

# **Brand Awareness, Brand Image, Perceived Value, and Perceived Quality Towards Brand Loyalty**

Steven Steven<sup>1</sup> Tommy Setiawan Ruslim<sup>1\*</sup>

<sup>1</sup>*Faculty of Economics and Business, Universitas Tarumanagara, West Jakarta - 11470, Indonesia*

*\*Corresponding author. Email: tommyr@fe.untar.ac.id*

*Submitted: July 2022, Revised: December 2022, Accepted: February 2023*

---

## **ABSTRACT**

Fast fashion is one of a lot of interesting topics to talk about and an industry that never dies. So, the purpose of this research was to examine the effect of BA, BI, PV, and PQ towards BL on H&M consumers in Jakarta. The population is H&M consumers with a total of 309 respondents. The method used in distributing the questionnaires is a purposive sampling method. The questionnaires are distributed online in google form and then the data were analyzed using SmartPLS software version 3.3.3. The results of the data show that BI, PV, PQ has a positive effect on BL on H&M consumers in Jakarta. Meanwhile, BA not has a significant effect on BL on H&M consumers in Jakarta.

**Keywords:** *brand, value, quality, loyalty*

## **1. INTRODUCTION**

At this time *fast fashion* is growing so fast, one of which is in Indonesia. This was followed by the development of an increasingly modern and advanced era. Fast fashion can be interpreted as a fast-moving fashion movement, namely clothing designs that are able to follow trends. The design of the clothes given is usually almost the same as the show at fashion week or what is usually worn by artists. Therefore, many new fast fashion companies compete with each other both through offline stores and online stores.

Besides the intense competition, since the Covid-19 pandemic, almost all industrial sectors have experienced a decline in sales. H&M is one of the fast fashion brands that have a decline in profits experienced by H&M reached 90% in 2020 [1]. In addition, the *brand value* of H&M also fell below Zara from 2018 to 2020 [2]. Because of this, H&M needs to increase sales again to increase profits and increase H&M's brand value. Light [3] mentions that brand loyalty is the only basis for sustaining profitable growth. Loyalty is obtained over time through good intentions [4] and consumers who are already loyal to a brand, will make consistent purchases of the brands they like [5]. So the importance of focusing on brand equity, and brand knowledge. So we need variables that can encourage H&M BL, namely *BA, BI, PV, and PQ* [6] and [7].

## **2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT**

### **2.1. Brand Awareness (BA)**

Keller [8] defined brand awareness as “brand awareness related to brand memory, which is seen from the ability of consumers to identify various brand elements which can be seen from the brand name, symbol, logo, packaging, character. Netemeyer et al. [9] defined brand awareness as “brand awareness means that consumers are able to automatically remember the brand when a product category is mentioned”. Based on the definition above, it can be concluded that BA is the ability and power of consumers to remember a brand automatically which is reflected in the ability of consumers

to identify various elements and product categories such as brand names, symbols, logos, packaging, and slogans.

## **2.2. Brand Image (BI)**

Definition of the brand image according to Keller [8] “brand image can be interpreted that consumers have their own views about a brand, which is seen from the brand associations contained in the minds of consumers”. Kotler and Keller [10] defined brand image as “brand image can determine how easily the associations and responses in the consumer's mind can be recalled and how easily these additional associations and responses can be associated with the brand in the consumer's memory”. After all of the definitions above, brand image is a consumer's perception about the brand, which is reflected in the associations and responses that can be easily recalled in which consumers feel that the brand a consistent, positive image and a rich history.

## **2.3. Perceived Value (PV)**

Definition of perceived value according to Punniyamoorthy, and Raj [11] “perceived value can be interpreted as a consumer's overall assessment of the usefulness of a product which is seen from what is obtained and what is given”. Kotler and Keller [10] defined perceived value as "perceived value is seen based on the benefits obtained and how much the cost is assumed by consumers for other different options". Based on the definition above, PV is a consumer's appraisal of the usefulness, and benefits that consumers get from a product based on what is paid and what is received.

