 1,000,001 – Rp 5,000,000 is 57 respondents (47%), and \geq Rp 5,000,001 is 37 respondents

(31%). Thus, it was concluded that the respondents of Chuseyo Coffee consumers are consumers with an income of Rp. 1,000,001 – Rp. 5,000,000 per month.

The frequency of consumer arrivals to Chuseyo Coffee outlets in 1 month, divided into three (3) categories, with 1-2 times as many as 40 respondents (33%), 3-5 times as many as 49 respondents (41%), and more than 5 times as many as 31 respondents (26%). Thus, it was concluded that respondents to Chuseyo Coffee consumers mostly visited 3-5 times within 1 month.

From where customer found out about Chuseyo Coffee, divided into four (4) categories; from Instagram as many as 78 respondents (65%), Telegram as many as 24 respondents (20%), Family, friends, and/or relatives as many as 16 respondents (13%), and from other sources as many as 2 respondents (2%). Thus, it was concluded that most respondents of Chuseyo Coffee consumers found out about Chuseyo Coffee from Instagram.

B. Outer Model

The validity test can be judged from the loading factor on the latent variable with the indicator. The measure of validity is said to be high if the correlation between variables with the indicator >0.70 . In addition to loading factors, validity tests can also be seen from the AVE (average variance extracted) value in each variable in the research framework. The validity of each variable is said to be valid if the AVE value is >0.50 [24]

TABLE I. VALIDITY RESULT

Variabel Laten	Indikator	Loading Factor	AVE
<i>Integrated Marketing Communication</i>	IMC1	0.748	0.774
	IMC2	0.741	
	IMC3	0.786	
	IMC4	0.817	
<i>Brand Loyalty</i>	BL1	0.785	0.820
	BL2	0.818	
	BL3	0.841	
	BL5	0.835	
<i>Brand Retail</i>	BR1	0.816	0.803
	BR2	0.796	
	BR3	0.789	
	BR4	0.772	
	BR5	0.816	
	BR6	0.829	
	BR7	0.802	

^a: Primary Data, 2022

The results of the Integrated Marketing Communication variables with IMC1, IMC2, IMC3, and IMC4 indicators received cross loading values of 0.748, 0.74, 0.786, and 0.817, respectively. Then it can be concluded that the cross-loading value of each indicator is declared valid.

The results of the Brand Loyalty variables with BL1, BL2, BL3, and BL5 indicators received cross loading values of 0.785, 0.818, 0.841, and 0.835, respectively. Then it can be concluded that the cross-loading value of each indicator is declared valid.

The results of the Brand Loyalty variables with BL1, BL2, BL3, and BL5 indicators received cross loading values of 0.785, 0.818, 0.841, and 0.835, respectively. Then it can be concluded that the cross-loading value of each indicator is declared valid.

Based on the presentation of the table above, by removing indicators whose values do not meet the criteria, it was found that all research indicators, namely Integrated Marketing Communication, Brand Loyalty, and Brand Retail, had a high correlation value with loading factor values exceeding 0.70 and AVE values that also exceeded 0.50. So, all indicators of each variable are valid.

The AVE value on the Integrated Marketing Communication variable gets a value of 0.774 so that the variable meets the convergent validity requirements, and the Integrated Marketing Communication variable can be declared valid. The AVE value on the Brand Loyalty variable gets a value of 0.820 so that the variable meets the convergent validity requirements, and the Brand Loyalty variable can be declared valid. The AVE value on the Brand Retail variable gets a value of 0.803 so that the variable meets the convergent validity requirements, and the Brand Retail variable can be declared valid.

TABLE II. RELIABILITY RESULT

Variabel	Composite Reliability	Cronbach's Alpha
Integrated Marketing Communication	0.856	0.778
Brand Loyalty	0.891	0.838
Brand Retail	0.927	0.908

Primary Data, 2022

The reliability test is by calculating the level of variable reliability on the research framework as measured by composite reliability and Cronbach's alpha of the indicators that measure the variables. A variable is said to be reliable if it has a composite reliability value of >0.70 and Cronbach's alpha >0.70[24].

