Customer Engagement Antecedents In Building Brand Loyalty Users Of Luxury Automotive Products

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Abstract
Automotive products are products made by an industry that designs, develops, manufactures, markets, and sells the world's motor vehicles. The number of new brands that have sprung up makes the automotive industry compete to provide the best innovations to win the competition and maintain consumer loyalty. Various new cars appear every year; however, in this case, the consumer's desire to buy products with the same brand still needs to be improved. This study aimed to determine and analyze customer experience and social presence on brand loyalty through customer engagement. This type of research is associative. The population in this study is all consumers who use luxury automotive products in North Sumatra. The sampling technique used random samples. The number of pieces in this study was 147 consumers. Data analysis using path analysis. The results showed that the customer experience and social present variables had a positive and significant effect on brand loyalty through customer engagement as an intervening variable.

Keywords: customer experience, social present, customer engagement, brand loyalty

1. Introduction
Along with the development of the economy and increasingly advanced technology, the car is one of the means of transportation needed by the wider community. Marketing strategy is a measure of the success of sales on a large scale and connects with consumers. Along with the increase in people's purchasing power, the demand for a good or service also increases both in quality and quantity. The importance of increasing consumer loyalty is a strategy that needs to be considered by the company.

Table 1. List of Loyalty of Car Brand Users in Indonesia

http://www.webology.org
Various new cars appear every year however, in this case the consumer’s desire to buy products with the same brand still needs to be improved. Service experience is very much needed in increasing brand loyalty in automotive products, after-sales service is one of the spearheads of service to customers. The following is the data released by J.D. Power Indonesia Customer Service Index (Mass Market) Study in 2019.

<table>
<thead>
<tr>
<th>No</th>
<th>Brand</th>
<th>Total</th>
<th>No</th>
<th>Brand</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Toyota</td>
<td>63 %</td>
<td>11</td>
<td>Jeep</td>
<td>41 %</td>
</tr>
<tr>
<td>2</td>
<td>Subaru</td>
<td>61 %</td>
<td>12</td>
<td>VW</td>
<td>37 %</td>
</tr>
<tr>
<td>3</td>
<td>Honda</td>
<td>60 %</td>
<td>13</td>
<td>GMC</td>
<td>35 %</td>
</tr>
<tr>
<td>4</td>
<td>Ram</td>
<td>54 %</td>
<td>14</td>
<td>Buick</td>
<td>29 %</td>
</tr>
<tr>
<td>5</td>
<td>Chevrolet</td>
<td>54 %</td>
<td>15</td>
<td>MINI</td>
<td>24 %</td>
</tr>
<tr>
<td>6</td>
<td>Hyundai</td>
<td>52 %</td>
<td>16</td>
<td>FIAT</td>
<td>22 %</td>
</tr>
<tr>
<td>7</td>
<td>KIA</td>
<td>51 %</td>
<td>17</td>
<td>Mitsubishi</td>
<td>21 %</td>
</tr>
<tr>
<td>8</td>
<td>Nissan</td>
<td>48 %</td>
<td>18</td>
<td>Dodge</td>
<td>19 %</td>
</tr>
<tr>
<td>9</td>
<td>Ford</td>
<td>48 %</td>
<td>19</td>
<td>Smart</td>
<td>19 %</td>
</tr>
<tr>
<td>10</td>
<td>Mazda</td>
<td>44 %</td>
<td>20</td>
<td>Chrysler</td>
<td>16 %</td>
</tr>
</tbody>
</table>

Figure 1. Customer Service Index

The research results of J.D. Power Indonesia's 2019 Customer Service Index (Mass Market) is based on communal responses. More than 2,786 vehicle owners have received vehicle deliveries between February 2016 and June 2018. Then they brought their vehicles for service at authorized dealers, between February 2018 and June 2019. There are still consumers who are not satisfied with the services provided. There are several factors that make consumers loyal to a brand, one of which is customer engagement. This is supported by research conducted by (Ismail et al., 2020; Molinillo et al., 2020; Snijders et al., 2020) that the company’s relationship with customers is very important in strengthening consumers’ desire to continue using the products offered. Customer engagement itself is influenced by
service experience. In line with research (Islam, JU, Hollebeek, LD, Rahman, Z., Khan, I., & Rasool, A. 2019) and (Kumar et al., 2019) state that service experience has a positive and significant relationship to customer engagement, and supported by (Rachbini et al., 2020), (Wells et al., 2020) and (Hong & Kim, 2020).

