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Influence factors in increasing brand loyalty through customer engagement on MPV cars

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ABSTACT

Customer engagement can be formed with supportive social media marketing and brand experience. But in this case, the company has not fully created the experience and social media consumers need. The company's strategy to increase car sales certainly needs to be promoted. This study aims to determine and analyze the influence of social media marketing and brand experience on brand loyalty through customer engagement on MPV product users in Medan City. The population in this study amounted to 62,296 people. Sampling using purposive sampling with sample criteria, namely consumers who use cars with the Toyota brand and have used more than 3 (three) years. The sample calculation used the slovin formula with a total of 397 respondents. The research data used primary data and secondary data. The data analysis carried out is path analysis. The results of sub 1 analysis show that social media marketing and brand experience positively and significantly affect customer engagement. The results of sub 2 analysis show that social media marketing and brand experience positively and significantly affect brand loyalty through customer engagement. When social media marketing and brand experience increase, customer engagement will also increase, so that brand loyalty increases.



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Introduction

Indonesia's car industry has grown rapidly over time. Four-wheeled vehicles made by manufacturing manufacturers are one of the automotive products whose sales are increasing (Ebrahim, 2020; Fikri et al., 2018). With the increase in income, people's purchasing power also increases, and people's appetite increases in design and quality that is considered to meet people's needs and desires. Therefore, the automotive industry must constantly improve methods to attract customers to buy and use their vehicles without being defeated by competing companies. Consumer loyalty is a very important component in improving marketing performance.

According to Shanti et al., (2019), consumer loyalty is one important element that continues to be considered in contemporary marketing. Consumer loyalty is very important for a company to grow its business. One component that affects customer loyalty is customer engagement. Customer engagement can build strong long-term relationships (Lestari et al., 2022; Liu et al., 2021). The use of social media and the experience experienced by consumers when using products are additional components that affect customer loyalty. A Multi-Purpose Vehicle (MPV), or briefly referred to as an "MPV", is a type of car that can be used to perform various functions.

Some types of these cars are prevalent in Indonesia. whether for transportation of people or goods. The market share data for four-wheeled vehicles throughout the country in January 2021 are as follows (Terason et al., 2021):

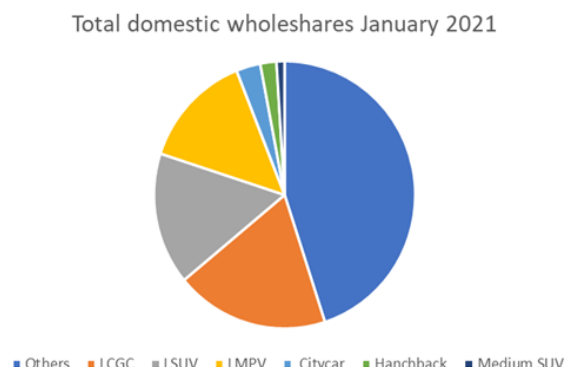


Figure 1. National Four-Wheeled
Source: Gaikindo, (2023)

Automotive Market Share January 2021

Sales at the beginning of 2021 dropped dramatically, as shown in Figure 1. Gaikindo (2021) reported that in January 2021, Toyota's car market segment, especially Avanza sales, only sold 7,534 units. Avanza car sales are considered to have decreased by 7.5 percent from the previous month and decreased by 60.9 percent year-on-year (yoy). Meanwhile, the control decreased by 10 percent, from 24 percent in the January 2020 to 14.2 percent of the total national market in January 2021 which only reached 52,910 units. So that MPV cars are considered inferior to LCGC which controls a market share of 18 percent and low sport utility vehicle (LSUV) with 14.7 percent of the national market (Sohail et al., 2020).

In addition, this is also influenced by customer engagement from the company to create a strong relationship between consumers and the brand used. This is due to the coronavirus or Covid-19 pandemic, which affects purchasing power and production. Customer engagement can be formed with supportive social media marketing and brand experience. But in this case, the company has not fully created the experience and social media consumers need. The company's strategy to increase car sales certainly needs to be promoted. Promotional techniques that are widely carried out by several companies with Toyota, Daihatsu and Honda car brands have been carried out through various information media besides that it is important to improve the good experience felt by users.

Social Media Marketing

Social media marketing is a type of marketing that uses social web tools such as blogging, microblogging, and social networking to increase awareness, recognition, memory, and even action towards a brand, product, business, individual, or group. Social media marketing helps businesses interact with customers online (Hussein & Yuniarinto, 2022). As long as you are connected to the internet, there is no time limit and the cost is not too great. The advantages of social media advertising include: 1) Provide space to listen to complaints and suggestions and to market goods or services to customers; 2) Helps identify different groups or relationships between them, which can provide information about the brand and aid brand growth; and 3) It has a relatively low cost because most social networking sites are not paid.