## **2.4. Perceived Quality (PQ)**

Definition of PQ according to Nguyen, Barrett, and Miller [12] "perceived quality can be interpreted as a perception where it is seen based on consumer assessments of brand attributes that are meaningful to consumers". Zeithaml [13] defined PQ as “perceived quality is a consumer's assessment of the advantages of a product that is seen as a whole. Where the assessment is not seen from the objective quality but the subjective assessment of consumers towards the product”. Based on the definition above, PQ is the customer's perception of the overall quality of a service/product in relation to the intended purpose, where this PQ is a subjective assessment of consumers who depend on each other's perceptions. person.

## **2.5. Brand Loyalty (BL)**

Definition of BL according to Oliver [14] “brand loyalty is a commitment that consumers have to re-buy or re-subscribe to a brand consistently, even though there are influences such as situational or marketing efforts that can cause switching behavior”. Yoo and Donthu [15] defined brand loyalty as “brand loyalty is an intention to buy a brand as the main choice”. Based on the definition above, BL is a commitment by consumers to re-subscribe or repurchase to a a brand consistently in the future as a primary choice.

## **2.6. Brand Awareness (BA) and Brand Loyalty (BL)**

According to Su [6] BA on BL in the fast fashion industry, according to Saleem et al. [16] BA on BL in the soda drink industry, According to Bernardo et al. [17] BA on BL in the coffee shop industry, the results are BA had a positive influence on BL. Based on previous research, the hypotheses in this study is:

**H1:** BA has a positive influence on the BL of H&M consumers in Jakarta

## **2.7. Brand Image (BI) and Brand Loyalty (BL)**

According to Mabkhot, Shaari, and Salleh [7] BI on BL in the local car industry, according to Alhaddad [18] BI on BL in the sportswear industry, according to Bastian [19] BI on BL in the bottled

water industry, the results are BI had a positive influence on BL. Based on previous research, the hypotheses in this study is:

**H2:** BI has a positive influence on the BL of H&M consumers in Jakarta

### **2.8. Perceived Value (PV) and Brand Loyalty (BL)**

According to Su [6] PV on BL in the fast fashion industry, according to Atulkar [20] PV on BL in the mall shoppers industry, according to Putra and Keni [21] PV on BL in the instant noodle industry, and the results are PV had a positive effect on BL. Based on previous research, the hypothesis in this study is:

**H3:** PV has a positive influence on the BL of H&M consumers in Jakarta

### **2.9. Perceived Quality and Brand Loyalty**

According to Su [6] PQ on BL in the fast fashion industry, according to Saleem et al. [16] PQ on BL in the soda industry, according to Atulkar [20] PQ on BL in the mall shoppers industry, and the results are PQ had a positive effect on BL. Based on previous research, the hypothesis in this study is:

**H4:** PQ has a positive influence on the BL of H&M consumers in Jakarta

## **3. RESEARCH METHODOLOGY**

The sampling in this research is limited to certain types of respondents who can give the desired information, as well as those who meet several criteria set by the researcher [22]. The population in this study were H&M consumers in Jakarta and the total data collected in this study was 309 respondents. The questionnaire was made in the google form and distributed online and measured using a Likert scale. The data in this study were processed using PLS-SEM, using the SmartPLS software version 3.3.3. The indicators used in every variable are presented in Table 1.

**Table 1** Indicators References

<b>Var.</b>	<b>Items</b>	<b>References</b>
BA	5	Kim [23]; Su [6]; Jung [24]
BI	5	Jung [24]; Mabkhot [7]; Valino [25]
PV	4	Su [6]; Atulka [20]; Eggert and Ulaga [26]
PQ	4	Su [6]; Khan [27]; Jung [24]
BL	4	Su [6]; Valino [25]

## **4. RESULTS & DISCUSSION**

The subjects of this study consist of 174 females and 135 males, with the majority of respondents aged 21-25 years (64.7%). Respondents are H&M consumers who live in Jakarta, with the majority being dominated by students. The object of this study is fast fashion companies in Jakarta. The questionnaires were distributed to consumers of H&M in Jakarta with a total sample of 309 respondents.

