



Print ISSN: 1738-3110 / Online ISSN 2093-7717  
JDS website: <http://www.jds.or.kr/>  
<http://dx.doi.org/10.15722/jds.20.04.202204.9>

# Customer Loyalty on Household Consumer Goods Distribution: A Survey among the Asian Parent Indonesia Community

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Received: December 11, 2021. Revised: March 08, 2021. Accepted: April 05, 2022.

## Abstract

**Purpose:** Mothers determines all household requirements and decides almost all their related things. The purpose of this study was to examine several independent variables on customer loyalty among mothers in The Asian Parents Indonesia community. The independent variables include advertising on Instagram, brand image, word-of-mouth, community cohesiveness, while the dependent variable is purchasing decisions. **Research design, data, and methodology:** This quantitative study uses a survey method for the Asian Parents Indonesia community members, listed on its website. The population of this community was recorded at 1,310, with a sample of 135 respondents. Data processing is done by using Structural Equation Model using Smart-PLS software. **Results:** Variables that significantly affect purchasing decisions and customer loyalty are word-of-mouth, summarized in a testimony, advertising on Instagram, and brand image. However, community cohesiveness does not affect customer loyalty to a brand. **Conclusion:** The results of this test propose significant implications for developing the relationship between baby toiletries producers and customers through word-of-mouth testimonials and advertisements on Instagram while community cohesiveness in maintaining customer loyalty using a brand is not influential, but interactions that occur within the community become a reference for mothers to choose a baby toiletries product.

**Keywords :** Advertising campaign, customer loyalty, distribution, household consumer goods, Instagram.

**JEL Classification Code:** M30, M31, M39

## 1. Introduction <sup>1</sup>

The increasing of sophisticated technology has had a considerable impact on the world of advertising and marketing, so it has created challenges in today's marketing activities. Social media is prevalent among today's generation (Kemp, 2020). Instagram is an icon and symbol for understanding and mapping visual social media culture, and the essential element of Instagram is visual that attracts attention, especially for businesses or brands that want to promote (Leaver, Highfield, & Abidin, 2020).

Marketing through social media has opened up new channels for brands to connect with consumer's interactions. Digital marketing provides marketers with new ways to build customer relationships, increasing customer loyalty (Merisavo, 2008). Consumers react differently to product placement on Instagram accounts. The company's credibility in using advertising to play a consistent brand awareness for the prospect of developing a product to target consumers is a crucial success factor in a very tight competition in the market (Jin & Muqaddam, 2019). Several researchers have tested that promotion through Instagram

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significantly influences purchasing decisions while brand awareness does not affect purchasing decisions (Dayanti, Apriyani, & Usman, 2018). Khan (2018) also states that the most effective advertising on Instagram is brand equity to improve purchasing decisions; Dash (2021) also states that brand image affects customer loyalty. Other researchers also explain that there needs to be motivation from the consumer influencers through testimonials to make purchase decisions (Alalwan, 2018).

The birth of a child has been considered one of the most extraordinary acts of humanity (Prinds, Hvidt, Mogensen, & Buus, 2014). Overall, the decision-making process is guided by the mother's primary concern for acting responsibly as a parent. The decision-making process develops gradually by monitoring the process of filtering information (Daniel, Kent, Binney, & Pagdin, 2005). This study will examine a quantitative approach through an explanatory survey. It combines all elements of digital marketing communication through advertising on Instagram, brand image, community cohesiveness that has been formed, and word-of-mouth through consumer testimonials. The testimonies can influence purchase decisions and loyalty among mothers in Indonesia in consuming their daily household needs, namely baby toiletries products which can be the basis for the industry to determine its strategy.

## **2. Literature Review**

### **2.1. Communication Campaign as the Primary Factor**

Communication campaigns aim to build a sustainable and reciprocal relationship between brand owners and the public. The target to be achieved is to convey a message to a relatively large number of individuals within a specific time in a mutually beneficial manner (Silk, 2019). Campaigns using communication strategies and theories to influence a broad audience are carried out in several measurable ways. The communication campaign is not just offering a product and service but also making consumers aware of the product's benefits so that they try to consume and buy periodically. But more than that, campaigns can influence knowledge, attitudes, adopt the experiences of others, raise awareness, and change behavior.

Marketing campaigns can influence customers in ways such as first, all elements of the corporate organization must share knowledge, experience, responsiveness, interact, and cooperate with customers. Respectful and courteous interactions maintain relationships with customers. Second, the main criteria for products and services must reflect various choices, quality assurance, money-back guarantee, and after-sales service. Third, product image must create

public trust by adopting communication technology. Finally, the company's overall service to customers is essential (Andriyani & Hidayat, 2021). These concepts were oriented towards the perspectives and actions of the people involved in communication. It provides a reciprocal relationship between two or more individuals.

