

Analysis on Effects of Brand Community on Brand Loyalty in the Social Media: A Case Study of An Online Transportation (UBER)

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Abstract—This study investigates effects of brand community in the social media on the customer-centric model (customer relationship with product, brand, company & other customers) and its impact on brand affect, brand trust, and brand loyalty. This study obtained 374 respondents who are followers of UBER brand community in the social media (Facebook and Twitter). Data were analyzed using covariance-based structural equation modeling (CB-SEM) with AMOS 22.0 as an application. The results of this study concluded that brand community in the social media has an impact on the customer-centric model. Brand affect and brand trust is only affected by customer relationship with product, brand, and company but not affected by customer-other customers relationship, and brand affect and brand trust have an impact on attitudinal and behavioral loyalty.

Keywords—brand community; brand loyalty; brand affect; brand trust; customer-centric; CB-SEM; AMOS

I. INTRODUCTION

To date, many technologies were created to support daily life. In 2014, technology based application to get transportation were booming in Indonesia, both created by local or international players, namely GO-JEK, GRAB, and UBER. At first, there were many pros and cons, not a few who accepted the presence of those technologies, but also not a few opposing it, which led to demonstrations by traditional transportation services. Finally, in March 2016 the Indonesian Government through the Ministry of Transportation (MoT) officially issued a regulation for application-based transportation services under the Transportation Minister Regulation No. 32 of 2016 introducing certain obligations that must be complied by all relevant stakeholders.

The competition among providers of transportation services are getting tougher. Customers play an important role for corporate business sustainability. Every company is trying to obtain higher customer lifetime value, by preparing a variety of marketing strategies, but this time, the focus and the target of marketing has changed, which at first how the company to obtain new customers, has turned into how the company keeps its existing customers to be loyal to the company [1]. One of the strategies that can be used by the company is to utilize social media.

Customers in the era of social media have now become a part of the social customer. The social customer is defined as a customer who uses social media to obtain and share information that related to a brand with others. This customer type is not the type of customers that passive. They will not hesitate to tell their experiences with a certain brand whether they have pleasant or unpleasant experiences [2]. This would be the reason why companies should participate in the use of social media, which is to maintain brand reputation. One instrument that can be applied to maintain brand reputation by the company is to build a brand community-based social media.

II. LITERATURE STUDY

Along with the development of technology and the internet, type of communication that customers had with company has changed from one-way communication into a two-way communication by using various social media platforms. Social media is defined as a set of internet-based applications built on Web 2.0 technology that enables the creation and change of User Generated Content (UGC). When Web 2.0 represents the ideological and technological foundation, UGC can be seen as the sum of all ways in which people make use of Social Media [3].

In this 21st century, customers interact with others and brand using social media. This forced the company to change the way of communication and branding activities through a more participatory approach [4] by participating in using social media. Therefore, one instrument that can be applied by the company is to build a brand community-based social media. The combination of the concept of brand community and the concept of social media leads to a concept that we call brand community-based social media [5].

Building a brand community has been recognized as an effective approach to building and maintaining customer relationships [6]. This is evidenced by research conducted by [7] which examines brand community from the famous brand (i.e Jeep and Harley-Davidson). [7] revealed that a community is made up of its member entities and the relations among them, and his research generated four entities that must exist in

a brand community which then called customer-centric model of brand community as shown in Fig. 1.

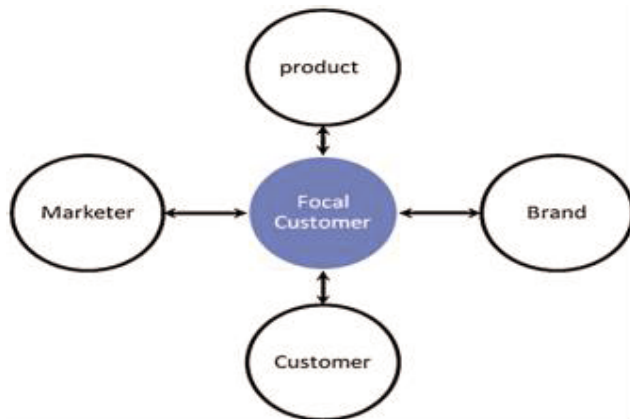


Fig. 1. Customer-centric model of brand community

[7] showed that the customer's participation in the brand community will lead to a positive relationship between the customer with the brand, the customer with the product, the customer with the company, and the customer with the other customers. This is because any interaction and experience that customer perceived will increase positive feelings toward these entities.

