The Brand Community Journey Into Brand Loyalty of Indonesian Car Owner Community (Case: Pajero Indonesia One)

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Abstract---Brand community as a tool for customer retention strategy is widely accepted by marketing scholars as well as practitioners. The brand community affect and trust will influence directly and indirectly brand loyalty via brand community commitment. The present study conducted this framework of thinking to 327 members of PI.One as Pajero owner community in Indonesia as respondents. The factor analysis found that in PI.One environment, respondents do not differentiate between affect and trust. Thus, the independent variables merged into brand community affect and trust (BCAT). The hypotheses testing found that all hypotheses are supported. Several implications and also future researches are discussed at the end of this article.

Keywords---Brand Community, Brand Community Commitment, Brand Loyalty, Indonesia

I. INTRODUCTION

Both of marketing scholars and practitioners agree that firms may influence its customers to buy firm's products through customer acquisition strategy or customer retention strategy. Customer acquisition strategy is an effort of the firm that focus in gaining new customers who buy firm's product for first time. On the other hand, customer retention strategy focuses on existing customer to make them buying more products and become a loyal customer. Many scholars also agree that customer retention efforts have a positive influence over the success and growth of firm's business (for, example: Ascarza, Neslin, Netzer, Anderson, Fader, Gupta, Hardie, Lemmens, Libai, Nea, Provost, & Schrift, 2017; Thomas, Reinartz, & Kumar, 2004; etc.). According to www.outbondengine.com (Accessed in 20 May 2019), there are three benefits of implementing customer retention over customer acquisition strategy includes:

- Cost of retaining an existing customer only one fifth of cost of acquiring a new customer,
- Firm can increase about 25-95% profits by only increase 5% effort in customer retention,

• The success rate of selling to existing customer is higher (60-70%) than the success rate of selling to a new customer (only 5-20%).

The ultimate goal of marketers is to create as many as possible of loyal customers. The loyal customer displays favourable behaviours such as repurchasing, positive word-of-mouth, constructive feedback, and cross-selling (Caroll & Ahuvia, 2006; Hur, Ahn, & Kim, 2011; Lord & Tate, 2017; Stokburger-Sauer, 2010). Loyalty is an individual feeling that customers express towards a brand. Lord and Tate (2017: 3) noted: "All customers aren't taking the same actions when interacting with a brand, and to make the case for building customer loyalty." Consequently, firm should consider many opportunities, tools, and channels available in order to build loyal customers. Many scholars (and also practitioners) promote community around a brand as an important tool and channel in building loyal customers group (Algesheimer, Dholakia, & Herrmann, 2005;Hur et al., 2011; Lord & Tate, 2017; McAlexander, Schouten, & Koenig, 2002; Muniz & O'Guinn, 2001; Stokburger-Sauer, 2010).

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Classic example of HOG (Harley Owner Group) demonstrates that members' participation in community is increase their affection for Harley brand and leads to commitment, dependability, even evangelist consumers (Fournier, Sensiper, McAlexander, & Schouten, 2001). Many past researches demonstrated that brand communities empirically influences brand loyalty, for example: Algesheimer et al. (2005); Carrol and Ahuvia (2006); Chaudhuri and Holbrook (2001); Hur et al. (2011); McAlexander et al. (2002); Muniz and O'Guinn (2001); Stokburger-Sauer (2010). Algesheimer et al. (2005) found that brand community influences members' various behaviours such as membership continuance, recommendation, active participation, and loyalty to the brand in European car clubs. Hur et al. (2011) demonstrated that well-managed brand community affect and brand community trust promote loyalty towards commitment in female online fashion in China.

