Research Article

DEVELOPING CUSTOMER BRAND ENGAGEMENT MODEL IN SINAR SOSRO COMPANY

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ARTICLE INFO	ABSTRACT

The customer engagement recently appeared in the academic literature and practitioner discussion as new perspectives in implementation of customer relationship management that aims to develop brand loyalty. The magnitude of customer engagement influence has made researchers feel the need to evaluate the customer brand engagement model at SINAR SOSRO company to test whether SINAR SOSRO'S customer brand engagement model is fit with empirical data and whether customer brand engagement principles influence on the customer brand engagement model at SINAR SOSRO company and whether the factors related to customer brand engagement are the most dominant dimensions forming the customer brand engagement model at SINAR SOSRO company. Based on discussion of analysis results, it can be concluded that the customer brand engagement model in SINAR SOSRO are built on four dimension, namely enthusiasm, absorption, interaction, and identification. The data analysis method that was used SEM (structural equation modelling) analysis which showed on the trimming model, even though the results of the model conformity test give P-Value smaller than 0.05 but it can be seen in the analysis that after the customer brand engagement model trimming, SINAR SOSRO, shows RMSEA value (0.068 <0.08) and CFI value (0.99> 0.90) which indicates overall customer brand engagement measurement model of SINAR SOSRO is fit with data.

INTRODUCTION

In business industry, there is an adage stating that customers are the king, such parable means that basically business creates customers (Drucker in Cohen, 2012)[1]. Business sustainability will greatly depend on its customers. When there is no customers, then there will be also no business, such situation must be prevented since customers ensure the sustainability of a business. The survey from SWA Magazine 2016[2]stated that by service excellence, customer will shop more than 10% for the same products and services and will tell their best experience to 9 – 12 people. In the contrary, if customers get bad experiences then they will tell to more than 20 people. Furthermore customer complaints are immediately handled with appropriate solutions, then there will 82% customers to re-purchase the products. Another research on customer brand engagement was conducted by Gallup State of the American Consumer 2014, at least, there were 44 impacts faced by the company, namely: overall, customers who felt engagement contributed by 23% on company income; in electronics industry, engaged customers contributed by 44% visits to electronics shops each year; in banking industry, engaged customers generated 33% of annual income.

The customerbr and engagement can used as a tool to create, develop and improve customer relationship, as a strategy to be done to improve and maintain business performance in the future in the increasing tense competition era (Gallup State of the American Consumer 2014)[3].The line to the survey results, currently, the most accurate way to impress customers is by treating them as a 'lover'. In running business and providing service to customers, company must always listen to customer preferences, calm down their disappointed feeling, and always provide the best thing immediately (Kurniawan, 2014)[4]. These are done so that they are felt to be 'loved' and felt comfort. If the company always provides the best service in any point then it can maintain intimate relationship so that they will not change to other brands and will be loyal and this will create customer engagement to the company or sold brand. Customer brand engagement is a process to develop, maintain and protect consumers so that they keep making relationship with the company so that customers will not be the company buyers even more than buyers namely marketers for the company (Tripathi 2009)[5.]

The SINAR SOSRO company is leading baverage of ready to drink tea company in Indonesia, that is engaging in the field of consumer good for more than fifty years. Currently, SINAR

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SOSRO faced various business dynamics namely increasing competitive business competition, customer behavior changes, and also other intern problems. The following is the description of customer engagement trend in SINAR SOSRO in the period of last five years; the author obtained it from company performance report.
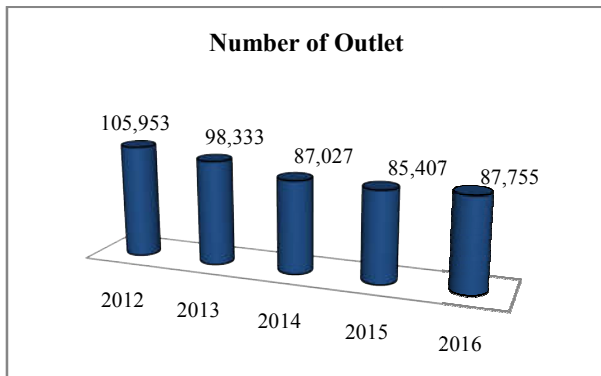

Number of Outlet

105,953   98,333   87,027   85,407   87,755

2012   2013   2014   2015   2016

Figure 1 Trend effectiveoutletin the last five years of SINAR SOSRO

Source: Performance Report of SINAR SOSRO company
If seeing at figure 1above, it can be seen that there is a trend of decreasing SINAR SOSRO customers or with other words SINAR SOSRO faces its customer management crisis, mainly in creating customer brand engagement program. The weakening customer brand engagement finally influence on SINAR SOSRO product competitive excellence which formerly it was a leader, but then it has been replaced by competitor both in the aspects of *market share* and *brand awareness*. Based on the background above, it is necessary to conduct an empirical research on evaluation on customer brand engagement model in SINAR SOSRO company.

