CHAPTER 1

INTRODUCTION

This chapter includes research/study backgrounds, research problem statements, research objective questions, research purposes or objectives, the research scope, research contributions, and the last is research/study outlines.

1.1 Research Background

Brand is an intangible asset of the company which plays important role for the product attributes that designed and created the awareness and also identity among the market of the product, person, service, organization, group, place or category (Sammut-Bonnici, 2015). The reason of the brand created, are to differentiate between our product, service or group to competitor's, this helps the substitution or replaced-easily decision buying of the customer when our product, service or group are compete on the marketplace (Sammut-Bonnici, 2015). Brand itself need to be identified properly with the market, distinct market space and information perceived by consumers for brand positioning (Sammut-Bonnici, 2015). The brand and its product and services are interacting to the human, with feelings and also logical consideration.

Positive comments and testimonies are phrases associated to loved brand (e.g 'You have to use this brand product, compared to you, i'm pretty confident mine is better', 'That brand is releasing new product soon, i should prepare my money to get the pre-order slot') this explains Brand Love (BL) is essential (Rauschnabel &

Ahuvia, 2014), this also a potential power of influence of goodwill toward brands and protection of undermining opinion (Batra et al., 2012).

Brand love has the meaning of a holistic conclusion as an effect of factors (MacInnis & Folkes, 2017). Brand love is not the endgame for the company to be chased and no effort to be sustained and protected, there will be a stages of the brand love positions among the marketplace (Barker et al., 2015). According to BERA Scores, 2021 Brand relationship define the financial state with the phases of the newly made brand, dating phase, in-love phase, boredom, and divorce.
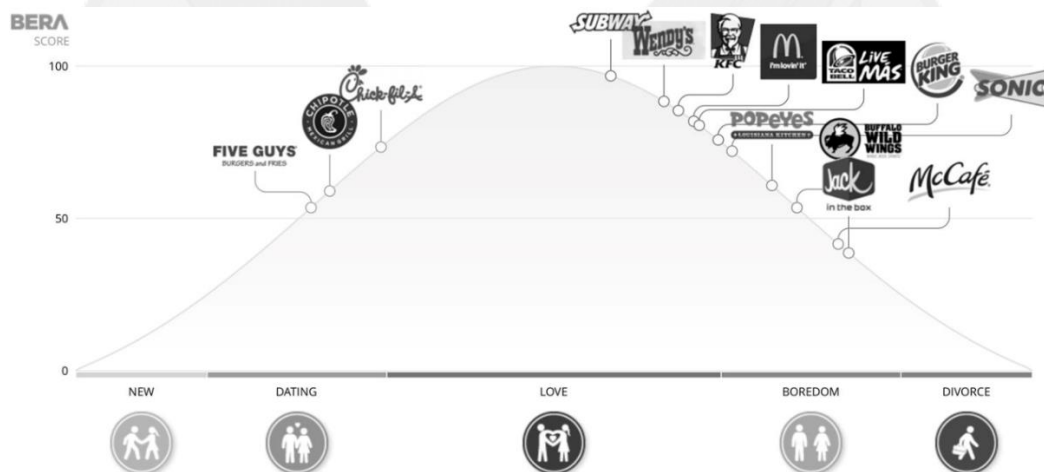

Figure 1. 1 Brand Relationship Stages Examples According to BERA Scoring System

Source: Semantic Scholar – BERA Scores

Superior performance of the companies which owning the brand is reflected by the brand love factor, since the human's intuitive could asses the emotional brand-bond should have lead the economic, social and psychology positive factors to superior company's performance. (Barker et al., 2015). As an additional consideration, the customers with high brand love to ours are expected to be the loyal customers with retention buying, repetitive and spreading our particular

advantage to market with positive economic impacts to company which reflecting the good performance of the company. (Barker et al., 2015)

 As many new brands rising and being loved for its small and start-up image story told, the brand must be assured and protect loyalty toward its asset since customers could flexibly decide which brand they are going to use or what they are using (Prasad & Jha, 2014). Concepts made among researchers haven't found any certain answer on how Brand Love is made up, determining Brand Love is going to help marketers to earn valuable relationships between customers and brands. This could be absorbed as an answer for companies to create value of the brand from a customer's perspective (Barker et al., 2015).