When a company promotes or sells products to the social market, the present becomes a factor that greatly influences consumers, including delivery through social media and the existence of a brand community of the car brand so as to produce a positive influence on every consumer to continue to use the same brand in the long term. According to research conducted by (Fang et al., 2018; Garanti & Kissi, 2019; Helme-Guizon & Magnoni, 2019; Ismail, 2017; Lim et al., 2015) social present has a significant influence on consumer loyalty. However, several other studies such as those conducted by (Lu & Miller, 2019; Nadeem et al., 2020) and (Hwang & Lim, 2015) gave different results that social present did not significantly affect consumer loyalty as well as research conducted by (Hung et al., 2018) that social presence has a lower influence on loyalty compared to other variables studied. This gives the conclusion that there is a gap between the relationship between social present and brand loyalty so that further research needs to be done whether it will give the same or different results from previous research.

2. Literature Review

Brand Loyalty
According to Vebrova, Venclova, and Rojik, (2016: 797), brand loyalty is a consumer's positive attitude towards a brand based on the consistency of purchases made by consumers on the brand for a long period of time. The emphasis of this opinion is that brand loyalty is seen from positive consumer attitudes. A positive attitude is an attitude that is responsive to the brand, and assessing the brand is something positive for consumers so as to encourage consumers to continuously make purchases and continue to use certain brands. According to Ehsan, Warraich, and Sehribanoglu (2012:155), brand loyalty includes two dimensions, namely: attitudes and behavior. The attitude dimension is indicated by the consumer's response to accept and be positive about a brand. While the behavioral dimension is indicated by the frequency of assessments made by consumers.

Customer Engagement
According to Hans Willems (2011) Customer Engagement is a process carried out by companies by interacting with consumers in a dialogue and experience to optimally support customers and influence their purchasing decisions. Specifically, customer engagement is "activities that involve consumers in it that are indirectly related to the search, evaluation of alternatives, and decision making involving brand selection" (Vivek et al. 2012) Another source states that "consumer contributions such as knowledge, skills and time, to facilitate the focus of the development of the company's product or service offerings" (Alexander and Jaakkola, 2015). Adopting the research of Yan, Sun Un & Minjeong Kang, (2008) which explains that the measurement of the concept of engagement is carried out by measuring cognitive variables consisting of the dimensions of contingency interactivity, self-company connection, company attitude.
Social Present
Social Presence as the ability of communication media to transmit social cues Short et al., (1976). This theory arose from looking at the differences in the apparent physical proximity inherent in the use of various communication media. Social Presence Theory as a multi-dimensional and flexible concept that classifies media according to how well the media convey intimacy and warmth among users, and by their ability to help form personal relationships. Although some studies use other dimensions, research such as that conducted by Alhulail et al., (2018) addresses a more complete picture of social presence: social context, interactivity, communication. This study refers to (Lu et al. 2016) dimensions and from social presence refers to community-based needs in social commerce. Social presence thus refers to the technology infrastructure (online brand community on social trading platforms), other community members, interactions among users and with brands.

Customer Experience
According to Dagustani (2011: 3), customer experience (customer experience) can be interpreted as a consumer's interpretation of the total interaction of consumers with a brand. And the ultimate goal of applying this concept is to create good relationships with consumers and build loyalty with consumers. According to Semuel and Dharmayanti (2013: 2), define customer experience as the embodiment of a brand which covers all interactions between the organization and its customers.

According to Chen & Lin (2014), customer experience is a cognitive recognition or perception that stimulates customer motivation. Such recognition or perception can increase the value of products and services. this is the result of the consumer's interaction with the company physically and emotionally. The results of this interaction can leave an imprint on the minds of consumers and affect consumer ratings of the company. From the opinion above, it can be concluded that experience is the level for a company to be able to convey an experience that customers want.

![Konseptual Framework](http://www.webology.org)

Figure 2. Konseptual Framework

3. Research Methodology
The research method that will be used in this research is associative. This research was conducted in North Sumatra in September-November 2021. The selection of North Sumatra on the grounds that North Sumatra is one of the provinces with the sixth largest economic capacity in Indonesia. In fact, the economic growth of the province of North Sumatra has always been recorded to grow above the national economic growth. The population in this
study are all consumers who use luxury automotive products in North Sumatra. The sampling technique used accidental samples. The number of samples in this study were 147 customers. Data analysis using path analysis.

4. Discussion
Adjusted R Square value is 0.515 or 51.5%. This value gives an understanding that customer experience (X1) and social present (X2) affect customer engagement (Z) by 51.5%.

ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>1035,342</td>
<td>2</td>
<td>517,671</td>
<td>78,379</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>951,080</td>
<td>144</td>
<td>6,605</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1986,422</td>
<td>146</td>
<td>78,379</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- a. Dependent Variable : customer engagement
- b. Predictors : (Constant), customer experience, social present

Based on Table it is found that the Fcount value is 78.379 with a significant level of 0.000 which is smaller than an alpha of 0.05 (5%). The calculated F produced is 78.379, which is greater than the Ftable, which is 2.67. Thus simultaneously customer experience (X1) and social present (X2) have a positive and significant effect on customer engagement (Z).

