

The Role Of Community Value And User Engagement In Online Brand Community To Consumers' E-Loyalty. A Case Study On Indovidgram

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ABSTRACT

The aim of this research is to analyze the effect of Online Brand Community on Community Value and User Engagement and on E-Loyalty at Indovidgram, an Indonesia Instagram video community. This research was conducted by using the survey method through a cross-sectional study with probability sampling technique. There were 350 users or members taken as research sample, obtained from 3.2 million populations. Data testing and measurements between variables were conducted using SEM-AMOS. The results of this research indicated positive correlations and simultaneous influence of online brand community, community value, user engagement on e-loyalty. Meanwhile, with the presence of mediation variable, namely community values, and user engagement, the influence on e-loyalty in the online brand community is strengthened. In addition, a highly valued community actively creating interactions (engagement) indirectly promotes to create loyalty. It is expected that the results of this research can provide significant benefits and can be a reference for the further research.

Keywords

Online Brand Community, Community Value, User Engagement, E-Loyalty

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Introduction

Currently, the consumer engagement has gotten much attention in the literature. This concept has been one subject of several specific issues in many international journals. There are at least 113 international journals from many disciplines covering this issue (Kamboj & Rahman, 2017). In the context of marketing, the relationship with consumers is so important where consumer engagement is a further development of the current theories of relationship consumer and brand. By involving with the brand, the consumers show a disposition beyond the consumer behavior found in the traditional market (Jim & Zubin, 2016). This is in line with the logic of value creation.

The increase of use and interactivity in website pages or the internet has enabled a faster and simpler communication among the internet users without geographical boundaries. The disruptive technology in the online brand community has been a popular online service worldwide. The online brand community is defined as "the specifically-bound and non-geographical community based on a series of structured social interactions among the brand adorers. Increasing consumers' loyalty by using a relationship marketing approach is an important issue among researchers and practitioners (Zinkhan, 2002). The underlying mechanism for building brand community can be illustrated by "triangle community" connecting a brand with its consumers, a consumer with other consumers, and consumers with non-consumers (Albert M. Muniz, 2001).

The online brand community can indirectly help the firm to build e-loyalty through several activities conducted online. (Chan, Zheng, Cheung, Lee, & Lee, 2014 & 2015) stated

that online brand community, providing comfort and ideas will let the consumers meet and interact. This indirectly helps to promote the loyalty to the brand. In addition, one interesting aspect to be studied in e-loyalty is because, in a forum, either online community or the brand building the foundation in the online media, the firm faces a higher switching behavior than it does in offline media.

According to the survey of APJII in 2016, there were six most visited social media. The first social media was Facebook with 71.6 million users or 54% of the total users, followed by Instagram with 19.9 users or around 15%. As a social media platform, Instagram is so popular among Millennials. In Indonesia, Instagram has doubled its user base in the last two years (Connected Life, 2016). The increasing use of this photo and video sharing platform reflects that the visual posting has become more familiar in Indonesia. The always improving features attract more people to use Instagram.

Indovidgram has identified the potential of Instagram social media in its account. Indovidgram is the first and largest Instagram video community in Indonesia established on April 6, 2014. Currently, Indovidgram has 3.2 million followers and the number keeps growing. Compared to the number of Internet users in Indonesia with 22 million users, Indovidgram proportion is 13% of that total.

(Aksoy et al., 2013) stated that the member or user can easily switch from one online community to another with just several clicks. We are also motivated to further analyze what drives the online user to interact and contribute (make engagement). To do this, we refer to (Dessart, Veloutsou, & Morgan-Thomas, 2015) stating that consumer loyalty to a brand can be activated by the interaction between a brand

and the members of online communities where loyalty can be maintained through positive online interaction by increasing brand protection from negative contents or by acquiring positive consumer service from the brand even though he or she a negative experience.

Based on the early work of several researchers outlined previously, this paper tries to discuss the influence of the brand community characteristics on consumer behavior. In addition, the previous research showed that online community empirically affected the intention of member behavior or even brand loyalty. Nonetheless, we consider that there is still a gap where there is no specific empirical research studying the user engagement and values of orientation acquired from the community which affects the brand loyalty. This research then investigates, from the viewpoint of brand community members, the effect of the interaction characteristic of online brand community on the benefits perceived from the community, the effect of benefits perceived on the commitment of community members, and the effect of the commitment on the brand loyalty. Thus, this paper aims to identify the influence of online brand community on community value and user engagement and finally on e-loyalty. By exploring the influence of these constructs, this research provides theoretical and practical suggestions for building and managing the online brand community.