Furthermore, testing the outer model consists of validity and reliability tests. This test was conducted to determine whether the indicators used in this study are reliable and valid. Convergent validity consists of the AVE should be greater than 0.5 ( $> 0.5$ ), and the loading factor of each indicator is worth more than 0.6 to 0.7 is still acceptable [28]. Discriminant validity consists of the Fornell-Larcker criterion that is measured based on the AVE value of each variable, which should be greater than the other variables [29]. Furthermore, after conducting a validity test, a reliability was

tested by looking at the Comp. Reliability and the Cronbach Alpha. Composite Reliability should be bigger than 0.7 ( $> 0.7$ ), and Cronbach Alpha should be bigger than 0.6 ( $> 0.6$ ) [29]. The results of the validity test, there are 3 invalid indicators, namely BA1, BA2, and BI2. The results of the outer model test are presented in tables 2, 3, and 4.

**Table 2** Measurement Model Assessment Results

Var.	Indicator	Loading Factor	AVE
BA	BA3	0.857	0.718
	BA4	0.862	
	BA5	0.822	
BI	BAI1	0.669	0.673
	BAI3	0.851	
	BAI4	0.862	
	BAI5	0.882	
PV	PVV1	0.851	0.694
	PVV2	0.732	
	PVV3	0.875	
	PVV4	0.867	
PQ	PQ1	0.795	0.623
	PQ2	0.802	
	PQ3	0.752	
	PQ4	0.806	
BL	BL1	0.887	0.779
	BL2	0.910	
	BL3	0.884	
	BL4	0.849	

**Table 3** Outer Model Assessment – Discriminant Validity

Variable	BA	BI	BL	PQ	PV
BA	0.847				
BI	0.715	0.821			
BL	0.616	0.718	0.883		
PQ	0.700	0.762	0.714	0.789	
PV	0.664	0.721	0.672	0.758	0.833

**Table 4** Outer Model Assessment – Reliability Analysis

Variable	Composite Reliability	Cronbach Alpha	Conclusions
BA	0.884	0.803	Reliable
BI	0.891	0.835	Reliable
PV	0.900	0.851	Reliable
PQ	0.868	0.806	Reliable
BL	0.934	0.905	Reliable

After deleting the indicators BA1, BA2, and BAI2, the outer model results have met the validity and reliability requirements. After testing the outer model, then testing the inner model. This test is conducted to determine the relationship between variables and to determine whether the research hypothesis can be accepted or not. Path coefficient is used to see positive or negative. The significance test is seen from the p-value. The p-value must be lower than 0.05 ( $< 0.05$ ) [28] to get significant results. So, if the p-value is greater than 0.05 ( $> 0.05$ ), then the hypothesis is not supported. The results of testing the inner model and hypotheses are presented in tables 5, 6, and 7.

**Table 5. R<sup>2</sup>**

Var.	R <sup>2</sup>
BL	0.597

**Table 6. Q<sup>2</sup>**

Variable	Predictive Relevance (Q <sup>2</sup> )
BL	0.453

**Table 7. Path Coefficient and Hypotheses Testing**

Hypotheses	Path Coefficient	p-values	Conclusions
H1: BA has a positive influence on the BL of H&M consumers in Jakarta.	0.065	0.369	Not Supported
H2: BI has a positive influence on the BL of H&M consumers in Jakarta.	0.325	0.000	Supported
H3: PV has a positive influence on the BL of H&M consumers in Jakarta.	0.177	0.000	Supported
H4: PQ has a positive influence on the BL of H&M consumers in Jakarta.	0.287	0.021	Supported

The results of the first inner model test, namely the coefficient of determination (R<sup>2</sup>), indicate that the independent variable in this study can explained the dependent variable by 59.7%. and 40.3% is explained by other independent variables, that were not in this research. The next test of the inner model is predictive relevance (Q<sup>2</sup>) is 0.453 which is bigger than 0. This means that the variables in this study can predict the research model well.