The indicators used in this study are taken from (Terason et al., 2021): 1) Online Community, a company or type of business can use social media to build a community interested in its product or business. The development and progress of the business is greatly aided by the spirit of the community to build loyalty, hold discussions, and share information; 2) Interaction, social media allows greater interaction with the online community through relevant and up-to-date customer information; 3) Sharing of content, the term "sharing of content" refers to how content is shared, distributed, and received within the rules of social media, and 4) Accessibility, refers to the fact that media can be accessed easily and that the cost of using media is minimal.

Brand Experience

Consumer experience with a particular brand, especially during use, is defined as "consumer sensations, feelings, cognitions, and responses generated by the brand, regarding stimuli generated by brand design, brand identity, marketing communications, and consumer orientation". Thus, experience with brands is strongly linked to

consumer trust. According to Rayat et al., (2017), brand experience consists of several things: 1) Communication, which includes advertising, corporate communication with the public, and internal and external communication; 2) Visual and verbal identities and signs, which include names, logos, colors, and more; 3) Visualization of the product, including its design, packaging, and appearance; 4) Cobranding, including sporadic marketing, sponsorship, cooperation, licensing, film product placement, etc; 5) Space environment, including office design, sales outlets, sales exhibitions, etc; 6) Website; 7) Individuals, such as sellers, company representatives, customer service, phone call center operators.

A person's impression of a brand when interacting with it is called brand experience. According to Rayat et al., (2017) Yasin et al., (2019), Schmitt (2016: 99), five factors can be evaluated for Brand Experience, including: 1) Marketing approach (Sense) which aims to perceive by creating experiences that relate to feelings by touching, feeling, and smelling the five senses, such as style, theme, and color; 2) Feel is a positive and pleasant feeling that arises from the heart when consuming; 3) Think invites customers to think creatively about their brand, company, or customer. Surprise, Intrigue, and Provocation are three principles of thought; 4) The Marketing Strategy Act aims to make the customer experience related to body movements, or interactions and movements that arise; 5) Creating relationships with other people, companies or brands, and cultures is known as relationship relationships.

Customer Engagement

Sashi (2012) states that customer engagement is an idea that encourages other consumers to buy or prospective buyers to spend more time and attention on the company through various means, one of which is through continuous interaction between the buyer and the company by improving the physical, psychological, and emotional aspects of both parties (Muchardie et al., 2016). Customer engagement is a type of relationship between a customer and a product or service. By having a good relationship with the product or service, the customer will have a sense of recognition for the product or service, which results in a competitive advantage because excellence must be recognized by the customer to truly be an advantage.

According to Yasin et al., (2020) and Hollebeek et al. (2014), customer engagement consists of the several dimensions and indicators, namely company conduct and consumer behaviour. Company conduct combines the previous concepts, namely corporate behavior, and the concept of creation, where the company's ability to create content that motivates customers to interact, respond to, and share information and experiences. The company's ability to deliver. Whereas consumer behavior combines the ideas of intention and cooperation. Consumer engagement or participation occurs when they voluntarily promote or recommend a product, as well as tell positive things about the product to people like family, friends, or others who ask about its use. In addition, consumers also want to create new content voluntarily.

Brand Loyalty

Brand loyalty, according to Schiffman and Kanuk (2015: 234), is the desired end result of consumer learning. Brand loyalty, on the other hand, is defined as "a strongly held commitment to repurchase or subscribe to a particular product or service in the future, giving rise to repeated purchases of the same brand or set of brands, despite the influence of situations and marketing efforts that have the potential to cause behavioral change", according to Kotler and Keller (2016: 121). Brand loyalty shows how close customers are to a brand and how likely they are to buy other items from that brand, especially if there are changes to features or prices (Apenes Solem, 2016).

Rangkuti (2017: 46) explains that several ways to measure brand loyalty: 1) Behavioral assessment. Actual buying patterns are a direct way to measure loyalty primarily for habitual behavior; 2) Measure switching costs. Measurements on this variable can determine customer loyalty to a brand; 3) Measure satisfaction. Measurement of customer satisfaction or dissatisfaction is the most important indicator of brand loyalty. If customer dissatisfaction with a brand is low, customers usually have no compelling reason to switch to another brand. 4) Measure brand likability: Brand likability, trust, respect, and friendliness make customers feel warm and close. It will be difficult for other brands to attract existing consumers; 5) Measure engagement, the number of customer interactions and commitments with the product is an important indicator. Consumers' liking of a brand will encourage them to tell stories or recommend it to others.