Literature Review

E-Loyalty

According to (Hasan, 2008), consumer loyalty is defined as the people who purchase regularly and repeatedly. Consumers are those who keep buying and coming to the same place to satisfy their wants by paying product or service to be consumed. Consumer loyalty in online media is explained deeper. E-loyalty is related to the online network or website. According to Reid Smith in (Sezgin, 2016), e-loyalty means “establishing a long-term relationship with an online customer which involves the difficult task of humanizing digital loyalty” (Judy & Raymond, 2016).

Oliver (1999) in (Li, 2013) conceptualized e-loyalty into four dimensions, namely cognitive, affective, conative and action. Cognitive is defined as the preference of the website or other services in a company. Affective is defined as positive attitude created by the preference resulting in referencing behavior. Conative means the situation where the consumers are willing to revisit the company’s website. This can happen because of the nice or satisfying experience acquired previously. Meanwhile, the action is the highest level of loyalty. This case happens when the consumers revisit the website for making another online purchase.

Online Brand Community

Brand community refers to a specialized community, having the non-geographical bonding. In fact, the bonding is based on the series of social relationship structure among certain brand adorers (Zaglia, 2013). (Kotler, 2009) also emphasized that the brand community is a special

community of the identified consumers and employees focusing on a certain brand.

Brand community facilitates the information dissemination, reviews the history and culture of a brand, provides assistance to the consumers, and influences brand loyalty positively (Laroche, Habibi, & Richard, 2013). (Kotler, 2009) stated that within the brand community there is consumer community which is important for establishing a brand. In essence, the consumer community is the brand itself, which subsequently functions for building the relationship between the members of users or any parties interested in the brand.

(Wiegandt, 2009) stated that there are three important signs in a community, namely, consciousness, sharing rituals and tradition, and moral responsibility. Consciousness is the most important element of a community. This refers to the awareness of a brand which is seen clearly in a community. Sharing ritual and tradition are also visible vividly in a brand community representing the important social process of a community. Moral responsibility is the sign of shared responsibility in a community. This manifests in the form of comprehensive responsibility to all members of the community.

(Brodie, Ilic, Juric, & Hollebeek, 2013), (Dessart, 2017), indicated that the process of consumer engagement consists of several sub-processes reflecting the interactive experience of consumers in an online brand community, and the shared values among the members of the community. The consumer engagement indicates the improving loyalty, satisfaction, empowerment, connection, emotional bonding, trust and commitment of consumers.

H1: Online Brand Community has positive effects on Community Value

H2: Online Brand Community has positive effects on User Engagement

H3: Online Brand Community has positive effects on E-Loyalty

Community Value

According to (Larry Lyon, 2011), the community is a group of people in a specific area sharing the common bonding and interacting with each other. According to Bowman & Ambrosini in (Timo, 2011), the value is commonly used in strategic management, which constantly relates to the fulfillment of consumer needs.

Meanwhile, Kotler and Armstrong (2008) stated that by creating superior consumer value, the firm can create the loyal and satisfied consumers. Thus, community value is the value of strategy in a community for adding the superiority of that community. In their paper entitled “Consumer Engagement in Online Brand Communities: A Social Media Perspective”, (Dessart, Veloutsou, & Morgan-thomas, 2015) stated that the dimensions of community value are (1) information, (2) entertainment, (3) networking, and (4) monetary incentives.

(Kim, Kim, & Wachter, 2013), asserted that engagement creates values for the users who spent more time in that engagement. The continuing usage boosts the motivation of the users making them loyal to the brand. In addition, it creates values and results in satisfaction triggering motivation behavior for an engagement.

H4: Community Value has positive effects on User Engagement**H5: Community Value has positive effects on E-Loyalty****User Engagement**

According to Jacques (in (O'Brien, 2016), user engagement is the response of users to the interactions of getting, maintaining, and encouraging the attention especially if they are intrinsically motivated. In identifying user engagement as the main topic of the research, the Marketing Science Institute (MSI, 2010) defined user engagement as the manifestation of the consumer behavior to the brand (company) outside the purchase activities resulted from the individual motivation such as word of mouth, recommendation, intra-consumer relationship, blogging, reviewing, and others. According to (Brodie, Hollebeek, Jurić, & Ilić, 2011a, 2011b), those things are reflected from the interaction of a consumer with other consumers or company in a forum for getting product information or anticipating the potential risk of consuming that product.

According to (Frost, 2013), engagement has three pillars, namely, content engagement, media engagement, and marketing activities. Content engagement refers to how a brand can manage the contents of social media to attract the consumers so they join and interact. Meanwhile, media engagement refers to the context of the content or the media that is going to be used by a brand for posting the content. Marketing activity engagement refers to the things used to attract the audiences to the media through the content. For the consumer, this has the potential for building a personal association and the brand.

(Zheng, Cheung, Lee, & Liang, 2015), (Rahman, Suberamanian, & Zanuddin, 2017) stated that engagement affects brand loyalty both directly and indirectly through the commitment of the online community. The members tend to focus on the benefits (not the cost) coming from the usage when they engage in an online brand community.