The first hypothesis, it was found that BA has a positive influence with a path coefficient of 0.065 but not significant with a p-value of 0.369 on BL. H1, which is BA not has a significant effect on the BL of H&M consumers in Jakarta. Where this is not in line with previous research by [6] [16] [17]. [6] researched the fast fashion industry and did not focus on one brand but the entire fast fashion brand in the United States. While [16] [17] researches different industries from fast fashion. This happens because the brand awareness of H&M has not yet become the number one brand in the minds of consumers when the word fast fashion is mentioned. This happens because the brands of fast fashion in Indonesia are not only H&M but there are other brands that are more remembered by consumers such as Zara and Uniqlo. Apart from that, the prices and quality presented are also not much different from other fast-fashion brands such as Zara, Uniqlo, and also some brands from Matahari Department Store. However, these results are supported by [30] [31] which show that BA has a positive but not significant relationship with BL.

The second hypothesis, it was found that BI has a positive influence with a path coefficient of 0.325 and a significant p-value of 0.000 on BL. H2, which is a BI has a positive influence on the BL of H&M consumers in Jakarta. These results are the same as the previous research [7] [18] [19]. BI well-managed will produce a positive effect by increasing knowledge about aspects of consumer behavior in decision making. The higher the BI, the higher the intention to buy again or the more loyal to come back.

The third hypothesis, it was found that PV has a positive influence with a path coefficient of 0.177 and a significant p-value of 0.000 on BL. H3, which is a PV has a positive influence on the BL of H&M consumers in Jakarta. Where these results are the same as the previous research [6] [20] [21]. One of the determining factors for someone deciding to buy is the price or value obtained from a product being sold. So that consumers will compare the value of a product, whether it is in accordance with their perceptions and whether it is also in accordance with the sacrifices that have been made to get the product, such as the cost, time, and effort to buy the product.

The fourth hypothesis, it was found that PQ has a positive influence with a path coefficient of 0.287 and a significant p-value of 0.021 on BL. So that H4, which is PQ has a positive influence on the BL of H&M consumers in Jakarta. These results are the same as the previous research from [6]

[16] [20]. Quality is also one of the important factors seen by consumers to decide on purchases other than price. So that PQ has an influence on BL. This happens because the consumer's perception of the quality of a product is as expected.

## 5. CONCLUSIONS & IMPLICATIONS

After the analysis, it can be concluded that brand image, perceived value, and perceived quality can positively and significantly affect brand loyalty on H&M consumers in Jakarta. BA not has significant effect on the BL of H&M consumers in Jakarta. Three implications can be given by researchers for H&M and also work for the fast fashion industry.

It is recommended to H&M continue to improve the brand image of H&M because consumers have a good impression of the H&M brand so that they feel accepted and feel confident among the public when consumers use products from H&M.

It is recommended for H&M to maintain and even improve the quality perceived by consumers because consumers have been satisfied with the quality of products offered by H&M. Consistency of PQ is key factors that motivate consumers to keep buying H&M products.

It is recommended for H&M to be able to maintain product price compatibility with competitors because consumers feel more value when consumers get H&M products at competitive prices. In addition, the price sold must also be in accordance with the quality provided by H&M so that it can create a sense of satisfaction when consumers buy products from H&M.

## 6. LIMITATIONS & SUGGESTIONS FOR FUTURE RESEARCH

In this study, researchers only used the variables of BA, BI, PV, and PQ. Meanwhile, there are many other independent variables that can affect the brand loyalty variable. In addition, the limitations of time and energy are also limitations in this study such as the scope of this research is only for the Jakarta area, and the sample used in this study is only 309 respondents.

Further research can add other variables as well as expand the scope and increase the number of samples so the results of data analysis obtained more closely resemble the original conditions of the field.