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant)</td>
<td>25,978</td>
<td>2,352</td>
<td>11,045</td>
<td>.000</td>
</tr>
<tr>
<td>Customer experience</td>
<td>-.191 (-.427)</td>
<td>-.037 (.055)</td>
<td>5,117</td>
<td>.000</td>
</tr>
<tr>
<td>Social present</td>
<td></td>
<td></td>
<td>-7,714</td>
<td>.000</td>
</tr>
</tbody>
</table>

- a. Dependent Variable : customer engagement
- b. Y = 0.191 X1 + -427 X2

Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.776a</td>
<td>.602</td>
<td>.594</td>
<td>2.32153</td>
</tr>
</tbody>
</table>

- a. Predictors : (Constant), customer engagement, social present, customer experience
- b. Dependent Variable : brand loyalty
From Table 4, it is known that the Adjusted R Square value is 0.594 or 59.4%. This value gives an understanding that customer experience (X1), social present (X2), and customer engagement (Z) affect brand loyalty (Y) by 59.4%.

**ANOVA**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>1167,191</td>
<td>3</td>
<td>389,064</td>
<td>71,189</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>770,701</td>
<td>143</td>
<td>5,390</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1937,891</td>
<td>146</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: brand loyalty  
b. Predictors: (Constant), customer engagement, social present, customer experience

Based on Table 5, it is found that the Fcount value is 72.189 with a significant level of 0.000 which is smaller than an alpha of 0.05 (5%). The calculated F produced is 72.189 which is greater than Ftable which is 2.67. Thus simultaneously customer experience (X1), social present (X2) and customer engagement (Z) have a positive and significant effect on brand loyalty (Y).

**Coefficients**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer experience</td>
<td>8.855</td>
<td>2.888</td>
<td>3.066</td>
<td>.003</td>
</tr>
<tr>
<td>Social present</td>
<td>-0.172</td>
<td>0.059</td>
<td>-2.901</td>
<td>.004</td>
</tr>
<tr>
<td>Customer engagement</td>
<td>-0.349</td>
<td>0.075</td>
<td>-4.639</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. Dependent Variable: brand loyalty  
b. Customer experience, social present

\[ Y = 0.202 \times X1 + -0.172 \times X2 + 0.349 \times Z \]

Customer engagement is also referred to as customer engagement, which means a communication relationship between the company and the customer regarding the overall customer experience with the product or service they choose (Parihar et al., 2019). A company can win the competition by consistently delivering higher quality services than competitors and higher than customer expectations (Kumar et al., 2019). Service experience can be measured by looking at the level of gap between consumer expectations or desires with their perceptions of the product or company performance received by consumers (Junaid et al., 2019). This is in line with research conducted by (Hwang & Lim, 2015; Islam et al., 2019; Ismail et al., 2020; Parihar et al., 2019) that there is a strong relationship in improving relationships with customers through services provided. by the company.
Customer engagement is a way for companies to make brands a meaningful part of consumer conversations and lives by increasing direct and continuous customer engagement and forming brand loyalty (Kotler & Armstrong, 2016: 42). Customer relationship is believed to be a way to maintain customer loyalty and loyalty. Companies can increase profits by having loyal customers, so companies do not need to spend a lot of money and resources to find new customers (Oliver, 2010).

The ultimate goal of relationship marketing is to strengthen long-term relationships with customers, increase profitability through customer loyalty, so that the company's services can compete in the industry. The value of a product that is perceived by customers as part of the relationship marketing concept significantly affects customer loyalty (Tajvidi et al., 2017). Van Doorn et al (2010) argue that customer involvement is a consequence of perceived value. Customer engagement is able to increase customer loyalty, customer engagement as a behavioral response with an emotional context is projected to affect customer loyalty. When the engagement process takes place, customers try to increase knowledge and social interaction with brands or other customers to find out more information about the brand (Hwang & Lim, 2015; Islam et al., 2019; Moliner-Tena et al., 2019; Lim et al., 2015) through a strong psychological relationship accompanied by a customer's interactive experience with a brand outside of purchasing activities.

5. Conclusions
Customer experience has a positive and significant impact on customer engagement. Customer experience has a positive and significant effect on brand loyalty. Social present has a positive and significant effect on customer engagement. Social present has a positive and significant effect on brand loyalty. Customer engagement has a positive and significant effect on brand loyalty. Customer experience has a positive and significant impact on brand loyalty through customer engagement. Social present has a positive and significant effect on brand loyalty through customer engagement.

Reference
153-165