In Indonesia, android system is announced as most rapid growing Operational System (OS) of software installed on gadgets with most majoring the market shares of mobile phone and wearable gadget industry (Statista, 2021).
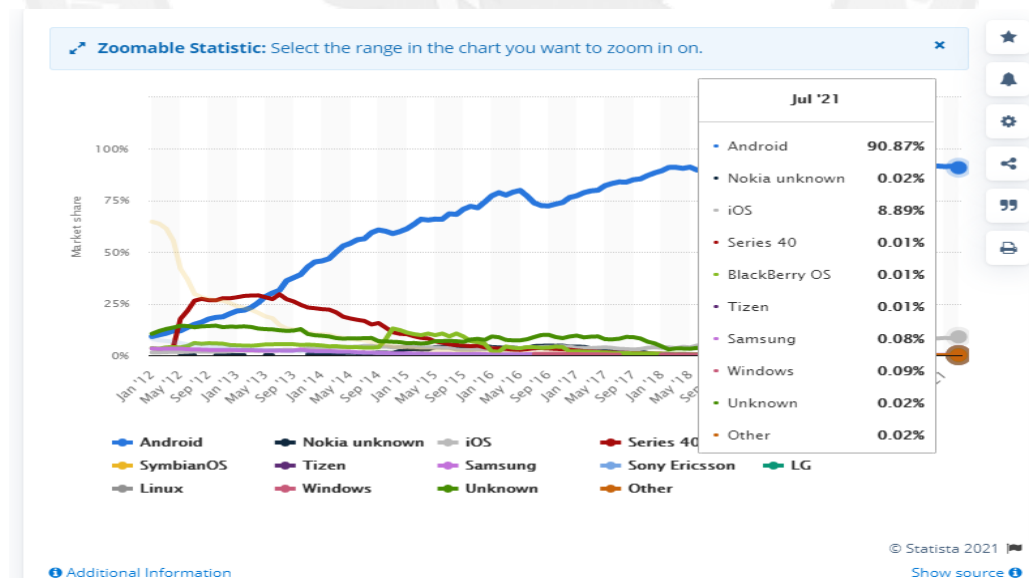

Figure 1. 2 Market Share of Mobile Phone in Indonesia; Operating System (OS)

Source : Statista.com

Brand with a strong brand love are assessed good for being the best on the marketplace; receive complains for its superior price; altruistic arises as the relationship grows among brand and customer; Brands are not living creature, so it can't respond directly to customer's love; Brand love is not same as interpersonal love.
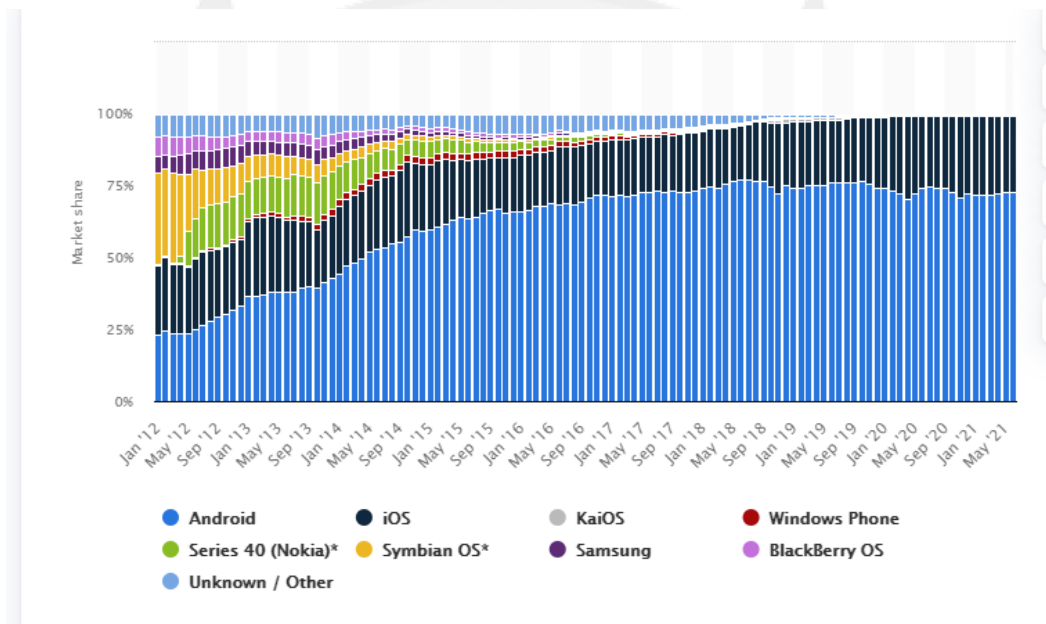

Figure 1.3 World's Market Share of OS Gadget Software in The World
Source: Statista.com

Mentioned by Statista, not only reflected by Indonesian market, but the android system also proven as the most growing and majorly acquiring the market shares over the world by having above 60% of the market shares. Customer engagement aren't represented by and also measured by retention buying only, for example in mobile phone technology companies aren't selling the product itself (Gadget Hardware), but also features and in-app buying in the system, brand collaboration which generates continuous revenue on brand through products made (Bansal & Chaudhary, 2016). Customer engagement (CE), is considered as

multidimensional constructive definition includes emotional, cognitive, and also behavioral acts of the market (Fernandes & Esteves, 2016). It is not only represented by behavior but attitudes and reasoning behind it as well.