The present study chooses PI.One as a community of Mitsubishi Pajero owners in Indonesia for several reasons. First, PI.One is one of the biggest and active car owner community in Indonesia with more than 2,500 members in 7 regions and 51 chapters all over Indonesia cities (http://pajeroindonesia.org/wilayah-chapter/, accessed in 20 May 2019). Second, in early 2019, Pajero is the leader for big SUV sales in Indonesia and defeats Toyota Fortuner and Nissan Terra in second and third place (Aristyo, 2019). Third, compare to all other brands that Mitsubishi has, Pajero contributed 78.6% (19,124 units) of total Mitsubishi sales in 2016; meanwhile other brands (Mirage, Outlander Sport, Delica, etc.) together contributed only 21.4% (Suhendra, 2017). Thus, it is interesting to study what makes PI.One community develops their brand community and gain success in pursuing brand loyalty among its members.

II. LITERATURE REVIEW

II.I. Brand Community Commitment And Its Antecedents

As mentioned before that creating and nurturing community is one of the best way to conduct customer retention strategy that the ultimate goal is to create loyal customers from existing customers. It was Muniz and O'Guinn (2001: 412) who defined brand communities for the first time as "specialized, non-geographically bound communit(ies), based on a structured set of social relationships among admirers of a brand". Thus, basically brand community is a social interactions between brand to customers and customers to customers (Algesheimer et al., 2005; Muniz and O'Guinn, 2001; Stokburger-Sauer, 2010). Then, McAlexander et al. (2002) extended the brand community into four-relationship structure, which are: the relationships between a customer and the product, the relationships between a customer and the brand, the relationships between a customer and the company, and the relationships between a customer and other customers/owners known as "integration in the brand community" or IBC. According to Muniz and O'Guinn (2001) brand community can be expressed in three aspects which are consciousness of kind, shared rituals and traditions, and a sense of moral responsibility.

Habibi, Laroche, and Richard (2014) explained that brand community researches fall into three streams. First stream relates to the conceptual aspects of brand communities based on its characteristics and limits (Algesheimer et al., 2005; McAlexander et al., 2002; Muniz & O'Guinn, 2001). Second stream focuses on the outcomes and also the antecedents of brand communities (Bagozzi & Dholakia, 2006; Hur et al., 2011; Laroche, Habibi, & Richard, 2013; Stokburger-Sauer, 2010). Third stream investigated the process of the establishment of brand communities. The present study follows second stream by following Hur et al.'s (2011) study. According to the authors, brand community is defined as commitment which refers to stable relationship between customers and brand that identified by a community. This commitment become an underlying spirit that influence members positive attitude toward a brand as a basic long-term relationship between customers and the brand.

Hur et al. (2011) also defined two antecedents of brand community commitment (BCC), which are: brand community affect (BCA) and brand community trust (BCT). Brand community affect is an emotional feeling that bind members of a brand community that leads to a long-term relationship and commitment. "The positive affect generated by brand community activities will enhance committed response such as consciousness of a kind" (Hur et al., 2011: 1198). Meanwhile, brand community trust is built in a cognitive level of the customers as a results of continuous satisfaction to the performance of a brand. Thus, the more customer believe that a brand will keep its promise regarding the performance the more it will positively influence brand community commitment (Hur et al., 2011).

II.II. Brand Community Commitment And Brand Loyalty

Lord and Tate (2017: 1) mentioned that: "Loyalty is a feeling customers have toward a brand that is evident through their actions; loyal customers visit the brand more, purchase more frequently, and even advocate on a brand's behalf." There is no doubt that having loyal customers is the main goal of every firm. Lord and Tate (2017) reported

that loyal customers only as big as 20% of total customers that a firm has; however, these 20% will give 80% of a firm's total revenues. According to Dick and Basu (1994), loyal customer can be categorized into four groups, which are true, latent, spurious, and low loyalty. While according to Lord and Tate (2017), loyal customer can be divided into four types: no loyalty, inertia loyalty, latent loyalty, and premium loyalty. Those who have no attraction to a brand are the no loyalty customers. If a customer buy only for his/her convenience then he/she is categorized as inertia loyalty customers. A person that loyal to a brand but only purchase a brand once in a while is categorized as latent loyalty. Finally, those who purchase often for a brand, and shares pride after they purchase are the premium loyalty group. Thus, scholars agree to construct loyalty by combining attitude elements and behaviour elements (Chaudhuri & Holbrook, 2002). Thus, following previous scholars (e.g. Bagozzi & Dholakia, 2006; Carroll & Ahuvia, 2006; Chaudhuri & Holbrook, 2002; Dick & Basu, 1994; Hur et al., 2011) the present study constructs loyalty into three dimensions, includes: repurchase intention, positive word-of-mouth, and constructive complaints.