## REFERENCES

- [1] Cnn Indonesia, "Laba H&M Melorot 90 Persen Pada 2020, Ribuan Cabang Ditutup," Cnn Indonesia, 2020. <https://www.cnnindonesia.com/ekonomi/20210129211940-92-600214/laba-hm-melorot-90-persen-pada-2020-ribuan-cabang-ditutup/26-8-2021>.
- [2] Statista, "Sales Of The H&M Group Worldwide From 2007 To 2020 (In Million U.S. Dollars)," Statista, 2021. <https://www.statista.com/statistics/252190/gross-sales-of-the-h-and-m-group-worldwide/26-8-2021>.
- [3] L. Light, "Brand Loyalty Marketing: Today's Marketing Mandate," Ed. Publ., vol. 127, no. 50, pp. 20–24, 1994.
- [4] O. Vitez, "What Is The Importance Of Brand Loyalty?," 2013. <https://www.smartcapitalmind.com/what-is-the-importance-of-brand-loyalty.htm/28-8-2021>.
- [5] G. Li, G. Li, and Z. Kambele, "Luxury fashion brand consumers in China: Perceived value, fashion lifestyle, and willingness to pay," *J. Bus. Res.*, vol. 65, no. 10, pp. 1516–1522, 2012, doi: 10.1016/j.jbusres.2011.10.019.

- [6] J. Su, "Examining the relationships among the brand equity dimensions: Empirical evidence from fast fashion," *Asia Pacific J. Mark. Logist.*, vol. 28, no. 3, pp. 464–480, 2016, doi: 10.1108/APJML-01-2015-0004.
- [7] H. A. Mabkhot, Hasnizam, and S. M. Salleh, "The influence of brand image and brand personality on brand loyalty, mediating by brand trust: An empirical study," *J. Pengur.*, vol. 50, pp. 71–82, 2017, doi: 10.17576/pengurusan-2017-50-07.
- [8] K. L. Keller, *Strategic Brand Management: Building, Measuring, and Managing Brand Equity*. 2013.
- [9] R. G. Netemeyer et al., "Developing and validating measures of facets of customer-based brand equity," *J. Bus. Res.*, vol. 57, no. 2, pp. 209–224, 2004, doi: 10.1016/S0148-2963(01)00303-4.
- [10] K. L. Kotler, P., & Keller, *Marketing Management*. 2012.
- [11] M. Punniyamoorthy and M. Prasanna Mohan Raj, "An empirical model for brand loyalty measurement," *J. Targeting, Meas. Anal. Mark.*, vol. 15, no. 4, pp. 222–233, 2007, doi: 10.1057/palgrave.jt.5750044.
- [12] T. D. Nguyen, N. J. Barrett, and K. E. Miller, "Brand loyalty in emerging markets," *Mark. Intell. Plan.*, vol. 29, no. 3, pp. 222–232, 2011, doi: 10.1108/0263450111129211.
- [13] V. A. Zeithaml, "Consumer Perceptions of Price, Quality, and Value: A Means-End Model and Synthesis of Evidence," *J. Mark.*, vol. 52, no. 3, pp. 2–22, 1988, doi: 10.1177/002224298805200302.
- [14] O. R. L., "Whence Consumer Loyalty," *J. Mark.*, vol. Vol. 63, no. Special Issue, pp. 33–44, 1999.
- [15] B. Yoo and N. Donthu, "Developing and validating a multidimensional consumer-based brand equity scale," *J. Bus. Res.*, vol. 52, no. 1, pp. 1–14, 2001, doi: 10.1016/S0148-2963(99)00098-3.
- [16] S. Saleem, S. U. Rahman, and R. M. Omar, "Conceptualizing and Measuring Perceived Quality, Brand Awareness, and Brand Image Composition of Brand Loyalty," *Int. J. Mark. Stud.*, vol. 7, no. 1, pp. 66–77, 2015, doi: 10.5539/ijms.v7n1p66.
- [17] I. B. M. P. B. Yohana F. C. P. Meilani, and R. R. M. Ian N. Suryawan, "The Influence of Brand Awareness, Brand Image, and Brand Trust on Brand Loyalty," *J. Manaj.*, vol. 24, no. 3, p. 412, 2020, doi: 10.24912/jm.v24i3.676.
- [18] A. A. Alhaddad and A. Alhaddad, "Building customer loyalty model in airline industry View project Perceived Quality, Brand Image and Brand Trust as Determinants of Brand Loyalty," *Quest Journals J. Res. Bus. Manag.*, vol. 3, no. 4, pp. 1–08, 2015, [Online]. Available: [www.questjournals.org](http://www.questjournals.org).
- [19] D. A. Bastian, "Analisa Pengaruh Citra Merek (Brand Image) dan Kepercayaan Merek (Brand Trust) Terhadap Loyalitas Merek (Brand Loyalty) ADES PT. Ades Alfindo Putra Setia," *J. Manaj. Pemasar. Petra*, vol. 2, no. 1, pp. 1–9, 2014.
- [20] S. Atulkar, "Brand trust and brand loyalty in mall shoppers," *Mark. Intell. Plan.*, vol. 38, no. 5, pp. 559–572, 2020, doi: 10.1108/MIP-02-2019-0095.