Customer Well-Being (CWB) also has a lot of attention to be researched among marketers (Manchanda, 2017).This is the response of developed Transformative Consumer or Service Research as an academic movement contributing business Consumer Well-Being (Mayssara A. Abo Hassanin Supervised, 2014). According to (Sirgy, 2017), CWB is viewed perspectively from subjective and objectively as a performance measurement of the product and brand. This variable is measured according to subjective perception of samples taken to provide information about their well-being of the brand's product. (Michaelidou & Dibb, 2008), defined customer's behavior of usage and satisfies the product as their response reflected by usage time and intensity towards product and brand. Longer the usage, the longer it reflects how customers get comfortable with the product (Michaelidou & Dibb, 2008).

1.2 Research Problem

According to Statista (2021), The smartphone users in Indonesia are increasing rapidly compounded each year, which represents the growth of the economy in Indonesia and the absorption level of consumption in Indonesia.
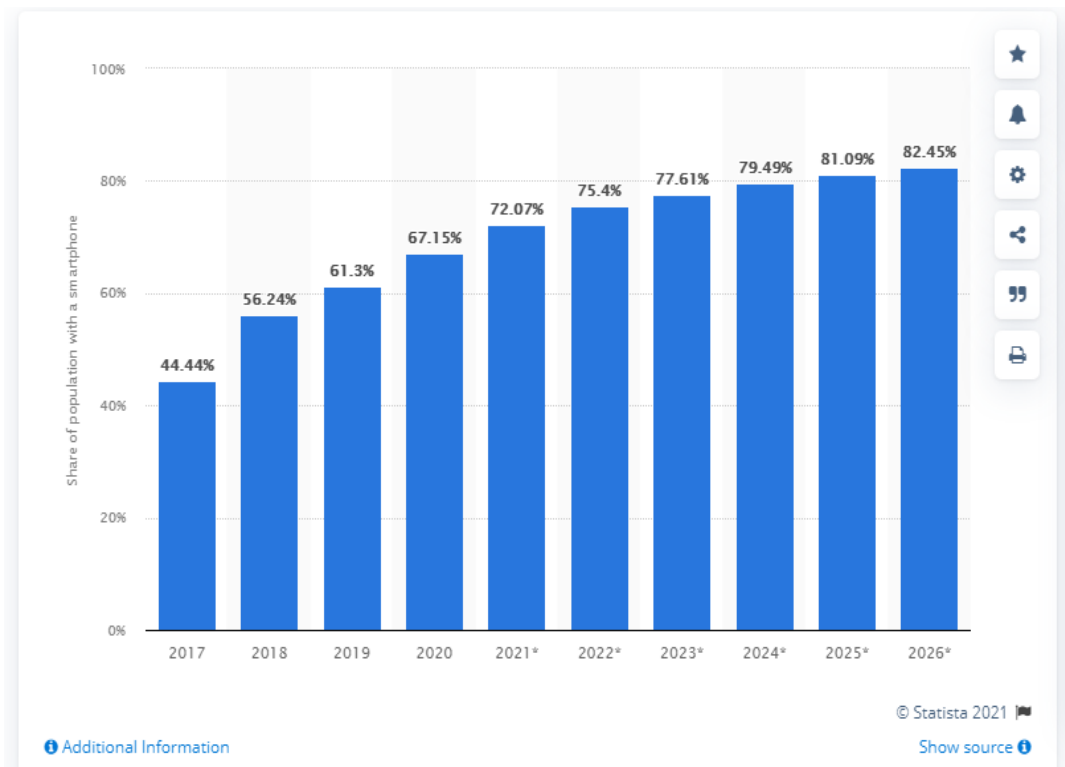
Figure 1.4 Indonesia's Mobile Phone Penetration Market Growth 2017 to 2026 Forecast
Source: Statista.com

The advanced question internally should be asked to each company; Which brand will be chosen by the customer to be their gadget consumption? What are several factors influencing the way customers are attached to one brand and not moving on to another brand? Product win the heart of customer by giving experience of consumer wellbeing of the product that brand made. It can't be denied for one brand to acquire major part of the market shares in the industry without the positive result of the Customer Wellbeing state. Therefore, from the previous research, it is mentioned that Customer Wellbeing is significantly influenced by Brand Love and gets a form of mediator Customer Engagement. Here, writer develops and do the details how Brand Love significantly influence the Customer Wellbeing mediated by Customer Engagement for Android OS Gadget Software

specified in Indonesia. This research discussed the variables of Brand Love, Customer Engagement Direct (Buying) and Indirect (Referrals, Influence, Feedback), with the end outcome of Customer Wellbeing.