Today, loyalty is start from the day that customer discovers a brand not after the sale (Lord & Tate, 2017). Thus, a firm should have effort from the first step of customer journey, starting from building a brand, creating a community, and encouraging word-of-mouth from loyal customers. According to Chaudhuri and Holbrook (2002), brand trust and brand affect influence customer loyalty. Based on previous literatures, the present study decided to follow Hur et al.'s (2011) brand community journey as the main framework for this research.

III. RESEARCH METHODOLOGY

The present study uses quantitative and cross sectional research setting that implements one dependent variable (brand loyalty), one mediating variable (brand community commitment), and two independent variables (brand community affect and brand community trust). Questionnaire was design by adapting and adopting 19 items of questionnaire from Hur et al.'s (2011) and Denkalla and Tricahyono (2015). Four points of Likert scales (1 is strongly disagree and 4 is strongly agree) is used to measure the perceptions of the respondents regarding the variables being studied. There are seven parts of questionnaire, which comprise of characteristic respondent, brand community affect, brand community trust, brand community commitment, loyalty of repurchase intention, loyalty of word-of-mouth, and loyalty of constructive complaints.

Five hundreds questionnaires were distributed to members of PI.One through Pajero Indonesia Instagram account which has more than 19 thousands followers. Three hundreds sixty seven questionnaires were returned and three hundreds twenty seven questionnaires were valid and being used for further analysis.

Beside conducted face validity in the questionnaire design phase, the present study conducted also construct validity by implementing confirmatory factor analysis after the 327 questionnaire is being gathered. The factor analysis reveals that from original framework that consist of six variables, the factor analysis only resulted five variables. Two independent variables (brand community affect and brand community trust) is united into one new variable: brand community affect and trust. One items is being deleted from the questionnaire, thus the total items became 18 items in the questionnaire. Table-1 shows the factor analysis process and the results. All the measurements have Alpha Cronbach scores above .70 which means the measurement is valid.

Variable	Numbe r of items	No. of Iteration s	Items deleted	Results	New Variable	Numbe r of items	α
Brand Community Affect (BCA) Brand Community Trust (BCT)	3	2	• I depend on this community	KMO= .813; ev=2.997; %var=59.93 2	Brand Community Affect & Trust (BCAT)	5	.828
Brand Community Commitment (BCC)	4	1	No item was deleted	KMO= .714; ev=2.399; %var=59.98 6	Brand Community Commitment (BCC)	4	.772
Loyal- Repurchase Intention (LRI)	3	1	No item was deleted	KMO= .838; ev=4.23, 1.13, 1.02;	Loyal-Repurchase Intention (LRI)	3	.762

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Loyal-WOM (LWOM)	3	% var=70.93 2	Loyal-WOM (LWOM)	3	.748
Loyal-	3		Loyal-	3	.804
Constructive			Constructive		
Complain (LCC)		Complain (LCC)		
N KMO K	·		1 1		

Note: KMO=Kaisser-Meyer-Olkin measure; ev=eigen value; %var=% variable explain

Table-2 shows the Pearson correlation between all variables under study. All the correlations among the latent constructs were significantly less than one (Bagozzi & Edwards, 1998). It can be proved that all of the constructs are good enough.

1a	Diez: The Di	variale corr	elation betw	veen all varia	Dies
	BCAT	BCC	LRI	LWOM	LCC
BCAT	1				
BCC	.686**	1			
LRI	.454**	$.506^{**}$	1		
LWOM	.552**	$.560^{**}$.515**	1	
LCC	.435**	.486**	.490**	.516**	1

*Significant at $\alpha \square$ = .01; all correlations are significantly less than 1.00.