Brand community is defined as specialized, non-geographically bound community, based on a structured set of social relations among admirers of a brand [8]. Furthermore, [9] define the brand community as a group of people who have the same interest in a brand. [8] and [7] revealed that if a customer has become a part of a brand community, then it will be more loyal the customer is in consuming brand. Many researchers revealed that the main advantage of creating a brand community is to increase brand loyalty.

At first, brand loyalty refers to repeated purchases made by customers, but it is considered only shows the level of temporary acceptance of customer toward the brand. Therefore, in this study, brand loyalty is extended into two perspectives, namely attitudinal loyalty and behavioral loyalty. Attitudinal loyalty is defined as the level of commitment of the average customer toward the brand. Behavioral loyalty is defined as the willingness of the average customer to repurchase the brand [10]. In addition, this study use two primary antecedents of brand loyalty that are brand affect and brand trust. Brand affect is defined as a brand's potential to elicit a positive emotional response in the average consumer as a result of its use. Brand trust is defined as the willingness of the average consumer to rely on the ability of the brand to perform its stated function [10].

Therefore, in this study also sought to know the effect of customer-centric models of brand community-based social media to brand affect and brand trust and its influence on attitudinal loyalty and behavioral loyalty by using UBER as the object of a case study.

The reason why UBER was selected as the object of a case study is because when competition in the transportation services is getting tougher, UBER choses to remain focused on the business processes that provide transport services, unlike other competitors that combine several business processes to gain many new customers. Therefore, it is important for UBER makes its existing customers satisfied and remain loyal. Obviously with maintaining good relationships with customers, UBER itself has a brand community-based social media which used to bridge it and it should be maximized, as has been done by the brand Jeep and Harley-Davidson who has maximized the use of brand community-based social media as described in the research conducted by [11].

III. CONCEPTUAL MODEL

In this study, the concept of brand community refers to research conducted by [7] which said that a community was formed by the entities and relationships between these entities, and a brand community was formed of four entities, namely customer-product, customer-brand, customer-company and customer-other customers as well as the positive relationship that occurs among them. Furthermore, for brand community-based social media itself, aside from the four entities, required another entity that is used as platforms to facilitate relationships between the entities that is social media [5]. So we believe that the combination of brand community and social media (brand community-based social media) could also facilitate interaction or relationship among those entities. So we hypothesize that:

H1a: Brand community-based social media has an influence on customer-product relationship

H1b: Brand community-based social media has an influence on a customer-brand relationship

H1c: Brand community-based social media has an influence on a customer-company relationship

H1d: Brand community-based social media has an influence on customer-other customers relationship

Theoretically, repeated interactions and long-term relationship increase trust between parties [12]. When customers join a brand community-based social media they become constantly exposed to the brand contents as well as the meaningful experiences that other customers had with the brand and its products. They begin to communicate with other members as well as with company representative. Sharing meaningful experiences with the brand on social media and receiving feedback from other members strengthen the ties among customer and brand entities such as the product, the company, and other customers. This repeated interaction would make customers consider the brand as more trustworthy [12] and would increase the potential of a brand to get a positive emotional response from a customer (brand affect). Therefore, we hypothesized that:

H2a: Customer-product relationship has an influence on brand trust

H2b: Customer-brand relationship has an influence on brand trust

H2c: Customer-company relationship has an influence on brand trust

H2d: Customer-other customers relationships have an influence on brand trust

H3a: Customer-product relationship has an influence on brand affect

H3b: Customer-brand relationship has an influence on brand affect

H3c: Customer-company relationship has an influence on brand affect

H3d: Customer-other customers relationships have an influence on brand affect

Furthermore, in this study, we want to find out if brand affect and brand trust has an influence on attitudinal and behavioral loyalty. Several previous studies have revealed that brand affect and brand trust are the two main antecedents of brand loyalty. [13] showed that a high level of brand trust increases brand loyalty, both attitudinal and behavioral loyalty. Furthermore, the brand that makes customers feel happy, joyful and affectionate is a strong cause a customer be loyal both attitudinal and behavioral [10], [14], [15]. Therefore,

H4a: Brand trust has an influence on attitudinal loyalty

H4b: Brand trust has an influence on behavioral loyalty

H5a: Brand affect has an influence on attitudinal loyalty

H5b: Brand affect has an influence on behavioral loyalty

Fig. 2. describes our conceptual model.

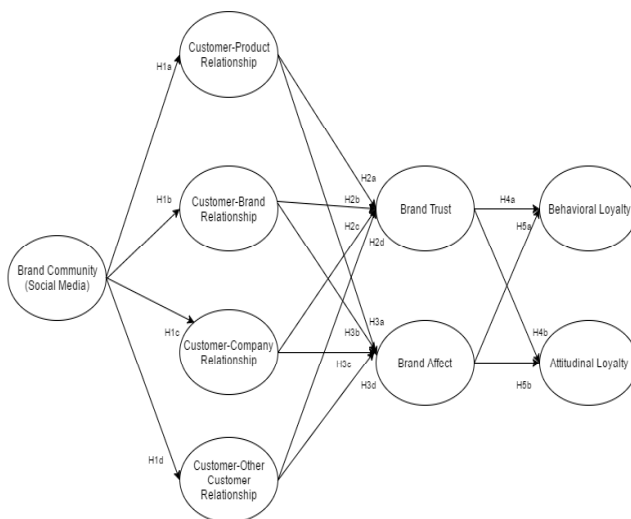


Fig. 2. Conceptual model

IV. RESEARCH METHODOLOGY

The research approach used is quantitative approach with study case method. Questionnaire method used for data collection. Research model, indicators, and questions were

developed based on those defined by previous literature, and was translated to Bahasa Indonesia and was reprocessed to adjust with the case study of this study. Data were analyzed using statistical methods CB-SEM using AMOS 22.0 as an applications.

A. The Research Population and Sample

The population of this study was all members of the brand community-based social media of UBER Indonesia. The research sample is obtained by using purposive sampling technique. This technique is used to obtain an appropriate sample, which is the member of the brand community-based social media of UBER Indonesia on Facebook and Twitter.

B. Instrument Design

Data were obtained by distributing questionnaires through social media (Facebook, Twitter, and Online Forum). The proposed questions were derived from previous studies and used a 5 scale Likert for quantitative analysis. The scales went from strongly disagree (1) to strongly agree (5). There are 32 questions in the questionnaire.

The questionnaires were first tested to ensure every question was interpreted correctly by the samples and was conducted to 10 samples who have followed the brand community-based social media UBER on Facebook and Twitter. Finally, collected 374 valid data that used for analysis.

V. ANALYSIS AND RESULTS

A. Respondent Demographics

Table I shows the demographics of the respondents who completed the questionnaires.

Table I. Respondent Demographics

Sex	Respondents	Occupation	Respondents
Male	200	Student	223
Female	174	Civil Servant	6
		Private Employees	74
		Entrepreneur	36
		Others	35
Age	Respondents	Brand community-based social media UBER which followed by respondents	
< 20	68		
20-30	251	Facebook	126
31-40	43	Twitter	154
> 41	12	Both	94

B. Test Measurement Model

The purpose of this test was to determine how precise the manifest variables (indicators) could explain the latent variables. Test measurement model consists of reliability test

and validity test. A summary of the results of these two tests is presented in Table II.