### **2.2. Ease of clicking Instagram Advertising**

Instagram is one of the fastest growing online social web services where users share pictures of their lives with other users (Khan, 2018). Activities evolve from a one-way to an interactive two-way model. Although the character of a campaign advertisement is complex and varied, communicating between a corporation or brand owner and consumers is very important. Advertising content that contains informative and educative messages with a persuasive emphasis will change the attitude of the recipient. Through online advertising, interactivity becomes essential to reach consumers to feel more cared for individually. The digital world transforms passive recipients into active ones with feedback and dissemination to peer groups and consumer social networks (Dyer, 2008).

Marketing with social media channels of communication must consider several dimensions. The online community must be built to introduce products, interactions in social media must also be carried out so that followers on Instagram interact with the company. Content sharing can explore how individuals change, send and receive content company products on social media and social media must have accessibility to be flexible for users and clear information so that social media has credibility to generate loyal customers (As'ad & Alhadid, 2014).

Ease of accessibility on Instagram allows users to share and get to know one another's lives through photos, and it also provides celebrities and commercial brands with the opportunity to engage with their consumers, so Instagram users are 2.5 times more willing to click on advertorials than on other social media (Lee, Lee, Moon, & Sung, 2015).

### **2.3. Brand Image**

Brand image is defined as a description of the extrinsic nature of a product or service and the positioning of that brand to meet customers' psychological or social needs consistently (Kotler & Keller, 2016). Aaker (2012) also suggested that something related to the brand image must be in consumers' memory.

### **2.4. Community Cohesiveness**

A community is a group of people who share an interest or activity (Tracey, 2009). Community involvement

increases brand perception and customer loyalty, increases online interactivity and sales, increases advertising responses, and products recommended by the community or brand to outsiders (Wu, Fan, & Zhao, 2018). To collect customer experience, the various ways customers share their experiences with others in their community include reputation, word-of-mouth, customer testimonials and recommendations, social media, blogs, and online discussion forums (Jaakkola, Aarikka-Stenroos, & Kimmel, 2014).

An online brand community is a social media platform, usually hosted by a company, that helps consumers build relationships through social interactions. This group of people who have experience using a brand will provide substantial value for the brand's sustainability and the company. Previous research has shown that brand community are more likely to visit company websites and purchase products, be motivated to help other customers, and be highly loyal (Wu et al., 2018).

The Asian Parents is one of the largest online community sites for mothers in Indonesia. There are various discussion forums to talk about pregnancy and share experiences about child growth. Discussion forums about recommended baby care products are also fascinating and have often been discussed.

## 2.5. Word-of-Mouth Influence in Peer Group

Online community and word-of-mouth (WOM) are often involved together, even though they are two separate platforms. WOM is not only directly face-to-face, but what is more strongly distributed is online social media channels. Several important things that concern online platforms are, first, customer involvement in an online community platform that influences consumption behavior. Second, online product reviews influence purchases including motivation to share experiences on the same channel (Moe & Schweidel, 2012). Previous research found a positive relationship between consumer engagement and WOM intentions. However, the online volume and valence of product reviews need to be a concern in the context of WOM among consumer peer groups. The ability of people in the group to recommend brands is very important to be investigated further.

In WOM digital footprints produced and accessed online, testimonials typically include written or audio-visual personal stories and descriptions of successful customer experiences with a brand. This content is often sought after by potential consumers to be used as input in the purchase decision-making process. Testimonials in e-WOM usually directly or indirectly encourage others to follow suit (Braverman, 2008). This research paper inquiries WOM as customer's testimony.

## 2.6. Distribution of Household Consumer Goods: Baby Toiletries Products

This research focuses on the fast-moving consumer goods (FMCG) distribution and marketing for household products. As understood from various studies, the determinant of purchasing decisions for FMCG products is housewives because of their dominant role in managing and raising children, while the role of fathers is categorized as people who work outside the home to earn income for the family. Although some housewives work outside the home, their uniqueness is that they still carry out their duties as family and child regulators. The flow of goods movement from manufacturing into the marketing channel to retailers and family end-users is seen as an FMCG distribution channel and network, so this study considers it essential that product movement is a part of the distribution.

Baby toiletries products are categorized as fast-moving consumer goods (FMCG). There are various types of baby skincare brands in Indonesia. This research will focus on the Top 6 brands in Indonesia, namely the Zwitsal, Johnson and Johnson, Cussons, Mitu, Momami, and Pigeon. The baby skincare business continues to proliferate along with the birth rate of babies in Indonesia. Its innovations in product development, packaging, and consumer research support manufacturers to create products that can be loved by customers (Nielsen, 2020).