Hypothesis Development

Sub-Chapter

This chapter contains the theory and basis for making hypotheses 1 in detail with the sub-chapter of the relationship between variables.

H1: Social media marketing has a positive and significant effect on customer engagement.

Sub-Chapter

This chapter contains the theory and basis for making hypotheses 2 in detail with the sub-chapter of the relationship between variables.

H2: Social media marketing has a positive and significant effect on brand loyalty

Sub-Chapter

This chapter contains the theory and basis for making hypotheses 2 in detail with the sub-chapter of the relationship between variables.

H3 : Brand experience has a positive and significant effect on customer engagement.

Sub-Chapter

This chapter contains the theory and basis for making hypotheses 2 in detail with the sub-chapter of the relationship between variables.

H4 : Brand experience has a positive and significant effect on brand loyalty.

Sub-Chapter

This chapter contains the theory and basis for making hypotheses 2 in detail with the sub-chapter of the relationship between variables.

H5 : Customer engagement has a positive and significant effect on brand loyalty.

Sub-Chapter

This chapter contains the theory and basis for making hypotheses 2 in detail with the sub-chapter of the relationship between variables.

H5 : social media marketing and brand experience have a positive and significant effect on brand loyalty through customer engagement.

Method

This research method is associative/quantitative. The study was conducted in Medan City. The study involved 62,296 individuals. Purposive sample criteria are people who use cars with the Toyota brand and have used it for more than 3 (three) years. The Slovin formula was used to calculate a sample of 397 people who answered. Primary data and secondary are used to produce research data. In this study, using path analysis with data processing tools SPSS version 23 software. The independent variable in this study is customer engagement and brand loyalty. While the dependent variable is social media marketing and brand experience.

Results and Discussions**Sub 1 Analysis Results****Coefficient of Determination****Table 1.** Coefficient of determination

Model	R	R Square	Adjusted Square	R Std. Error of the Estimate
1	.929a	.864	.863	1.25836

a. Predictors: (Constant), brand experience, sosial media marketing

Source: SPSS Data Processing Version 23, (2023)

Based on Table 1, it is known that the Adjusted R Square value is 0.863. This value can be interpreted as the ability of the independent variable to affect the bound variable by 0.863.

Concurrent Test (F Test). The simultaneous influence of social media marketing variables (X1) and brand experience (X2) on customer engagement (Z) can be seen in Table 2:

Table 2. Test F (Synchronous)

		ANOVA ^b				
Model		Sum of Squares	df	Mean Square	F	Itself.
1	Regression	3961.533	2	1980.767	1250.903	.000a
	Residual	623.887	394	1.583		
	Total	4585.421	396			

a. Predictors: (Constant), brand experience, sosial media marketing

b. Dependent Variable: customer engagement

Source: SPSS Data Processing Version 23, (2023)

Based on Table 2 it is obtained that the $F_{\text{calculate}}$ value is 1250.903 with a significant level of 0.000 smaller than alpha 0.05 (5%).

Test t

Table 3 presents the values of regression coefficients, as well as statistical values for partial influence testing.

Table 3. Test t (Partial)

		Coefficients ^a		t	Sig.
Model		Unstandardized Coefficients B	Std. Error		
1	(Constant)	3.824	.370	10.323	.000
	sosial media marketing	.132	.057	2.307	.022
	brand experience	.909	.049	18.554	.000

a. Dependent Variable: customer engagement

Source: SPSS Data Processing Version 23, (2022)

Based on Table 3, the regression equation is obtained as follows.

$$Y = 0.1327X_1 + 0.909X_2$$

Sub 2 Analysis Results

Coefficient of Determination

Table 4. Coefficient of determination

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.954a	.910	.909	1.10080

a. Predictors: (Constant), customer engagement, sosial media marketing, brand experience

Source: SPSS Data Processing Version 23, (2023)

Based on Table 4, it is known that the *Adjusted R Square* value is 0.909. This value can be interpreted as the ability of the independent variable to affect the dependent variable by 0.909.

Concurrent Test (F Test)

The simultaneous influence of social media marketing variables (X_1) and brand experience (X_2) and customer engagement (Z) on brand loyalty (Y) can be seen in Table 5: Based on Table 5 it is obtained that the $F_{\text{calculate}}$ value is 1327,014 with a significant level of 0.000 smaller than alpha 0.05 (5%).