Figure 1 shows new research framework based on the result of factor analysis. With this new arrangement, the present study develops ten hypotheses to be tested by using multiple linier regression. The Baron and Kenny (1986) protocol is used to test the mediator effect of BCC to the relationship between BCAT and three loyalty constructs. The present study conducted all statistical calculation by using SPSS version 21. All the hypotheses are:

H1: Brand community affect and trust (BCAT) positively influence brand community commitment (BCC),

- H2: BCAT positively influence loyalty of repurchase intention (LRI),
- H3: BCAT positively influence loyalty of word-of-mouth (LWOM),
- H4: BCAT positively influence loyalty of constructive complaints (LCC),
- H5: BCC has a direct effect to LRI,
- H6: BCC has a direct effect to LWOM,
- H7: BCC has a direct effect to LCC,
- H8: BCC mediates the relationship between BCAT and LRI,
- H9: BCC mediates the relationship between BCAT and LWOM,
- H10: BCC mediates the relationship between BCAT and LCC.

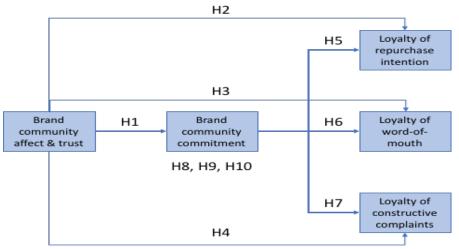


Figure-1. Research Framework

IV. RESEARCH RESULT& DISCUSSION

IV.I. Characteristics of respondents

Since all the respondents come from members of PI.One the owners club of Pajero, then this community basically is "corporate" brand community or organized around a brand (Algesheimer et al., 2005). At this level, all the respondents are those who have already bought firm's brand, which is mean that all the responds may increase the relationship between customer and the car company (i.e. Mitsubishi) (McAlexander et al., 2002). It makes all the conclusion from the present study tend to improve customer retention strategy rather than customer acquisition strategy.

The respondents is dominated by male (84%) and majority in 35-44 years old (46%). These respondents are educated people with 52% has bachelor degree followed by master degree holders (24%). 58% of the respondents are public and private employees and followed by 23% are entrepreneur. Regarding the sources of information about the community at the first place, the respondents responded 43% from the internet, 38% from friend's recommendation, 17% from repair stations, and 2% from other sources. 19% of them have already joined community for more than one year, 59% joined the community for 4-12 months, and the rest (22%) were below 3 months. Among the reasons why they joined community were: product knowledge sharing, increase number of friends and new family, and to obtain references for car modification. Basically, they have a lot benefit by joining the community.

IV.II. Hypotheses testing results and discussion

The present study proposes 10 hypotheses to be tested: 7 hypotheses are direct relationships, and 3 hypotheses are involving mediating variables. Table-3 shows the results of multiple regression analysis of direct relationships. All the hypotheses were supported. All the relationships were significantly proved with p less than .01. The strongest relationships were BCAT to BCC, BCC to LWOM, BCAT to LWOM, and BCC to LRI. The R² reveals that the most dedicated independent variable was BCAT that may explains BCC by 47%, followed by BCC to LWOM by 31.3%, and BCAT to LWOM by 30.3%.

Table-3. Direct hypotheses lest results						
(Hypotheses) Relationship	\mathbf{R}^2	Adjusted R ²	Standardized Beta	Results		
(1) BCAT to BCC	.471	.469	.686**	Supported		
(2) BCAT to LRI	.206	.204	.454**	Supported		
(3) BCAT to LWOM	.305	.303	.552**	Supported		
(4) BCAT to LCC	.189	.187	.435**	Supported		
(5) BCC to LRI	.256	.254	.506**	Supported		
(6) BCC to LWOM	.313	.311	.560**	Supported		
(7) BCC to LCC	.236	.234	.486**	Supported		