The study takes opinions from community mothers who use baby toiletries products from the Zwitsal, Johnson and Johnson, Cussons, Mitu, Momami, and Pigeon brands in Indonesia.

## 2.7. The Stimulus-Organism-Response Model

Mehrabian and Russell (1974) first proposed the concept of Stimulus-Organism-Response (S-O-R) as a suggested environmental stimulus (S) directly affects organisms/consumers (O). The subsequent influence goes into consumer behavioral responses (R). This S-O-R concept becomes a trigger that excites consumers externally in marketing communications and even as a situational stimulus internally, such as consumer characteristics. In the individual consumer organism, these stimuli include emotional responses such as pleasure, arousal, and impulsivity. Likewise, behavioral response (R) signifies the consumer's reaction to stimuli and organisms (Chan et al., 2017).

The previous study that applied the S-O-R model was extending the use of the S-O-R framework to social media channels such as Instagram. The S-O-R research was conducted in brand publications as stimuli, creativity, and positive emotions as organisms. The variables also include the affective aspects of commitment and interaction

intention in response. The stimulus then significantly affected the audience's behavior. This research paper adopts the S-O-R concept to test different variables than before (Casaló et al., 2021).

Recognizing a consumer's behavior is not easy, so marketers need to study their perceptions, preferences, and behavior in shopping (Kotler & Keller, 2016). In the purchase decision process, there are several stages that consumers carry out in the purchase decision. The buying process begins with need recognition; the buyer recognizes a problem or demand. These needs can be triggered by internal stimuli such as everyday requirements. Interested consumers may or may not seek further information. If externally and internally strong consumer drive and satisfactory products are available, the brand is likely to be acquired by them. If not, consumers can store the brand that is the need in memory or search for information related to the product.

The buyers also looking for alternative evaluation with searching information to decide the purchase. Generally, the consumer's purchase decision is to buy the most preferred brand, but two factors can arise between purchase intention and purchase decision. After buying a product, consumers will feel satisfied or dissatisfied with the post-purchase behavior that impacts loyalty and maintaining the relationship between buyer and seller.

## 2.8. Customer Loyalty

Customer loyalty is the extent to which customers perceive that an individual, company, or organization has effectively provided a product or service that satisfies a need. Loyalty is attached to individuals or products and is a socially constructed response to the relationship between customers, products, and product makers. To the extent that the provider/maker can influence the various dimensions of the relationship, the provider can influence customer satisfaction (Reed & Hall, 1997). With the increasing of fierce competition, companies must develop strategies to cultivate customers into loyal customers to dominate the market. With the power of social media, influencers and communities can also help spread information more broadly to become more known.

Customer loyalty in marketing already exists and gives benefits to the company. Brand loyalty is related to purchase transactions made by consumers for a specific brand at least three times in a row in a certain period. This definition means that consumers did not switch to other brands and were not tempted by the persuasion of other competing brands (Griffin & Herres, 2002).

The dimensions of the concept of loyalty include two things; behavioral loyalty and attitude loyalty. Behavior loyal to a brand is related to the frequency of purchases, profits, a specific time, and the quantity of comparison when

buying a product. Meanwhile, attitude loyalty relates to consistency in buying products or connecting with the company emotionally or psychologically (Quoquab & Mohammad, 2016; Andriyani & Hidayat, 2021). The behavioral dimension in loyalty is based on preferences, relationships, and loyalty to a brand or product. This distinctive attitude is also based on personal experience.

## 3. Methodology

### 3.1. Research Model and Hypothesis

This study examines the effect of advertising on Instagram, brand image, community, testimonials on purchasing decisions, and customer loyalty on baby skincare products in Indonesia. Based on the novelty aspect presented in the previous chapter, the following theoretical and conceptual explanations have been developed for research purposes in Figure 1.

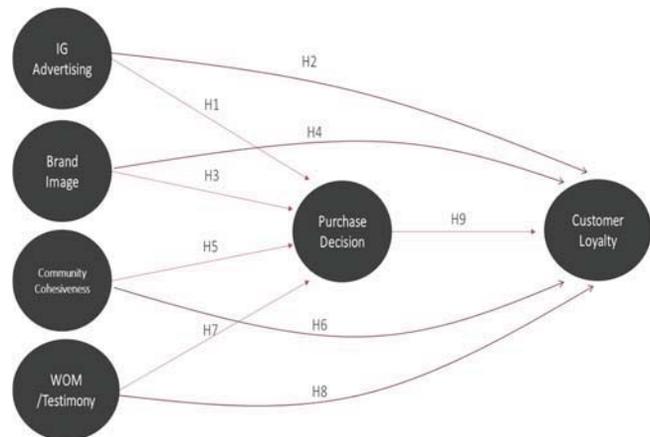


Figure 1: Research Framework

Alternative hypothesis:

- H1:** There is a significant correlation between advertising on Instagram and purchasing decisions.
- H2:** There is a significant correlation between advertising on Instagram and customer satisfaction or brand loyalty.
- H3:** There is a significant correlation between brand image and purchasing decisions.
- H4:** There is a significant correlation between brand image and customer satisfaction or brand loyalty.
- H5:** There is a significant correlation between customer testimonials and purchasing decisions.
- H6:** There is a significant correlation between customer testimonials and customer satisfaction or brand loyalty.
- H7:** There is a significant correlation between community and purchasing decisions.

