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The Role of Brand Reputation on Customer Retention of Social Media Users

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Keywords

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Customer commitment;
Customer retention;

Abstract

This study analyzes the effect of brand reputation on customer loyalty, customer satisfaction, and customer commitment and its impact on customer retention on TikTok users in Jakarta. This research was conducted in October-December 2021. The research method used was a quantitative method. In this study, the authors conducted an exploratory factor analysis test to determine the level of validity of each research indicator. Meanwhile, to test the reliability using Cronbach's Alpha value. In this study, the authors also used the Structural Equation Modeling analysis test using the AMOS application. The sample in this study amounted to 313 respondents. The results of the validity and reliability tests show that all research indicators meet the specified standards. From the research results, it is known that brand reputation has a positive effect on customer loyalty, customer satisfaction, and customer commitment. Customer loyalty and customer satisfaction do not have a positive effect on customer retention. Meanwhile, customer commitment has a positive effect on customer retention.

1. Introduction

Technological developments are progressing very rapidly in various parts of the world. Communication capabilities and technological advances develop over time and undergo fundamental changes compared to the previous era. The internet is a combination of technology and computational science that are interrelated by linking satellites in the dissemination of information. The influence seen in the development of the internet is seen in developments in society (Comer, 2019).

Social media is an autonomous system which is transmitted through communication technology and social environment. Social media is growing rapidly in developing and developed

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countries as the integration of media and the internet continues to occur(Schroeder, 2018). With the presence of the internet, social media is growing with the emergence of various available social media platforms. TikTok is one of the fastest growing social media platforms and is one of the social media platforms originating from China. Along with the influence of TikTok, which has experienced ups and downs, TikTok has to face various problems it faces. This certainly affects the company's image or brand reputation. According to Dijkmans(2015), brand reputation is an invisible asset for a company that is very valuable and difficult to control in an era that is already based on today's technology world. Massive developments have led to the growth of brand reputation which must also be considered properly so as not to create a negative stigma in society. People who understand the importance of brand reputation in an institution certainly make it a reason to use or take advantage of the various products or services provided by the company.

The growing customer trust, loyalty or loyalty from customers is another aspect that cannot be ruled out in determining customer retention for a product. According to Yang and Peterson(2004), customer loyalty becomes important in determining the purchase and use of the company's products. Customer loyalty is something that must be improved in order to help maintain the product for continued use by customers in the future. Based on research conducted by Ting(2016), it can be shown that customer satisfaction can also determine the sustainability of the company's products in retaining its customers. Customers will feel satisfied if the products and services provided by the company fall into the product category that are purchased or used continuously. This results in positive and significant results on customer satisfaction in an effort to continue using the products provided.

In addition to trust, loyalty, and customer satisfaction in an effort to determine the continuity of product use, customer commitment in using the product can also be one of the other factors. Customer commitment is one of the main keys in measuring the ability to find loyal customers and use the product continuously. This causes different commitments with various aspects in order to cause high customer retention in the use of the product(Harrison-Walker, 2001). The higher trust in the company's reputation and the various aspects that follow in it cause customers to show their retention in using the products and services provided. This is what causes the development of customer retention in determining the continuity of product use. Customers will use the products and services provided with effective marketing activities. This ongoing customer retention can lead to effective marketing(Appiah-Adu, 1999).

TikTok as one of the social media that provides the possibility to influence user interest and develop customer retention. Therefore, to determine the effect of the relationship between brand reputation and customer retention on TikTok users, the authors are interested in conducting a study entitled "The role of brand reputation on customer retention in social media users in Jakarta".

2. Research methods

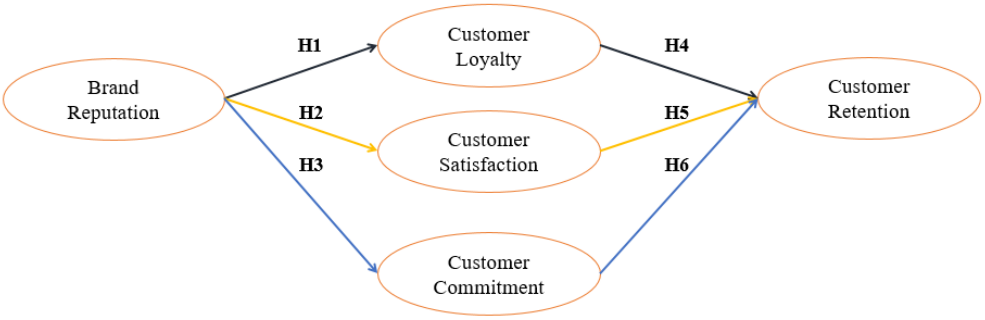
The research method that the author uses is a quantitative method. The research subjects are users of the Tikok application in Jakarta. The object under study is the TikTok application. While the research period is 3 months from October to December 2021. In this study, the scope of research determined by the researcher is regarding the effect of brand reputation on customer loyalty, customer satisfaction, and customer commitment and its impact on customer retention. This research was conducted in Jakarta, Indonesia. The choice of the city of Jakarta was based on the large number of users of the TikTok application in Jakarta.

The number of samples taken in this population is estimated at 313 samples by considering the number of samples in previous studies. This is based on the consideration of samples that can provide high accuracy results. So the authors took a sample of 313 research studies.

In this study, the authors calculated the EFA or exploratory factor analysis to determine the level of validity of each research indicator. By Hair(2018), the loading factor for 313 samples is 0.40. So it is hoped that it will get a better validity value.