1.3 Research Objectives

Based on the background, the objectives of this research are :

1. To identify whether there is a positive correlation between Brand Love and Customer Engagement Buying

2. To identify whether there is a positive correlation between Brand Love and Customer Engagement Referrals

3. To identify whether there is a positive correlation between Brand Love and Customer Engagement Influence

4. To identify whether there is a positive correlation between Brand Love and Customer Engagement Feedback

5. To identify whether there is a positive correlation between Customer Engagement Buying and Customer Well Being

6. To identify whether there is a positive correlation between Customer Engagement Referrals and Customer Well Being

7. To identify whether there is a positive correlation between Customer Engagement Influence and Customer Well Being

8. To identify whether there is a positive correlation between Customer Engagement Feedback and Customer Well Being

9. To identify whether there is a positive correlation of Brand Love, mediated by Consumer Engagement Buying to Customer Well Being

10. To identify whether there is a positive correlation of Brand Love, mediated by Consumer Engagement Influence to Customer Well Being

11. To identify whether there is a positive correlation of Brand Love, mediated by Consumer Engagement Reference to Customer Well Being

12. To identify whether there is a positive correlation of Brand Love, mediated by Consumer Engagement Feedback to Customer Well Being

13. To identify whether there is a positive correlation of Brand Love and Customer Wellbeing

1.4 Research Questions

Based on the problem statement, this research questions are:

1. Does Brand Love influence Customer Engagement Buying?

2. Does Brand Love influence Customer Engagement Influence?

3. Does Brand Love influence Customer Engagement Referrals?

4. Does Brand Love Influence Customer Engagement Feedback?

5. Does Customer Engagement Buying Influence Customer Wellbeing?

6. Does Customer Engagement Influence, Influence Customer Wellbeing?

7. Does Customer Engagement Referrals Influence Customer Wellbeing?

8. Does Customer Engagement Feedback Influence Customer Wellbeing?

9. Does Brand Love Influence Customer Wellbeing Mediated by Customer Engagement Buying?

10. Does Brand Love Influence Customer Wellbeing Mediated by Customer Engagement Influence?

11. Does Brand Love Influence Customer Wellbeing Mediated by Customer Engagement Referrals?

12. Does Brand Love Influence Customer Wellbeing Mediated by Customer Engagement Feedback?

13. Does Brand Love Influence Customer Wellbeing directly?

1.5 Research Scope

This research has a limited scope in the following conditions:

a. This research is conducted in Indonesia

b. This research is identifying about Android OS Brand

c. Respondents in this research concludes Android's users as the samples since Brand Love is identified after experience of using the product.

1.6 Research Contribution

This research contributes general views and practical implications as follows:

a. Theoretical Contribution

This research contributes in academic to identify the contribution of Brand love to the Customer Wellbeing as lack of research discussed this topic. This easing marketer to do more attention for Brand love factor & Customer engagement as a direct outcome of Brand love.

b. Practical Contribution

This research practically could be applied by readers as an inspiration to create the engagement to the customer deeper. In this context of mobile phone industry, writer provides proof of the data shows significant answers of the public on Android as a benchmark for applying

on reader's working area. This research also give information and contribution for general reader to shows the reader's variable in the business which is brand love could be focused on and in action to take care of the factor to sustain the business in target of customer wellbeing state.

1.7 Research Outline

The systematic order of this research is organized as follows:

a. **CHAPTER 1 - INTRODUCTION**

The discussion in this passage concludes the background of the study and topic which would be discussed along this discovery. This includes study background (the introduction and phenomenon in the scope of this study), research problems (The problems to be solved in this thesis), research questions (questions would be answered in this thesis), research objectives (the basic state of doing this research), research scope (the limitation of discussion topic and variables involved in this thesis), research contribution (the influence hoped for this thesis and its impact to academic and applied execution) and research outline (the outline of the thesis). This passage also explains the backgrounds of the whole process of research so the reader could easily determine and obtain the validation and understanding of the research will be provided.

b. CHAPTER II - LITERATURE REVIEW

Discussion here explains previous research made by past researchers, this provides literature information and also theoretical background of each variable discussed in this thesis. The least one is the conceptual framework of research hypothesis

c. CHAPTER III - RESEARCH METHOD

This chapter provides data and measurement method of this thesis and research methodologies used consist of explanation of research types, research design and also the method of data collection

d. CHAPTER IV - DATA ANALYSIS AND DISCUSSION

The result follows the previous chapter and uses a statistical approach of examination to find the connection and correlation among the variables in this research. The result in this chapter would lead to the conclusions.

e. CHAPTER V - CONCLUSION

The fifth chapter would be explaining the summary and conclusion of the research, recommendation for future researchers and future research project, limitation of the research and conclusion of the research