- H8:** There is a significant correlation between community and customer satisfaction or brand loyalty.
- H9:** There is a significant correlation between purchasing decisions with customer satisfaction or brand loyalty.

**3.2. Data Gathering Procedures**

This survey research design was designed to test several independent variables on the dependent variable with a philosophical perspective of positivism. The constructs are arranged measurably based on the definitions of theories and concepts in the previous chapter for each variable. This explanatory research is designed to explain the relationship between variables that may influence the decision-making process for consumers (Clark, Creswell, Green, & Shope, 2008). Furthermore, the data gathering is carried out according to the sampling technique of the population that is already known from Instagram social media records, such as the number of active followers as a community.

This survey was initiated to find, collect, and analyze data about consumers in a sample group. Some of the behavioral components include attitudes, beliefs, and opinions. Preparation techniques with sampling techniques, construct questionnaires, and data collection processes in the field. The researcher collects data from a group of populations as a representative sample. Then the provisions represent people to generalize it to a single phenomenon (Nardi, 2018). (Quoquab & Mohammad, 2016). The sampling technique used is probability sampling, where the largest population is mothers who are members of The Asian Parents Indonesia community as VIP members. The purposive sampling technique was used because the community member tends to have the same characteristics as housewives. to determine individual identification based on population size (Creswell, 2009).

The Asian Parents are one of the prominent communities trending among mothers. The sample data from this study were people who met the criteria, namely women; born in 1981-2000 or aged 21-39 in 2021. The Asian Parents members are also active customers in the Greater Jakarta includes Bogor, Depok, Tangerang, and Bekasi. The researcher used a specific population category such as VIP Members of the Asian Parents Indonesia as many as 1,310 in July 2021. Ten percent (135 people) sample of the total VIP members of the population were respondents.

The research sample 135 are VIP members of The Asian Parents who meet the criteria as active members in the housewife community who are contacted by telephone, WhatsApp (WA) and Instagram Direct Message (DM). The researcher met with all respondents online, and then they filled out a questionnaire on Google Form, which included via the link of WhatsApp.

Structural Equation Modeling (SEM) was used to process data with the SmartPLS 3.0 program in testing several hypotheses. Some of the steps involved in conducting the analysis include designing path analysis, testing the outer model, and testing the inner model. The results are presented in the results and followed by a discussion chapter.

**3.3. Unit Analysis**

This study has six variables: advertising on Instagram, brand image, testimonials (WOM), community cohesiveness, purchasing decisions, and customer loyalty. The instrument, arranged in a questionnaire format, contains statements and a Likert scale as an assessment with closed answers. Respondents chose answers that matched their experiences as community members and as consumers. Multiple answers become a measure of respondents' responses to all the variables tested.

There are three types of variables: independent, dependent, and intervention. The independent variables are advertising on Instagram (X1), brand image (X2), community (X3), and testimonials (X4). The dependent variable is customer loyalty (Y). The intervening variable in this study is the purchase decision (X5). Respondents responded by answering each statement according to their respective conditions. Each sentence of statement on each variable contains five choices of a five-point Likert scale, such as 1 for strongly disagree, 2 for disagree, 3 for neutral, 4 for agree, and 5 for strongly agree.

**3.4. Dimension of Analysis**

The constructs are prepared based on concepts with standard definitions following theoretical and conceptual frameworks. The dimensions of the analysis on each variable are shown in Table 1.

**Table 1.** Dimension of Analysis

Variable/Definition	Dimensions	References
<p><b>Advertising on Instagram (X1)</b>                      The potential to urge and stimulate consumers' behaviour to instigate their positive attitude towards the advertisement, then learn and be persuaded and get entertained (Shareef et al., 2018).                      Uploading real time experience and information with a product, which could enable their followers to be involved in more intensive brand experiences, including repeat story-telling and additional information sharing and exchanges about the product (Dyrud, 2011; Lin and Kim, 2016).</p>	Entertainment, informativeness, attitudes, behaviour, involving, experience.	Shareef et al. (2018), Lin and Kim (2016).