- Validity Test

Validity test consists of convergent validity test and discriminant validity test. Convergent validity test conducted by looking at the value of factor loading for each indicator and the value of AVE. An indicator is valid if its factor loading is greater than 0.7 [16]. Several indicators are found to have factor loading under 0.7. These indicators are then eliminated, namely: BC3 and CC5. The value of AVE acceptable if it is greater than 0.5 [16], and in this study, all values of AVE are greater than 0.5. Furthermore, based on the results of discriminant validity test is known that in this study, all values of the square root of AVE are greater than the value of correlation between variables.

- Reliability Test

A variable is said to be reliable if it has a value of Cronbach's Alpha (CA) greater than 0.5 [17] and value of Construct Reliability (CR) greater than 0.7 [16]. Based on

Table II. Measurement Model Test

Variable	AVE	Composite Reliability	Cronbachs Alpha
BC	0.613	0.760	0.598
CP	0.722	0.886	0.865
CB	0.716	0.883	0.881
CC	0.698	0.902	0.909
COC	0.737	0.894	0.892
BA	0.848	0.944	0.946
BT	0.723	0.939	0.930
AL	0.697	0.873	0.879
BL	0.826	0.935	0.934

calculations, it can be concluded that all variables can be said to be reliable because all values of CA are greater than 0.5 and all values of CR are greater than 0.7.

- Goodness of Fit

This step was conducted to determine how fit model research with research data that has been obtained. There are criteria that must be met, those are the value of CMIN / df, RMSEA, NFI, CFI, GFI, TLI, and RMR which must pass the threshold value. Table III shows the final results of this test, it can be seen that almost all the criteria are in the range of a good fit, while the value of GFI is still in the range of marginal fit.

Table III. Goodness of Fit

Criteria	Threshold Value	Result	Description
CMIN/df	< 2.0	1.774	Good fit
RMSEA	≤ 0.08	0.048	Good fit
NFI	≥ 0.9	0.94	Good fit
CFI	≥ 0.9	0.973	Good fit
GFI	≥ 0.9	0.891	Marginal fit
TLI	≥ 0.9	0.966	Good fit
RMR	≤ 0.05	0.037	Good fit

D. Test Structural Model

This step was conducted in order to identify whether the proposed research hypothesis is to be accepted or rejected. The hypothesis is accepted if the significance level of p is less than 0.05 and would be rejected if the significance level of p is greater than 0.05 [18]. Table IV presents the summary of the hypothesis test results.

Table IV. Hypothesis Test Summary

H	Indicator	P value	Summary
H1a	CP <- BC	0.003	Accepted
H1b	CB <- BC	0.002	Accepted
H1c	CC <- BC	0.002	Accepted
H1d	COC <- BC	0.001	Accepted
H2a	BT <- CP	0.002	Accepted
H2b	BT <- CB	0.001	Accepted
H2c	BT <- CC	0.013	Accepted
H2d	BT <- COC	0.995	Rejected
H3a	BA <- CP	0.002	Accepted
H3b	BA <- CB	0.002	Accepted
H3c	BA <- CC	0.031	Accepted
H3d	BA <- COC	0.85	Rejected
H4a	AL <- BT	0.031	Accepted
H4b	BL <- BT	0.027	Accepted
H5a	AL <- BA	0.002	Accepted
H5b	BL <- BA	0.003	Accepted

VI. DISCUSSION AND IMPLICATION

This study intends to find out the effect of brand community-based social media on brand loyalty. Based on data analysis, it is known that social media could be an intermediary application for the implementation of brand community. Furthermore also known that brand community-based social media has an influence on the customer relationship with product, brand, company and other customers. This situation happen because of participation made by customers on brand community-based social media UBER, because, similar to the results of research conducted by [7] shows that participation of customers in a brand community will lead to a positive relationship between the customer with product, brand, company and other customers. Our finding is consistent with the results of research conducted by [5].

Furthermore, the customer relationship with product, brand, and company had been proved to have an influence on brand affect and brand trust. The results of this study are consistent with results of research conducted by [5], because theoretically the repeated interaction and long-term relationships increase the trust between the parties [12]. Therefore, the interactions that customers had with the product, brand and company on a brand community-based social media UBER also shown to have an influence on brand trust, and these relationships also shown to have an influence on brand affect, which is defined as the ability of a brand to get a positive response from customers [10].