Table-3. Direct hypotheses test results

Note: Significant levels ***p* < .01; **p* < .05

Based on the results of direct relationships, brand community affect and trust (BCAT) alone explains brand community commitment as well as brand loyalty, especially for loyalty of word-of-mouth (LWOM). Moreover, brand community commitment (BCC) also significantly influence brand loyalty, especially LWOM. Thus, the present study supports previous research that claimed positive influence of brand community to brand loyalty (e.g. Algesheimer et al., 2005); Carrol & Ahuvia, 2006; Chaudhuri & Holbrook, 2001; Denkalla & Tricahyono, 2015; Hur et al., 2011; McAlexander et al., 2002; Muniz & O'Guinn, 2001; Stokburger-Sauer, 2010). The present study reveals more specific result that brand community actions influence more on loyalty of word-of-mouth, rather than for repurchase intention and constructive complaints. This findings are similar to Denkalla & Tricahyono's (2015) and Hur et al.'s (2011) results. However, the present study shows that increasing customer happiness is parallel with increasing their trust to brand. This finding may contribute to how corporate should manage their brand communities. First, the corporate should encourage customers to join a brand community for their benefits. Second, in order to increase the loyalty, the corporate should increase the customers' level of happiness. Third, the corporate should nurture the community and prepare the rich and creative contents that members of the community may use for positive word-ofmouth. Table-4 shows the mediating effect on the relationships between IV and DV. By using Baron and Kenny's (1998) protocol, the present study reveals that Brand community commitment (BCC) mediates all the relationships between BCAT and all three constructs of brand loyalty (repurchase intention, word-of-mouth, and constructive complaints). All the mediating hypotheses were supported. BCC partially mediates the relationships between BCAT to LRI, LWOM, and LCC. Thus, brand community affect and trust directly influence brand loyalty and indirectly influence brand loyalty via brand community commitment. It supported the previous research, for example: Fournier et al. (2001); and Hur et al.'s (2011). It can be concluded that active members (as reflects in BCC) could promote loyalty towards a brand. As noted by Hawkins & Mothersbaugh (2009: 231), "Brand communities seem most relevant for high-involvement, activity-based products."

I able-4. Hypotheses Test Results for Mediator Variable (BCC)				
(Hypotheses) Relationship	Model 1	Model 2	Results	
(8) BCC mediates BCAT-LRI relationship			Supported	(Partially
\mathbf{R}^2	.206	.277	mediates)	
Beta Change BCAT	.454**	.202*		
Beta Change BCC	-	.367**		
(9) BCC mediates BCAT-LWOM relationship			Supported	(Partially
\mathbf{R}^2	.305	.367	mediates)	
Beta Change BCAT	.552**	.318**		
Beta Change BCC	-	.341**		
(10) BCC mediates BCAT-LCC relationship			Supported	(Partially
\mathbf{R}^2	.189	.256	mediates)	
Beta Change BCAT	.435**	.192*		
Beta Change BCC	-	.354**		

Table-4.	<i>Hypotheses</i>	Test Results for Mediato	or Variable (BCC)

Note: Significant levels ***p* < .01; **p* < .05

V. CONCLUSSION & FUTURE RESEARCH

The present study demonstrates that brand community journey can add value to the ownership of the product and build intense loyalty. In case PI.One, as the community of Indonesian Pajero car owners, the journey starts from brand community affect and trust as a single construct that influence brand loyalty directly and indirectly via brand community commitment. The present study reveals that positive word-of-mouth is the most loyal behavior that influenced by brand community affect and trust and brand community commitment. The present study demonstrates that the active car owner community is the efficient way to enhance brand loyalty. Thus, the present study suggests that car manufactures should aware and nurture the existence of owner community as their effort in customer retention strategy.

The present study only collect the data from one community, so, it is better to extend this research to other communities in car and other products, such as: gadget, fashion, culinary, hotels, etc. One of the key finding in the present study is the importance of word-of-mouth in describing the brand loyalty from brand community. Thus, the future research should dig deeper these issues: to find out what kind of message that loyal customer things very important, to understand the process of how the word-of-mouth (perhaps viral) take place, and so on.

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