<p><b>Brand Image (X2)</b> Invariably perceived as having a quality aura that is strategically advantageous (Balmer et al., 2020). The brand image could express the consumers' habits and familiarity, thereby implying that an organization has a good trust and understanding about its consumers (Hewer, Brownlie, and Kerrigan, 2013; Lin et al., 2020).</p>	Perceived, quality aura, value, trust, advantageous, familiarity.	Balmer et al. (2020), Lin et al. (2020).
<p><b>Community (X3)</b> Community as a vehicle for pre-purchase information gathering (Adjei et al., 2010; Zhu et al., 2015), an important role in consumers' purchase decision making and thus marketing strategies (Adjei et al., 2010; Parmelee and Perkins, 2012; Wang et al., 2012; Zhu et al., 2015). online group communication appears beneficial to all those participating, scholars noted several deficiencies of web interactions for teams and cohesion (Gritsenko, 2015).</p>	Information gathering, cohesion, participating, interaction, relationship.	Zhu et al. (2015), Gritsenko (2015).
<p><b>Testimony (X4)</b> Testimony as language-based exchanges that consist of "tellings generally" (Fricker, 1995; Testimony (X4) Testimony as language-based exchanges that consist of "tellings generally" (Fricker, 1995; Harris, 2018) or "statements of someone's thoughts or belief". In the perspective of psychology, this tradition is generally followed by formulating the definition as, "uncontroversial that human beings often use language to make credible assertions, and listeners treat such testimony as reliable evidence for the truth of those assertions". Testimonies are widely used in communication about religiosity and scientific discoveries claim. Sometimes also includes claims based on the speaker's direct experience and claims derived from the speaker's reflection or expertise. In the context of this research, the testimonial in question is a claim of experience as a consumer. Feedback from a personal shopper can resolve complaints; some others cannot resolve the complaints (Kurniasih, 2019).</p>	Statement, belief, experience, reliable evidence, feedback, satisfaction.	Harris (2018), Kurniasih (2019).
<p><b>Purchase Decision (X5)</b> the stage in the decision-making process of buyers where consumers buy. Five steps of purchase decision: need recognition, searching information, alternative evaluation, purchase decision, post-purchase decision (Armstrong &amp; Kotler, 2005). The purchase decision is defined in purchase intention terms and loyalty as post-purchase behavior (Prasad, 2019). Purchase decision-making is a cognitive process resulting in the selection of a product, service, or course of purchase action from several alternatives (Cheung &amp; Thadani, 2012; Huang, 2017).</p>	Information needs, alternative selection, decision, post purchase decision, loyalty.	Kotler dan Amstrong (2014), Prasad (2019), Huang (2017).
<p><b>Customer Loyalty (Y)</b> Loyalty is related to consistent attitudes and behavior at different places and times to choose a brand and buy a product. A consumer who does not change despite the many offers from competitors, the brand that has become his choice. Consumers are loyal to the brand of choice. Loyalty to a product or brand arises from the emotional or psychological affective.</p>	Attitude, behavior.	Kandampuly & Suhartanto (2000).

## 4. Results

### 4.1. Descriptive Analysis

Of the 135 respondents who contributed to this survey, 100 percent were women. Thus the sample is correct from the existing community population. Respondents' ages were 28-35 years (68 percent), 36-44 years (19 percent), and 18-27 years (13 percent). All respondents are urban women, although the cities vary, such as in Jakarta (51 percent), Bekasi (18 percent), Tangerang (13 percent), Bogor (eleven percent), and Depok (seven percent).

### 4.2. Evaluation of Measurement Model

Data processing was summarized into several measurement criteria to assess external models such as Convergent Validity, Composite Reliability, and Discriminant Validity.

#### 4.2.1. Convergent Validity

Convergent validity by looking at the outer loadings table. The loading factor limit is 0.5. If the loading factor value  $> 0.5$ , then convergent validity is met; if the loading factor value  $< 0.5$ , the construct must be dropped from the analysis. Based on the analysis results, it is shown that all items in the latent variable consisting of items have a loading factor of  $> 0.5$  or can be categorized as a component of the question item that composes the latent variable, which has a valid discriminant category. The model was analyzed in SmartPLS software, as shown in Figure 2.

Based on the test results, the AVE value of Advertising on Instagram (X1) is 0.716, Brand Image (X2) is 0.731, Community (X3) is 0.815, Testimonials (X4) is 0.809, Purchase Decision (X5) is 0.673. Customer Loyalty (Y) is 0.683, which manages to exceed 0.6. In addition, the loading factor ranges from 0.561 to 0.917, which manages to exceed 0.5. Then it can be ensured that each dimension meets the recommended criteria.