Based on the results of the presentation in table II, it can be concluded that the composite reliability value in the variables Integrated Marketing Communication, Brand Loyalty, and Brand Retail gets a value above 0.70 and is in the range of 0.856 to 0.927. Likewise, Cronbach's alpha value gets a value above 0.70 on each variable and is in the range of 0.778 to 0.908. These values indicate that the variables in this study have met the criteria of validity and good reliability.

C. Inner Model

The structural/inner model is tested using R-square for the dependent variables and the path coefficient values for the independent variables which will then be signed based on the t-statistics on each path/line connecting between the variables. The value of the R-square is the coefficient of determination on the endogenous variable/dependent variable. Typically, R-square values are at values of 0.67 (strong), 0.33 (moderate), and 0.19 (weak). Coefficient of determination is used to show how much the influence of independent variables affects dependent variables.

TABLE III. RELIABILITY RESULT

	R Square	R Square Adjusted
Brand Loyalty	0.590	0.583
Brand Retail	0.515	0.511

Primary Data, 2022

Based on the presentation of the data in the previous table, conclusions can be drawn in the form of statements as follows; The endogenous variable, namely brand loyalty, which is influenced by the exogenous variable, namely integrated marketing communication, gets a value of 0.590 for the R Square value. This means that the ability of independent variables to influence dependent variables in this study has the ability in the moderate category.

The endogenous variable, namely retail brands, which is influenced by exogenous variables, namely integrated marketing communication, gets a value of 0.515 for the R Square value. This means that the ability of exogen variables to affect endogenous variables in this study has the ability in the moderate category.

TABLE IV. PATH COEFFICIENT

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	P Values
IMC -> Brand Loyalty	0.254	0.250	0.083	3.078	0.002
IMC -> Retail Brand	0.718	0.723	0.042	16.928	0.000
Brand Retail -> Brand Loyalty	0.565	0.570	0.072	7.814	0.000
IMC -> Brand Retail->Brand Loyalty	0.406	0.412	0.055	7.376	0.000

Primary Data, 2022

Based on the presentation of the *path coefficient* test results in the table above, it can be concluded that.

H1 is accepted because the research hypothesis can be said to be accepted if the value of *T-statistic*>1.96 and the value of P-value<0.05.

H2 is accepted, because the research hypothesis can be said to be accepted if the value of *T-statistic*>1.96 and the value of P-value<0.05.

H3 is accepted because the research hypothesis can be said to be accepted if the value of *T-statistic*>1.96 and the value of P-value<0.05.

H4 is accepted because the research hypothesis can be said to be accepted if the value of T-statistic > 1.96 and the value of P-value < 0.05.

V. CONCLUSION

Based on the results of research analysis that has been carried out by researchers regarding the Influence of Integrated Marketing Communication on Brand Retail and Brand Loyalty on Chuseyo Coffee, researchers can draw the following conclusions: the use of digital marketing through IMC shows a positive influence of Integrated Marketing Communication on Brand Loyalty, with R-square results getting a score of 59%. This influence is also significant with a T-statistical value of 3,078 and a P-value of 0.002. Integrated Marketing Communication also has an influence on Brand Retail with an R-square of 51.5%, and significant with a T-statistic of 16,928 and a P-value of 0.000. Directly Brand Retail has a positive and significant influence on Brand Loyalty with a T-statistic of 7,814 and a P-value of 0.000. The results of the study also found that Integrated Marketing Communication has an indirect influence on Brand Loyalty mediated by Brand Retail with T-statistics of 7,376 and P-value of 0.000.

Managerially, the implication that can be suggested is that with changes in the interaction through digital media, all consumer responses, both positive and negative, will be clearly visible on social media platforms. Management must be able to handle and respond to online complaints provided by consumers on all media platforms used quickly, including maximizing the ability of employees to create new and up-to-date and consistent content to ensure that promotions get responses from consumers. This is to prevent consumers from feeling neglected, triggering consumers to move to other coffee shops.

Further research is expected to focus on deepening the theory of variable indicators of integrated marketing communication that are not yet in this study, such as consumer response, marketing performance, brand exposure, and communication effects to show their influence on brand retail and brand loyalty on a brand.

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