Literature Reviews

Customer Brand Engagement

Customer brand engagement is a concept which yet fully develops in the marketing. Formerly, engagement concept could be found in the field of psychology as known by *employee engagement* (Vivek*et al.*, 2012)[6]. Application of *employee engagement* concept to be *customer brand engagement* was previously proposed Patterson *et al.* (2006)[7]. Both concepts have the same characteristics namely reflecting a sense of spirit, energy and enthusiasm of a relatedness relationship (Patterson *et al.*, 2006). But, both have different context focus namely *workplace vs customer brand* (Patterson *et al.*, 2006). The *employee engagement* context is *workplace*, meanwhile, the *customer engagement* context is *customer brand*.

Identifying *customer brand engagement* as the research main focus, *The Marketing Science Institute* (MSI, 2010)[8]defined *customer brand engagement* as the manifestation of customer behavior to brand (company) beyond purchase activity that is resulted from customer individual motivations such as *word of mouth,* recommendation, inter-consumer interaction, blogging, writing review and other similar activities. Meanwhile, So *et al.* (2014)[9] defined *customerbr and engagement* as a marketing activity having orientation to customer behavior and psychology. This is reflected on customer interaction with other customers or company in a forum to obtain information

of product of anticipate any accepted risks if he or she consumes the product (Brodie *et al.*, 2011)[10]. There are some marketing researchers that have developed multidimensional concepts of *customer brand engagement* (Verhoef *et al.*, 2010[11]; Brodie *et al.*, 2011; Hollebeek, 2011)[12]. However, this research adopts the *customer brand engagement* concept from So *et al.* (2014), since specifically, it focuses on service industry and offer valid measurement to apply the concept. The *Customer brand engagement* is a personal relationship on brand as a manifestation of cognitive, affective and behavior responses beyond purchasing activity (So *et al.*, 2014).

There are five dimensions to measure *customer brand engagement* namely *enthusiasm, attention, absorption, interaction* and *identification* (So *et al.*, 2014). *Enthusiasm* reflects level of customer eagerness and attractiveness at a brand. *Attention* describes level of customer assessment on a brand. *Absorption* reflects customer enjoying situation expressing his thought to the brand so that by time passing and interaction, it is not realized that there is an interaction between the brand and the customer as well as the other customers. *Identification* reflects a level of sense of customer unity with the brand. Thus, model and hypotheses in this research are as follow:

- H1 the customer brand engagement model of SINAR SOSRO is fit with empirical data
- H2 *customer brand engagement* influences on *customer engagement* model in SINAR SOSRO
- H3 Factors relating to customer brand engagement are the most dominant factors to form the *customer brand engagement* model in SINAR SOSRO

METHODOLOGY

The research method used to test the hypotheses is by measuring quantitative data and objective statistics through scientific calculations derived from selected samples by *purposive sampling* to describe the customer engagement model at SINAR SOSRO. Primary data can be obtained from the survey results that have been distributed to 96 SINAR SOSRO's customers, while secondary data are taken from official company documents and literature studies.

The data analysis technique used is *structural equation modeling* (SEM). This SEM technique can project the suitability of the research model with the actual conditions in PT Sinar Sosro as evidenced by the value of *goodness of fit index* (GFI), and explain how the influence of each exogenous variable on endogenous variables.

RESULTS AND DISCUSSION

Reliability Test and Validity Test

There are 20 indicators used as the instruments in this study, the results obtained from the reliability analysis are that all research instruments are reliable with a significant value of 0.937 *cronbach alpha if items deleted*. To get the best results in the model evaluation, the instruments used are simplified or trimming into 8 indicators, the selection of indicators is done by increasing the significance value to 0.60 and based on the previous research conducted by So *et al.* (2014) on the customer brand engagement model.Results of the validity test

in this study indicate that all instruments used are valid by having significance value more than 0.5.

Table 1 The Output of Reliability and Validity Test

	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
EN1	.602	.935
EN4	.677	.933
AB1	.642	.934
AB3	.713	.933
IT2	.730	.932
ID1	.735	.933
ID2	.706	.933
ID3	.595	.935

Source: Processed primary data

The table above shows that there are 20 valid indicators for evaluating SINAR SOSRO's customer brand engagement model. These indicators are built on four dimensions, namely, enthusiasm, absorption, interaction, and identification.

