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Impact of Customer Engagement to Reputation of the Bri Syariah Indonesia

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Abstract: The aim of study is to analyze the effect of Customers' Intensity of Social Media Use, Engagement in Company's Social Media Activities with the Consumers' Perception of Corporate Reputation on BRI Syariah. It is interesting to study that the various development and expansion of social media channels are expected to further accommodate the needs of information in real time through various channels. Hopefully this will form customer's social media engagement and has an influence on BRI Syariah corporate's reputation. This research used survey quantitative method. Population in this study is 50,361 million followers of BRI Syariah on Facebook. Deployment of questionnaire was conducted with purposive sampling method. Methods of data analysis is using correlation analysis. The result of research shown correlation between consumer's intensity of social media use with customer's engagement in company's social media activities 0,780; correlation between consumer's level of engagement in company's social media activities with consumer's perception of corporate reputation 0,720; correlation between consumer's intensity of social media use with consumer's engagement in company's social media activities with consumer's perception of corporate reputation 0,750. Conclusion : that social media engagement that was conducted by BRI Syariah is already quite good and impacting corporate reputation.

Keyword: Corporate Reputation, Social Media Use, Consumer Engagement, Online Engagement.

1. INTRODUCTION

Communication is inevitable in humanity daily life. Human fulfill their needs by interacting with each other, either face to face or using certain media to communicate. As a new media, today, people are addicted to internet. Only by using personal computer or smartphone, people are connected with each other, defying distance, to conduct their personal interaction or even business matter.

BRI Syariah is a banking company conducting business under Islamic financial rule, or we could say, Sharia financial. The company develop communication and relationship with their customer via internet,

especially in social media. Based on Statistik Perbankan Syariah (Keuangan, 2016), competition level in the world of Sharia financial has get tougher by year, as a lot of new banks arise. BRI Syariah established in 2008, at that time, there's only 4 commercial banks that serve Sharia financial. But now, the number increased to 12.

A considerable number of banks adopted the same marketing strategy, including BRI Syariah's competitor, i.e. BNI Syariah Bank, Syariah Mandiri Bank, and Bukopin Syariah Bank, use social media as a method to promote their products. Fierce rivalry forced BRI Syariah's public relation to work hard to educate and present their product to their consumer, and maintain their customer-company relationship as well.

The effectivity of social media use can be measured not only by the number of customer, Edelman in Entherlab says there are four main indicators, or we could say, Social Media Level, i.e: First, Influence, or the ability to influence people. Second, Popularity, usually showed by the number of follower in social media. Third, Engagement, how active a social media user engaged in the community. Fourth, Trust (Digital, 2010).

Costumer Engagement report done by Econsultansy, 2011, showed a survey result done in September – October 2010, with 1000 company and agency as sample, that a lot of company consider Customer Engagement as an important factor for their company, and most of them, 43%, implemented Customer Engagement by using social media.

Brodie (Brodie, Hollebeek, Juroc, & Ilic, 2011)said that Customer Engagement onlineunder psychological phase can be measured using three important variables, i.e. *cognitive attachment*, *attitudinal attachment* and *behavioral attachment*.The process of *Customer Engagement* will be resulted in customer's emotional bond, whichraise loyalty toward a brand because every interaction a customer experienced will generate an emotional response(Cook, 2011); (Wilson, 2000). Trust will be generated as well by a specific confidence about brand competency (Ferrinadewi, 2008). Brand competency are closely related with quality, performance, and capability in line with customer's expectations and needs (Lau & Lee, 1999). Public Relations need to let customer involve (*Customer Engagement*)with the company to create a unique experience. This attempt require company to engage with the customer.

As for Bank BRI Syariah's public relation efforts to engage on *Customer Engagement* consists ofproviding complete *social media channel*to make company more accessible to customer, such as : BRI Syariah youtube account, BRI Syariah facebook page, twitter @BRISyariah, and Instagram BRISyariah.

The rise of social media use xspected to fulfil the information needs in real time via various social media channels to establish *customer engagement* and giving impact on *corporate reputation*. The questions asked in this research are : (1) To which extent the relationship between *Consumers' Intensity of Social Media Use* with *Consumers' Engagement in Company's Social Media Activities* ? (2) To which extent the relationship between *Consumers' Level of Engagement in Company's Social Media Activities* with *Consumers' Perception of Corporate Reputation*? (3) To which extent the relationship between*Consumers' Intensity of Social Media Use* with*Consumers' Engagement in Company's Social Media Activities*could impact*Consumers' Perception of Corporate Reputation* ?

2. LITERATURE REVIEW

Corporate Communication can be further characterized as follows: Firstly, Corporate Communication conveys company-related messages such as financial information, employee information, social responsibility

and corporate governance. Of Course, it also includes product-related information. Secondly, this form of communication usually uses PR techniques as the medium for carrying the message. According to (Grunig & Hunt, 1984) the most common PR techniques includes press releases, videotapes, brochures, fact sheets, direct email, newsletter, newspapers, magazines, photographs and illustrations, slides and multimedia presentations, films, exhibits, special events, financial reports, advertising and lobbying. Thirdly, Corporate Communication addresses all kinds of constituencies, including consumers (Riel & Fombrum, 2007) Grunig and Hunt (Grunig & Hunt, 1984), for example, propose that the most frequent constituencies addressed by corporate communication programmers are journalists, community members, employees, voters and governments, consumerist, environmentalists, minorities, students, teachers, the financial community, consumers and investors. Again, most of these target audiences have been intermediate constituencies and not ultimate constituencies of a corporation. (Omeno, 2007); (Riel & Fombrum, 2007); (Argenti, 2002).