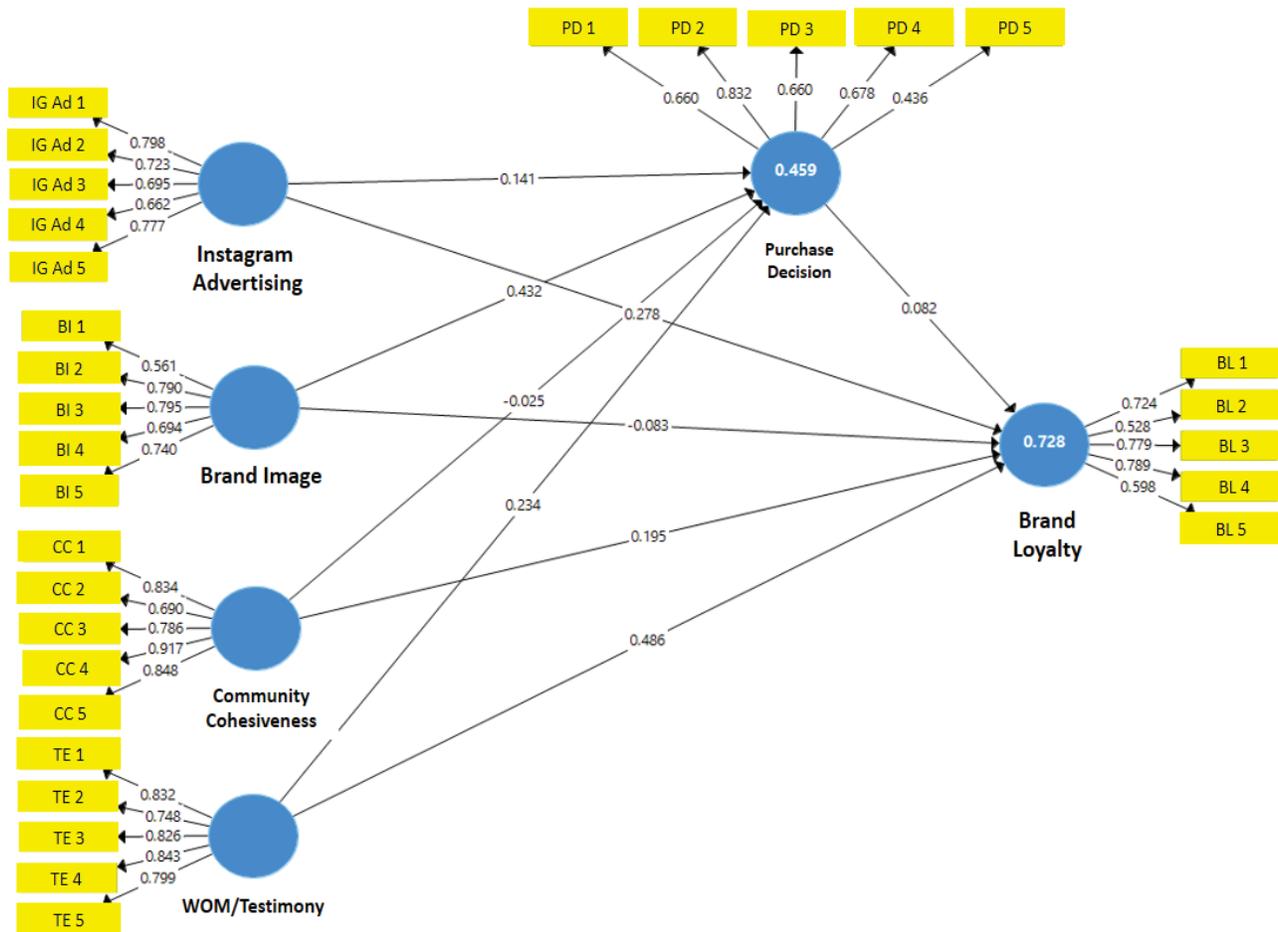


Figure 2: Smart PLS Model

#### 4.2.2. Composite Reliability

A composite reliability test was conducted to measure the convergent validity of a reflective model. Composite reliability value varies from zero to number 1. The minimum composite reliability value for exploratory research is 0.60 (Vinzi, 2001) or more than 0.70. The AVE test can be used to see convergent and divergent validity. The AVE test results will reflect each latent factor in the reflective model. The reflective model is considered good if the AVE value is greater than 0.50. However, Verhoef, Lemon, Parasuraman,

Roggeveen, Tsiros, and Schlesinger (2009) stated that if the AVE value lies between 0.4-0.5, it is still acceptable, but if the composite reliability value is > 0.7. Cronbach Alpha testing can describe convergent validity. Cronbach's

Alpha value > 0.80 has a good scale, > 0.70 has an accepted scale, and > 0.60 is considered an exploratory scale; this is a low estimate.