Structural Equivalent Model Analysis (SEM)

SEM analysis is used to test and evaluate whether the model used in the research is well-adjusted to the actual conditions from the operation of customer brand engagement at SINAR SOSRO company. Results of the confirmation factor analysis can be seen in Figure 2 below.
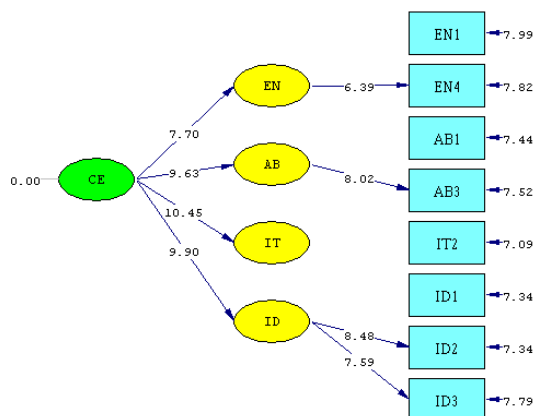

Figure 2 Result of Model Conformity Test

Source Processed primary data

Table 2 Evaluation of Model Conformity After *Trimming Model Customer Engagement*

Goodness of Fit Index	Cut-off Value	Analysis Results	ModelEvaluation
Chi-Square (x²) (df)	≥ 0.05	33.59 (20)	Good
P-Value	> 0.05	0.02	Not fit
RMSEA	< 0.08	0.068	Good
RMR	< 1.00	0.040	Good
GFI	> 0.90	0.95	Good
AGFI	> 0.90	0.90	Good
NNFI	> 0.90	0.98	Good
NFI	> 0.90	0.97	Good
CFI	> 0.90	0.99	Good

**P< 0,001. ***Errorvar. = measurement errors

Notes: RMSEA = *root mean square error of approximation*; RMR = *root mean square residual*; GFI = *goodness-of-fit*; AGFI= *adjusted* GFI; NNFI = *nonnormed fit index*; CFI = *comparative fit index*

Source: Processed primary data

Table 3 Results of Parameter Estimation

Factors	Indicators	Loading factors	T-value
Enthusiasm	1. Eagerness of being SOSRO customers	0.36	7.99
λ=0,41	2. Assistance to develop business	0.42	7.82
Absorption	1. Focus on selling SOSRO products	0.51	7.44
λ=0,71	2. Selling SOSRO products based on targets	0.5	7.52
Interaction λ=0,60	1. Being proud of using SOSRO attributes	0.58	7.09
Identification	1. Being proud of being SOSRO consumers	0.53	7.34
λ=0.47	2. Known by community as SOSRO partners	0,53	7.34
	3. SOSRO values based on personal values	0.43	7.79

Source: Processed primary data

Based on the results of SEM analysis on the trimming model above, it is obtained the objective information, the conformity model test results give the square value of P-value statistic (x^2= 33.59) on the 20 freedom degree by 0.02, smaller than the error rate indicated by a fit model of 0.05. However, these results do not indicate significance in the current study, because chi square analysis is sensitive to sample size (Hair *et al.*, 2006)[13]. In a thorough evaluation of the measurement fit model, it is necessary to consider several other model fit indexes. Therefore, even though the results of the model conformity test give P-Value smaller than 0.05 but it can be seen in the table above that after the customer brand engagement model trimming, SINAR SOSRO, shows RMSEA value (0.068 <0.08) and CFI value (0.99> 0.90) which indicates overall customer brand engagement measurement model of SINAR SOSRO is fit with data. Meaning, the proposed model can estimate the same population covariance matrix with sample data covariance matrix. This also indicates that results of estimation obtained from sample data can be used as a basis of making generalization on phenomena or description of *customer brand engagement* in SINAR SOSRO company.

Generally, most of covariance and variances in the *customer brand engagement* in SINAR SOSRO after trimmingare presented by four dimensions with goodness-of-fit value (GFI0.95). Besides, the amount of residual (RMR 0,040, RMSEA 0,068) also shows the fit model to the data. Thus, the first research hypothesis (H₁) can be accepted or proven.

Meanwhile, analysis results from t-count is more than 1,96 that is obtained from eight indicators out of four dimensions of customer brand engagement; this can be used as evidence that the *customer brand engagement* model in SINAR SOSRO companyhas been fit to the principles of *customer brand engagement*. Thus, the second hypothesis (H₂) can be accepted or proven.

Then, the most dominant factors in developing the model are determined by the amount of obtained *lamda* value, so less *lamda* value is obtained, lower indicator dominance in developing the *customer brand engagement* model in SINAR

SOSRO. Each proud customer of using SOSRO attributes is the most dominant factor in developing *customer brand engagement* model in SINAR SOSRO, with the lamda value by 0.58. Thus, the third hypothesis (H_3) can be accepted or proven.

CONCLUSION

Based on discussion of analysis results, it can be concluded that the customer brand engagement model in SINAR SOSROin the measurement is fit with the data and model and fit with the customer principles as well as can develop the customer brand engagement model by creating proud customers of consuming SOSRO brands.

From the results in this research, SINAR SOSRO should not finish its *custumer brand engagement* activity but, it is still necessary for more hard works in order to maintain any obtained results, regarding challenges to be faced in the globalization era in which, there are many advertisements, promotions and marketing communication of new products through social media and internet as well as various media platforms; all of which should be a concern.

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