- [21] T. W. Putra and K. Keni, "Brand Experience, Perceived Value, Brand Trust Untuk Memprediksi Brand Loyalty: Brand Love Sebagai Variabel Mediasi," *J. Muara Ilmu Ekon. dan Bisnis*, vol. 4, no. 1, p. 184, 2020, doi: 10.24912/jmieb.v4i1.7759.
- [22] U. Sekaran and R. Bougie, *Research Methods For Business : A Skill-Building Approach (7 Ed.)*. 2016.
- [23] H. J. Kim, "The dimensionality of fashion-brand experience: Aligning consumer-based brand equity approach," *J. Fash. Mark. Manag.*, vol. 16, no. 4, pp. 418–441, 2012, doi: 10.1108/13612021211265827.
- [24] H. J. Jung, Y. Lee, H. J. Kim, and H. Yang, "Impacts of country images on luxury fashion brand: Facilitating with the brand resonance model," *J. Fash. Mark. Manag.*, vol. 18, no. 2, pp. 187–205, 2014, doi: 10.1108/JFMM-10-2013-0113.
- [25] P. Cuesta-Valiño, P. Gutiérrez-Rodríguez, and E. Núñez-Barriopedro, "The role of consumer happiness in brand loyalty: a model of the satisfaction and brand image in fashion," *Corp. Gov.*, 2021, doi: 10.1108/CG-03-2021-0099.
- [26] A. Eggert and W. Ulaga, "Customer perceived value: A substitute for satisfaction in business markets?," *J. Bus. Ind. Mark.*, vol. 17, no. 2–3, pp. 107–118, 2002, doi: 10.1108/08858620210419754.
- [27] N. Khan, S. H. R. Rahmani, H. Y. Hoe, and T. B. Chen, "Causal Relationships among Dimensions of Consumer-Based Brand Equity and Purchase Intention: Fashion Industry," *Int. J. Bus. Manag.*, vol. 10, no. 1, pp. 172–181, 2014, doi: 10.5539/ijbm.v10n1p172.
- [28] J. F. H. Jr, W. C. Black, B. J. Babin, R. E. Anderson, W. C. Black, and R. E. Anderson, *Multivariate Data Analysis*. 2018.
- [29] G. David Garson, *Partial Least Square Partial Least Squares: Regression and Structural Equation Models*. 2016.
- [30] M. Rahmawati, "Faculty of Economy, Andalas University," *J. Ekon. Dan Bisnis*, vol. 22, no. 2, pp. 109–118, 2020, doi: <https://doi.org/10.30811/ekonis.v22i2.1984>.
- [31] W. D. Verinita, "KETERKAITAN VARIABEL BRAND AWARENES, BRAND IMAGE, BRAND QUALITY, DAN BRAND VALUE DENGAN BRAND LOYALTY," vol. 13, no. 3, pp. 158–165, 2019, doi: <https://doi.org/10.19184/bisma.v13i3.8898>.