Based on Patterson (Peterson, 1999), Customer Engagement known as physical, cognitive, and emotional condition existed between a customer and the company. Customer Engagement is a process where customer interacted with the company, using dialog or user experience, to support customer as possible to influence their decision to make a purchase (Johnson, 2009); (Cook, 2011).

To measure customer engagement, measurement must be done in context of both the company's marketing strategy and the customer itself, where the trusted behavior will create and connect with the customer. The most important key to sustain a stable future profit is not as obvious just by maintaining good relationship with customer – but we must deepen our relationship and connect more with them (Shefrin, 2007), we can say that a well-established emotional relationship between customer and company will crucially impact business and or financial performance, including customer retention, cross-sell, share of wallet, purchase frequency, income profitability, and relationship growth. Research show that a full-engaged customer 23% much better than average customer regarding share of wallet, income profitability and relationship growth. As for low - engaged customer (customer with low emotional affinity), showing a decrease of 13%. “Customer Engagement in a virtual brand community involves specific interactive experiences between consumers and the brand, and/or other members of the community. Customer Engagement is a context-dependent, psychological state characterized by fluctuating intensity levels that occur within dynamic, iterative engagement process. Customer Engagement is a multidimensional concept comprising cognitive, emotional, and/or behavioral dimensions, and plays a central role in the process of relational exchange when other relational concepts are engagement antecedents and/or consequences in interactive engagement processes within the brand community.” (Brodie, Hollebeek, Juroc, & Ilic, 2011); (Noble S. M. Ashley & Lemon, 2011) (Valck, Bruggen, & Wierenga, 2009) (Yang & Kang, 2009)

Intensity of social media use defined by (Dijkmans, Kerkhof, & Beukeboom, 2015) as a qualitative or quantitative activity where user use social media. And (Thoumrungroje, 2014) divide individual who used social media into four groups, i.e. Social Networking Sites (Facebook, MySpace dan LinkedIn), Microblogging site (Twitter), Photo Sharing sites (Instagram, Flickr dan Snapfish), and Video Sharing (YouTube).

Establishing consumer's engagement is beneficial for the company, because it will raise corporate reputation and brand loyalty (Doorn, Lemon, Mittal, Nass, Pick, & Pirner, 2010; Brodie, Hollebeek, Juroc, & Ilic, 2011; Patterson, Yu, & Ruyter, 4-4 Des 2006); and help decision on making purchase. The aftermath could result in a remarkable relationship between customer and company, in form of commitment, trust, and loyalty (Brodie, Ilic, Juric, & Hollebeek, 2013).

This could be a plus for the company, especially for those corporate in a competitive environment dominated by price competition, such as tourism and travelling industry (So, King, & Sparks, 2012) (Bowden, 2009).

Company considered customer who active participated in company's online activity as a valuable asset. But, up until now, there aren't any empirical research which evaluate the connection between consumer engagement on company's social media activity and how it will impact the corporate reputation. Most of the social media research focus on the effect of customers' online review (Utz, Kerkhof, & Bos, 2012) (Vermeulen & Seegers, 2009) and only a number of the study focused on the effect of company's social media activity. Preceding research hasn't focused on corporate reputation but only to the concept of costumer's trust, emotional appeal and brand behavior, which normally showed positive effect (Wartick, 1992) (Meijer & Kleinnijenhuis, 2006).

Hypotheses for this research as follows:

- H1. The impact was positive between consumers' intensity of social media use with engagement in a company's social media activities
- H2. The impact was positive between Consumers' level of engagement in a company's social media activities (i.e., low, medium, high engagement) with corporate reputation.
- H3. Both consumers' intensity of social media use and engagement in a company's social media activities have positive impact to consumer's perception of corporate reputation

3. RESEARCH METHODS

This research use quantitative methods to examine if there is any significant relationship between *consumer's intensity of social media use* with *Engagement in company's social media activities* and the impact on *consumer's perception of corporate reputation*. Survey was conducted to a population of 50,361 BRI Syariah's Facebook's followers. Sampling was used with purposive sampling, 100 people with criteria of: having social media account, active on social media, and being a follower of BRI Syariah's facebook account. Data was collected with questionnaire. Realibility test results : Cronbach Alpha Intensity of Social Media Use : 0,890; Social Media Activity : 0, 886; Corporate Reputation : 0,980. Methods of data analysis is using correlation analysis and Regression analiysis.