H6: User Engagement has positive effects on E-Loyalty**Research Framework****Picture 1. Conceptual Model****Methods**

To test the proposed hypothesis, we used the quantitative method with associative nature. Subsequently, we identified an online community based in Jakarta with the core business of content creation on the Instagram platform. This community offers interesting contents to its members for entertainment purpose. We developed an online questionnaire and posted the URL at that online community for two months. From this online survey, we found 350 usable questionnaires of the 3.2 million users as the population. To do this, we employed Slovin formula. The sampling technique used in this research is probability sampling with simple random sampling because all members of the community were expected to have a similar opportunity to fill out the questionnaires.

The questionnaire consists of several sections aimed at finding information regarding the belief, attitude, and

behavior of the consumers in the online brand community. The first section of the questionnaire details the demographic profiles, including gender, income, and educational background in the dichotomy scale. The second section measures the influence of online brand community, user engagement, and community value on e-loyalty in that online community. The measurement used in this research is 5-point Likert scale. The answers of the respondents were processed using Structural Equation Modeling (SEM) in IBM SPSS AMOS 20. The usage of AMOS is deemed appropriate to measure the loading values of each indicator of the variable (Singgih, 2012).

Data Analysis And Results**Measurement Model****Tabel 1. Measurement Model**

Of the 350 respondents surveyed in this research, the following results are obtained. In terms of gender, there were 205 male respondents or 58.5% and 145 female respondents or 41.4%. Based on the age criteria, there were 5.7% or 20 respondents aged under 18 years old, 77.1% or 270 respondents aged 18-23 years old, 15.7% or 55 respondents aged 24-30 years old and 1.4% or 5 respondents aged 31 – 40 years old. Based on domicile criteria, it was found that there were 76.3% or 267 respondents live in Jakarta, 4.3% or 15 respondents live in Bogor, 3.1% or 11 respondents live in Depok, 8.6% or 30 respondents live in Tangerang, 2% or 7 respondents live in Bekasi, and 5.7% or 20 respondents live in other cities.

Table 1 shows the results of a confirmatory analysis of each indicator of the online brand community variable. The indicators measured consist of knowing the members, engagement with the brand, celebrating the brand event, sharing stories, connected with members, retaining senior members, and helping the members. The results are considered valid if each indicator has the loading value of more than 0.5. The estimation results of each indicator have the loading values of more than 0.5, so the results are valid. The indicators of community value measured consist of increasing knowledge, member information, entertained, comforted, networking, and incentives. The estimation results of each indicator show the loading values of more than 0.5, so they are valid.

For user engagement variable, the indicators measured consist of a tendency to like, tendency to comment, interaction through content, realizing the product, realizing the price, and realizing the promotion. The estimation results of each indicator have the loading values of more than 0.5, so they are also valid. For e-loyalty variable, the indicators measured consist of community preference, brand preference, recommending behavior, being recommended, revisit, convincing the purchase, and ignorant of a competitor's product. The estimation results of these indicators are also valid because the loading values are all more than 0.5.

Structural Model Test

Table 2. Goodness of Fit Test

The early stage of this research was to test the validity and reliability of the data. The data used in this research underwent those tests so the data are considered valid and reliable. Subsequently, the data were evaluated in terms of Goodness of Fit by using normality test and Goodness of Fit test. The results of data processing showed that the data were normally distributed and the data then proceeded to the model fit test. The model fit test was used to test the degree of goodness of fit of the research model. The results of the test are as follows:

Based on the calculation results in table 2, we can compare the test results with the criteria or minimum/maximum value that should be reached to get the fit value. Only Chi-Square has the poor fit. However, since the sample size in this research is quite large, that poor fit does not affect the research model. So, it can be concluded that overall, the model in this research is good and fit.

After finding the SEM model, the hypothesis testing was conducted based on the data generated using SEM by analyzing the regression value. This is shown in the table of Regression Weight Analysis of Structural Equation Modeling as follows:

Tabel 3. Regression Weights

To test the hypothesis, the Critical Ratio (CR) and Probability (P) were analyzed. The hypothesis can be accepted if the CR is statistically more than 1.66 and P is less than 0.05. All hypotheses proposed in this research are accepted meaning that there is the significant and positive influence of the relationship variables proposed in this study. It was found that Online Brand Community significantly affects Community Value of 68.6%. Online Brand Community significantly affects User Engagement of 22.5%. Community Value significantly affects User Engagement of 81.4%. Online Brand Community significantly affects E-Loyalty of 23.6%. Community Value significantly affects E-Loyalty of 52.1%, and User Engagement affects E-Loyalty of 25%.