Table 5. Test F (Concurrent)

		ANOVA ^b			
	Model	Sum of Squares	df	Mean Square	F
1	Regression	4824.075	3	1608.025	1327.014
	Residual	476.222	393	1.212	
	Total	5300.297	396		

a. Predictors: (Constant), customer engagement, sosial media marketing, brand experience

b. Dependent Variable: brand loyalty

Source: SPSS Data Processing Version 23, (2022)

Test t (Partial)

Table 6 presents the values of regression coefficients, as well as statistical values for partial testing of influence.

Table 6 t-test (Partial)

		Coefficients ^a		Standardized Coefficients		
Model		Unstandardized Coefficients		Beta	t	Itself.
		B	Std. Error			
1	(Constant)	1.972	.365		5.398	.000
	Social Media Marketing	.859	.050	.630	17.107	.000
	brand experience	.286	.059	.244	4.878	.000
	customer engagement	.113	.044	.105	2.572	.010

a. Dependent Variable: brand loyalty

Source: SPSS Data Processing Version 23, (2023)

Based on Table 6, the regression equation is obtained as follows.

$$Y = 0,859X_1 + 0,286 X_2 + 0,113Z$$

Social media marketing is considered to increase consumer engagement and brand loyalty because companies can build direct two-way relationships and interactive and fast communication with consumers. Brand loyalty can increase by creating social media pages and interacting with consumers as effective interaction activities can generate positive feedback. Customer engagement is a customer-centric approach. The primary focus of this approach is discovering the customer's need for engagement and the additional value needed to meet that need. Marketing through social media helps companies connect individual customers and gives them opportunities to access customers. This is in line with studies conducted by (Farook & Abeysekara, 2016; Muchardie et al., 2016; Pratiwi et al., 2021; Yasin et al., 2020) which states that there is a positive and significant influence between social media marketing and customer engagement. reinforced by research conducted by (Daya et al., 2022; Ebrahim, 2020; Indarto et al., 2022; Junaedi et al., 2020; Rayat et al., 2017; Sohail et al., 2020) who stated that social media marketing significantly influences brand loyalty.

Social media platforms provide a powerful channel to engage with audiences, promote brands, and provide added value to consumers. There are several ways that social media marketing can increase consumer engagement, namely by presenting interesting content, interacting with consumers, social media optimization, and holding giveaways. When the content presented is interesting, it will attract audiences to continue to visit and interact with our social media platforms, so that consumer engagement will increase. Brand experience is also a component that affects brand loyalty. Brand experience includes sensations, feelings, cognition, and behavioral responses produced by brand-related stimuli, which are components of identity and design. According to research, brand experience can influence brand loyalty (Adhikari & Panda, 2019; Jai et al., 2022; Kotler, 2000; Parwati et al., 2021). This is because the emotional bond formed between the customer and the brand makes them remember the brand (Fernandez, 2014; Fikri et al., 2018; Yasin et al., 2019, 2020). Customer engagement must bind users to the product as part of a marketing strategy. This is important to maintain customer loyalty in the long run (Adhikari & Panda, 2019; Apenes Solem, 2016; Lestari et al., 2022; Terason et al., 2021).

If consumers have a positive experience with your brand, such as quality products, good customer service, or a pleasant shopping experience, they are likely to feel satisfied. This satisfaction can influence consumers to remain loyal to your brand. In addition, when having a good shopping experience with a brand, it is not impossible that consumers will recommend it to family or relatives, which can influence potential new consumers and strengthen loyalty among existing consumers. Consistent and positive experiences with brands

can maintain and strengthen consumer loyalty over time. When social media marketing and brand experience increase, customer engagement will also increase, so that brand loyalty increases. Brand loyalty can change over time, and it is important to constantly monitor and engage with consumers to understand their changing preferences and needs. In addition, the factors that influence brand loyalty can differ between industries and markets, so understanding what the market wants is key to maintaining brand loyalty. This research only discusses factors that can affect brand loyalty in the automotive manufacturing industry, so the results may differ in other industries.

Conclusions

From the research that has been done, it can be concluded that social media marketing has a positive and significant effect on customer engagement. Social media marketing has a positive and significant effect on brand loyalty. Brand experience has a positive and significant effect on customer engagement. Brand experience has a positive and significant effect on brand loyalty. Customer engagement has a positive and significant effect on brand loyalty. And social media marketing and brand experience positively and significantly affect brand loyalty through customer engagement. When social media marketing and brand experience increase, customer engagement will also increase, so that brand loyalty increases.

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