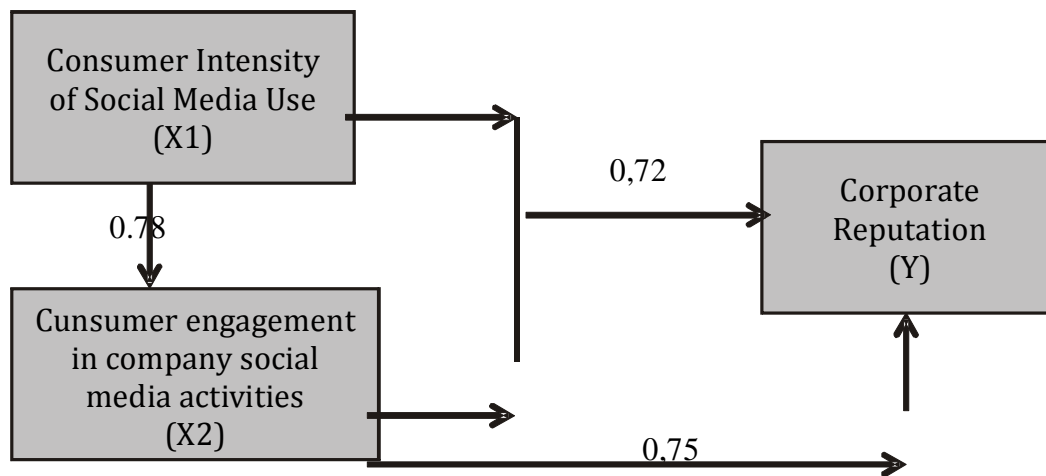
4. RESEARCH RESULT

The result is from linear regression model that is both qualified classical assumptions, among others all the normal distribution of data, the model should be free of autocorrelation. From the previous analysis has proven that the model equations are proposed in this study meets the requirements of the classical assumption that the model equations in this study is considered good. Linear regression analysis was used to test the hypothesis partially and simultaneously influence the independent variable on the dependent variable. Based on the linear regression coefficients using SPSS 20.0 was obtained results as shown in description below : Male respondents are 36 % and female respondents are 64%. 90% of respondents' age > 30 years old, and 10% of respondents' age < 30 years old. The frequency of respondents' line of work are entrepreneur 40%, private employees 35%, and government officials 25%. The frequency of respondents'

income with interval more than 10 million Rupiah per month are 45%, more than 7.5 million Rupiah per month are 26%, around 5 million to 7.5 million rupiahs per month are 29%.

The intensity of social media use done by respondents by engaging with BRI Syariah's Facebook account is as high as 83%. The calculation of respondents' engagement level resulted in high level, 89%. BRI Syariah's reputation valued by how active the respondents engage with BRI Syariah's Facebook account, rated with positive reputation, 78%.

The answer of first hypothesis showed a positive relationship between *consumer's intensity of social media use* with *consumer's engagement in company's social media activities* scored 0,780. The answer of second hypothesis showed a positive relationship between *consumer's level of engagement in company's social media activities* with *consumer's perception of corporate reputation* scored 0,720. The answer of third hypothesis showed correlation between *consumer's intensity of social media use* with *consumer's engagement in company's social media activities* with *consumer's perception of corporate reputation* scored 0,750.



This research is in line and support from previous research that is :

- 1) Compensation partially has not significant effect to the Employee Engagement, while Job Insecurity partially has significant effect to the Employee Engagement. On the other hand, Compensation and Job Insecurity simultaneously are having significant effect to the Employee Engagement (Setyo Riyanto, 2017).
- 2) The variables of workplace spirituality and organizational culture simultaneously have a positive and significant effect on the employee engagement. The strongest correlation is between the dimensions meaning full work found in workplace spirituality variable and the dimensions of vigor found in employee engagement variable. Conducive working atmosphere and the implementation of organizational culture in the company will increase the level of employee engagement. Employee engagement is a very important contributor to the success of a company. (Setyo Riyanto S. H., 2017)
- 3) CRM and Brand Image positive and significant impact on the Customer Loyalty, either partially or simultaneously. Customer Loyalty can be built with CRM and brand image, the better CRM

and Brand Image in perceived by customers the more loyal customers at Giant Citra Raya. CRM and Brand Image can explain Customer Loyalty at 71.8 percent was 28.1 percent in impact to other variables. (Antonius Setyadi, 2017).

- 4) the company image has a positive significant effect on customer satisfaction, service quality has a significant positive effect on customer satisfaction, company image has a significant positive effect on customer loyalty, and service quality has a significant positive effect on customer loyalty and satisfaction significant positive effect on customer loyalty. Quality of care is the most dominant variable toward service loyalty. (Meidiarta Bhinawan, 2017).

5. CONCLUSION AND RECOMMENDATION

From this study, we know that *social media engagement* conducted by BRI Syariah via Facebook received high *response*. Of course, it will influence corporate reputation positively.

Recommendation should be given to those who want to develop their *corporate image* by *online social marketing*. *Customer engagement* via *social media* must be established with *key message*, *corporate values*, *segmentation*, *positioning* and *branding* under consistent focus. Next research should be able to analyze conversation, either in offline or online form, by using distinctive *media measurement tools* so it could reduce any negative sentiment that could occur and achieved maximum positive sentiment.

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