Discussions And Conclusion

Online Brand Community positively and significantly affects community value, user engagement and e-loyalty as has been affirmed by (Dessart, Veloutsou, & Morgan-thomas, 2015). The test result showed that there is a relationship between Online Brand Community and Community Value because the benefit or value obtained can improve the behavior of the members or users. (Wiegandt, 2009) Originally stated that community is a network connecting the people with community values where personal contact is possible to be made. An online community with values will improve the quality of that community and develop user engagement. Finally, this engagement will affect the loyalty of the member or user to that online community.

Only Brand Community positively and directly affects user engagement as has been affirmed by (Brodie et al., 2013). They stated that the level of control to the brand can go up or down in an online community, affected by the user engagement and other factors. This is supported by

(Connor, 2009) stating that engagement is more important than other factors if our goal is to build, grow or support the interaction within an online community.

Community Value positively and directly affects User Engagement and E-loyalty. This is confirmed by (Dessart, Veloutsou, & Morgan-thomas, 2015) stating that loyalty can be maintained by positive online interaction by defending a brand from the negative effect. Thus, it can be concluded that values offered by an online community can trigger the members to interact and involve in maximizing those values. As a consequence, these will increase the loyalty of the users to that online community. This result is confirmed by (Chan et al., 2014) stating that the User Engagement in an online brand community of social media is important for increasing brand loyalty. This result is supported by (Parreno, 2015) indicating that loyalty to the community means the members are not only loyal in terms of financial sacrifice, but they are also satisfied and pleased with the community.

The results of this research explain that as the mediating variables, Community Value and User Engagement are able to mediate the influence of Online Brand Community on E-loyalty. The nature of the influence is supportive and positive. Thus, it can be concluded that online community should be supported by important values needed by users and the community should engage the users.

Implication

Research Implications

This research is a multi-disciplinary study employing the theories of marketing, innovation and information system. This study applies the theories of relationship marketing, loyalty, co-creation, and social media perspective. This research adds to the literature on how to integrate the theories of brand creation through online brand community affecting loyalty which is mediated by community value and user engagement. Firstly, this paper contributes specifically to the e-loyalty concept through an online community. Here, it is suggested that the online community does not only affect loyalty physically (product or the company) but also affects the online community itself.

Secondly, as this paper deeply explores the role of user engagement in an online community. This builds the relationship marketing theory, exchange theory, and service-dominant logic. This research explains the role of community value and user engagement in affecting e-loyalty in the online brand community. The measurement models were validated properly and the structural model explains quite well in accordance with the variant stipulations needed.

Managerial Implications

The findings of this research provide important insights for the marketers, especially online marketers for utilizing and maximizing online brand community as the channel for increasing consumer loyalty. This loyalty shall be formed strongly if there is an interaction or engagement of the users. To make them engaged, there should be values or benefits which are in accordance with their needs. E-marketers

should build and boost the users to interact and engage more actively both among the members of the community and the candidate of the members. E-marketers should be more persuasive with the users or members of the community so the members feel more accepted in the community. They will feel the part of the community and will not be hesitant about attending the event or program offered.

Lastly, we found that a brand can be a mediator between the community members in terms of information dissemination. So, the trust can be built among the members. This thing should become the concern of e-marketers because it can boost the formation of interaction through information. The users visit an online community website because they want to find the information related to the product or others.

Limitation And Further Research

As this is an explorative research, there are some limitations found. Further theoretical and empirical research is needed. On the theoretical level, the foundation of consumer engagement is the domain of relationship marketing which is further developed based on the online consumer behavior, and the service-dominant logic. Nonetheless, the further theoretical research is expected to develop other relevant perspectives such as consumer culture theory (CCT). This is due to the fact that Indonesia has an interesting culture and is popular for its the face-to-face culture.

In mediating consumer engagement, the platform has a role to facilitate the interaction so it can create the values benefited the consumers or the company. The further research needs to be conducted to explore the role of engagement or employee interaction in mediating consumer engagement in a community. Thus, theoretically, engagement is not only among consumers but also among employees. Another issue relates to the extent of organization in managing and influencing the process of consumer engagement and adapting strategically to the needs and wants of consumers, enriching the theory of consumer brand equity.

Empirically, the further research may review the population and sample as this research only employs respondents from the Jakarta area. In fact, the users of social media are from across Indonesia, especially in big cities. The further study may extend the number of sample and population. As the object of this research is an online community providing entertainment content, the further study may explore the model of consumer engagement in other industries or objects, especially those who sell real or physical products. Finally, it is understandable that an online community does not always reflect the offline consumer behavior because there are activities which are not available in this different platform. Thus, the further research may perform comparative study focusing consumer engagement both offline and online. Longitudinal research is therefore needed by using netnography and ethnography approaches.

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