Based on the analysis results, the model has Cronbach's alpha, C.R., and AVE values that meet the criteria. Where the value of Cronbach's alpha > 0.6, rho\_A > 0.6, composite reliability > 0.7 and the average variance extracted > 0.5.

Table 2: Composite reliability, Cronbach alpha, and average variance extracted

Variable	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Brand image	0.764	0.777	0.842	0.520
Ads on Instagram	0.784	0.799	0.852	0.537
Purchase decision	0.668	0.666	0.793	0.543
Community	0.875	0.890	0.910	0.670
Customer loyalty	0.727	0.763	0.817	0.578
Testimonials	0.869	0.873	0.905	0.656

**Table 3:** Fornell-Larcker Criterion

	Brand image	Ads on Instagram	Purchase decisions	Community	Customer loyalty	Testimonials
Brand image	1.000					
Ads on Instagram	0.685	1.000				
Purchase decision	0.632	0.558	1.000			
Community	0.544	0.613	0.488	1.000		
Customer loyalty	0.507	0.670	0.529	0.758	1.000	
Testimonials	0.497	0.582	0.511	0.817	0.808	1.000

#### 4.2.3. Discriminant Validity

Discriminant validity is how a construct is entirely different from another construct by standard empiricists. Thus, establishing discriminant validity implies that a construct is unique and does not capture the phenomena represented by other constructs in the model (Hair et al., 2016). With SmartPLS, analysis can be obtained by looking at the Fornell-Larcker Criteria and cross-loading.

All variables have a significant correlation between variables. The highest relationship is seen in the testimonial variable with the community of 0.817, while the lowest relationship is testimony to the brand image of 0.497.

#### 4.3. Evaluation of Structural Model

The structural model shows the approximate strength between latent variables or constructs. The coefficient of determination test ( $R^2$ ) measures how big the role of the independent variables: advertising on Instagram, brand image, community, and testimonials. Purchasing decisions

as an intermediary variable, and customer loyalty as the dependent variable. Adjusted  $R^2$  equal to 0 means that there is no slightest percentage influence of contribution given by the independent variable to the dependent variable.

**Table 4:** Rsquare

	R Square	R Square Adjusted
Purchase decision	0.459	0.435
Customer loyalty	0.728	0.713

The output above shows the  $R^2$  value in the purchasing decision model, which is 0.459, which means that 45.9% of the dependent variable purchasing decisions can be explained by the independent variables in the construct, namely advertising on Instagram, brand image, community, and testimonials. The dependent variable of customer loyalty has an  $R^2$  value of 0.728 or 72.8% of the dependent variable of customer loyalty is influenced by advertising variables on Instagram, brand image, community, testimonials, and purchasing decisions, while variables outside the independent variable influence the rest.

**Table 5:** The hypothesis of the structural model

	Original Sample	T Statistic	Significant Level	Hypothesis
Advertising on Instagram on Purchase decision	0.141	1.181	1.28	Positive, Significant Impact
Advertising on Instagram on Customer loyalty	0.278	3.759	1.28	Positive, Significant Impact
Advertising on Instagram on Purchase decisions on Customer loyalty	0.012	0.695	1.28	Positive, Significant Impact
The brand image on Purchase decision	0.432	3.414	1.28	Positive, Significant Impact
The brand image on Customer loyalty	-0.083	1.054	1.28	Negative, Significant Impact
The brand image on Purchase decision on Customer loyalty	0.036	1.007	1.28	Positive, Significant Impact
Community on Purchase decision	-0.025	0.146	1.28	Negative, Significant Impact
Community on Customer loyalty	0.195	1.689	1.28	Positive, Significant Impact
Community on Purchase decisions on Customer loyalty	-0.002	0.112	1.28	Negative, Not Significant Impact
Testimonials on Purchase Decision	0.234	1.344	1.28	Positive, Significant Impact
Testimonials on Customer Loyalty	0.486	4.970	1.28	Positive, Significant Impact
Testimonials on Purchase decisions on Customer loyalty	0.019	0.648	1.28	Positive, Significant Impact
Purchase decision on Customer loyalty	0.082	1.053	1.28	Positive, Significant Impact

Based on the results in Table 4, it is known that Advertising on Instagram (X1), Brand Image (X2), and Testimonials (X3) have a significant impact on Customer Loyalty (Y). In contrast, the Community (X4) has an insignificant impact on the Community (Y). The latent variable has a positive and significant effect on Purchasing Decisions (X5) except for Community (X4).

## 5. Discussion

This study tries to predict the impact of advertising on Instagram and existing brand images influence, communities being formed, and word-of-mouth through consumer testimonials that can influence purchasing decisions and customer loyalty among mothers on baby care products in Indonesia. Based on the results of hypothesis testing, it can be concluded that 8 of the nine proposed hypotheses gave significant results according to the information in Table 4. Research results show that there are four constructs with a positive effect on Customer Loyalty and one construction that has a negative effect.