However, customer relationships with other customers found to have no effect on the brand affect and brand trust. These results are supported by research conducted by [12]. This may happen because UBER's customers will trust and give a positive emotional response to UBER based on what they felt or experienced, and not because of information or interaction that they obtained from other customers. Our findings also prove that brand affect and brand trust has an influence on attitudinal loyalty and behavioral and it turned out that brand affect has a bigger impact compared to brand trust.

Furthermore, the practical implication of this study is the importance for the company in the era of social media is to start building a brand community-based social media. The brand community itself could perform many necessary tasks to the interests of a brand, for example, members of the brand community can play a role as support service by helping brand-related issues from other members and can also be a source of innovation and a source for product improvement for the organization.

Furthermore, it is important to maximize the brand community-based social media that has been created, since the brand community has shown to have many benefits for the organization. One example that has been demonstrated through this study is the brand community can increase the brand loyalty both attitudinal and behavioral, and relationships or interactions made by the customer in brand community-based social media also shown to have an influence on brand trust and brand affect, which are also important and must be considered by the organization.

VII. CONCLUSIONS AND FUTURE RESEARCH

The results of this study can be summarized as follows:

- a. Brand community-based social media has an influence on the customer relationship with product, brand, company and other customers. This proves that social media can be an effective intermediary application for a brand community which can facilitate information sharing to enhance customers' bonds to each other and strengthen customer relationship with product, brand, company and other customers.
- b. Customer relationships with product, brand, and company have an influence on brand trust and brand affect, but customer relationship with other customers found to have no effect on brand trust and brand affect. This may happen, because UBER's customers will trust and give a positive response based on what they feel or experience directly related to the brand, and not because of information or interaction that they obtain from other customers.
- c. Brand trust and brand affect both have a strong relationship toward behavioral and attitudinal loyalty. This proves that brand trust and brand affect are indeed the two main antecedents of brand loyalty.

Here are some suggestions for future research which addresses the same topic: further research can be conducted by modifying the model of this study, by using some other antecedents of brand loyalty such as brand community commitment, brand reputation, etc and also can expand the object of case studies so that research results can be generalized. Furthermore, further research can separate the data analysis based on data respondents who have been old or new in following the brand community-based social media or based on the frequency of visiting the brand community-based social media to observe the effect and the difference.

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APPENDIX

No.	Variable	Indicators
1	Brand Community-Based Social Media	BC1 – The members of this community benefit from the community BC2 – The member share a common bond with other members of the community
2	Customer-Product Relationship	CP1 – I love the product CP2 – I am proud of the product CP3 – The products is one of my priced possessions
3	Customer-Brand Relationship	CB1 – I consider my brand as my number 1 choice of product CB2 – My brand is of the highest quality CB3 – I would recommend brand to my friends
4	Customer-Company Relationship	CC1 – The company understands my needs CC2 – The company cares about my opinions CC3 – I feel this company cares a lot about its customer CC4 – I feel the company takes my feedback seriously
5	Customer-Other Customers	COC1 – I have met wonderful people because of

No.	Variable	Indicators
	Relationship	the community COC2 – I have a feeling of kinship with other owners COC3 – I have an interest in the community because of the other owners of the brands
6	Brand Affect	BA1 – I feel good when I use this brand BA2 – This brand makes me happy BA3 – This brand gives me pleasure
7	Brand Trust	BT1 – My brand gives me everything that I expect out of the product BT2 – I rely on my brand BT3 – My brand never disappoints me BT4 – This is an honest brand BT5 – I trust this brand BT6 – This brand is safe
8	Attitudinal Loyalty	AL1 – I am committed to this brand AL2 – I would be willing to pay a higher price for this brand over the other brands AL3 – I consider myself to be loyal to the brand
9	Behavioral Loyalty	BL1 – I will but this brand the next time I buy the product BL2 – I intend to keep purchasing this brand BL3 – I would actively search for this brand to buy it