The most significant construction influencing mothers' involvement in maintaining brand loyalty is the word-of-mouth testimony (X4). The testimonial construct's indicator "I give comments or suggestions to baby toiletries companies about the efficacy of products on their social media" has a significant influence with the highest loading value. It means that mothers share their experiences on the company's social media so that new users can read and share a good experience about the efficacy of a product.

Advertising on Instagram also has a significant impact on customer loyalty, meaning that the Instagram brand platform can be the primary target for advertising. These results are in line with the research of Khan (2018), which states that Instagram has a direct influence on consumer preferences, loyalty, and willingness to pay a premium price, and this effect has a direct statistical relationship with brands. The research of Hasim et al. (2020) also found that a positive relationship exists between social media wealth and purchase intention, meaning that when consumers have a positive influence on social media wealth on Instagram (in terms of attractiveness, content, and user interface) they have an intention to buy when faced with the social media platform with high media richness. This behavior also occurs when consumers are triggered by the attention-grabbing approach provided by the social media platform in selling and promoting products online that lead to purchase intentions. The indicator "The baby toiletries Instagram advertising messages is entertaining" in the advertising construct on Instagram provides the most significant external loading score, it is necessary to maintain advertising content with the entertaining message content.

The brand image also positively influences purchasing decisions but does not directly impact customer loyalty. These results are evidenced by the t-score listed in table 4. One of the brand image construct indicators, "Baby toiletries products provide good benefits for babies," in the brand image construction has the most significant influence on customer engagement. These results indicate that manufacturers of baby toiletries products have strategies in defining the product's usefulness so that it is more practical and used more often following the preferences of female customers in Indonesia.

On the other hand, cohesiveness in a community was found to have an insignificant contribution to customer loyalty, one of the indicators, "Mothers around me believe that the quality of baby toiletries products is the same" in the construct was found with the lowest score. In a community, everyone has different preferences about their knowledge and opinions to use a product. The essential thing to note is the exchanging information interaction in their community; this is proven by the indicator "interaction and conversations of housewives around me sharing on trying baby toiletries products" in the community construct with a significant score. Community engagement in maintaining customer loyalty using a brand has no effect, but interactions within the community are contained in the WOM testimony, which is a reference for mothers to choose a baby toiletries product.

## 6. Conclusion

This study aims to evaluate the effect of Advertising on Instagram, Brand Image, Community Cohesiveness, WOM/Testimonials, and Purchase Decisions (mediation variables) on Customer Loyalty using SEM-PLS. The positive influence of advertising on Instagram, Brand Image, WOM/Testimonials can be seen in customer loyalty for baby toiletries products in Indonesia. Meanwhile, Community Cohesiveness does not have a positive effect on Customer Loyalty. WOM/Testimonials have proven to be very effective in attracting customer loyalty engagement. This finding is exciting and unique because it can be seen that mothers share their experiences on the company's social media so that new users can read them and share their good experiences with the efficacy of a product. Mothers are willing to share their experiences without being paid to recommend a product and the positive impact on a brand. Baby toiletries products that have been used can also meet their expectations because they provide good benefits for babies. In addition, the interactions and talks of homemakers in The Asian Parents Indonesia community are also about trying baby toiletries products.

From these results, recommendations for the FMCG industry for baby toiletries products can be drawn by

increasing the WOM/Testimonial campaign and strengthening services and content in advertisements on Instagram. It is crucial to keep the audience choosing the brand and retain loyal consumers. Instagram can still be a proven digital platform. However, it takes solid and unique content that fits an entertaining lifestyle. The study also found that the most potent form of engagement is demonstrated by interaction within a community. Mothers recommend the product positively to community members. It also shows that community members are more likely to recommend brands they like. In addition, the framework in this research also serves as a platform for academics interested in studying the concept of customer involvement in marketing management-related topics, especially those related to the mother community.

Furthermore, this research adds new insights to the existing body of literature on Advertising on Instagram, Brand Image, Community Cohesiveness, WOM/Testimonials, and Purchase Decisions (mediation variables) on Customer Loyalty in the FMCG Baby Toiletries industry. This study has the following limitations. First, it only focuses on a community sample The Asian Parents Indonesia VIP members with only ten percent of the population. Therefore, researchers should investigate whether similar findings can be generalized to different generation profiles and other online community platforms in future research. Second, this research focuses on Indonesia, particularly in the Greater Jakarta area. Therefore, future research needs to include samples from other world regions to find cross-cultural evaluations, effects and variations on customer engagement aspects. Based on the results, future studies should also focus on what drives engagement and what hinders it because engagement is a more profound multidimensional phenomenon and requires further research.

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