While the instrument reliability test is a follow-up process after carrying out the validity of the instrument. A reliable instrument is an instrument which, if used several times to measure the same object, will produce the same data. Reliability relates to the stability and consistency of the measuring instrument. By Hair(2018), an instrument can be said to be reliable if there is a sequence of Cronbach's Alpha values. The value of the level of reliability is indicated from zero to one. With a standard of reliability that is above 0.7. In this study, researchers used Structural Equation Modeling data analysis with the AMOS application.

Figure 1. Research Model



The picture above shows that the research model adapted to the relationship between variables resulted in the formulation of a hypothesis. So there are six hypotheses that form the basis of this research. So that this research model produces hypotheses that will be tested further.

3. Results and Discussion

Respondent Analysis

The research that the author conducted shows that there were 321 respondents who filled out the online survey that the author had distributed to obtain research results. However, there were eight respondents who did not meet the requirements in this study. So the respondents who can continue filling out the survey until the end of the survey questions and are declared valid as respondents to the author's research are 313 respondents or equivalent to 97.51% of respondents from 321 respondents. Meanwhile, a number of eight respondents or 2.49% of respondents were declared invalid or could not be used as a reference to continue answering research questions. This study produced a variety of respondents, but based on the table below, it can be seen that there are balanced results regarding the gender of the respondents.

Table 1. Profile of Respondents

Demographics	Demographics	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Gender	Man	158	50.5	50.5	50.5
	Woman	155	49.5	49.5	100.0
Age	17-24 years old	172	55.0	55.0	55.0
	25-35 years old	140	44.7	44.7	99.7
	36-45 years old	1	0.3	0.3	100.0
	45 years old	0	0	0	100.0
Education	<high school	5	1.6	1.6	1.6
	high school	140	44.7	44.7	46.3
	Diploma	8	2.6	2.6	48.9
	Bachelor	159	50.8	50.8	99.7
	Master/Doctoral	1	0.3	0.3	100.0
Work	Work	187	59.7	59.7	59.7
	Not yet working	103	32.9	32.9	92.7
	Own your own business	16	5.1	5.1	97.8
	Does not work	7	2.2	2.2	100.0
Marital status	Not married yet	260	83.1	83.1	83.1
	Marry	52	16.6	16.6	99.7
	Spouse died	1	0.3	0.3	100.0
	Separated/divorced	0	0	0	100.0
	Total	313	100	100	

Based on the answers given by respondents to the research results, there are various answers to each question. The author found that the level of trust in TikTok is quite high with the percentage of those who answered agreeing to reach 68.7% or 215 respondents agreeing that TikTok is a trustworthy application. What is quite interesting is that there are male respondents or 118 out of 215 respondents who agree that TikTok is a trustworthy application. This shows that male respondents have a high level of trust compared to female respondents.

Strong competition in social media turns out to be an interesting thing in this study. Where only 74 people or 23.6% of respondents answered agree and strongly agree to prioritize TikTok over other similar applications. A total of 205 respondents or 65.5% of respondents felt somewhat agree in answering this question. This shows that the competition between social media is quite high in attracting users.

Similar results are also seen in the indicator that notices that users will say positive things about TikTok to others. Only 37.4% or 114 respondents agreed while 114 respondents or 37.1% other respondents answered somewhat agree. This shows that the majority of respondents are in between agree and disagree in their positive confession to tell TikTok to others.

This study shows that 65.5% of respondents or 205 respondents answered agree and strongly agree that they will continue to use TikTok. The product made by TikTok succeeded in convincing respondents to believe that they would continue to use it and only 5 respondents or 1.6% disagreed and strongly disagreed with the statement.

Validity test

Validity testing is carried out to determine the research indicators have a strong level of validity. Based on the results of the validity test with SPSS in Table 2, the results of the validity test are obtained according to the calculation with a loading factor of 0.40 and the number of samples is 313(Hair et al., 2018).

Table 2. Validity Test Results

Brand Reputation	
BR1 TikTok is a trustworthy app	0.813
BR2 TikTok has a good reputation	0.579
BR3 TikTok makes a good product	0.716
BR4 TikTok is a reliable app	0.791
BR5 I know how TikTok looks	0.554
Customer Loyalty	
CL1 I will recommend TikTok to others	0.754
CL2 I will prioritize TikTok over other similar apps	0.683
CL3 I will say positive things about TikTok to other people	0.791
CL4 I will continue to use TikTok	0.735
CL5 I will continue to use TikTok in the future	0.582
Customer Satisfaction	
CS1 I am satisfied with TikTok service	0.771
CS2 TikTok provides the best service	0.682
TikTok CS3 delivers the expected service	0.734
CS4 I am happy with TikTok service	0.718
CS5 I am very satisfied with my experience using TikTok	0.677
Customer Commitment	
CC1 TikTok maintains good relationship with users	0.655
CC2 I get a sense of belonging when I use TikTok	0.701
CC3 I have good emotions while using TikTok	0.948
CC4 I'm proud to be a TikTok user	0.860
CC5 I care about the future success of TikTok	0.827

Customer Retention	
CR1 I will recommend TikTok to others	0.768
CR2 I will continue to use TikTok in the future	0.559
CR3 I will still choose TikTok over similar apps	0.645
CR4 I will use TikTok over and over	0.668
CR5 I will recommend TikTok to my close relatives	0.769

Based on the results of the table above, each indicator on the variable is declared valid because it has a value above the loading factor of 0.4. This shows that the research indicators are declared valid.

Reliability Test

Reliability test was conducted to determine the level of reliability of the 25 questions with a standard Cronbach Alpha value > 0.7.

Table 3. Reliability Results of 25 items

Case Processing Summary			
		N	%
Cases	Valid	313	100.0
	Excluded	0	.0
	Total	313	100.0
Cronbach's Alpha		N of items	
0.926		25	

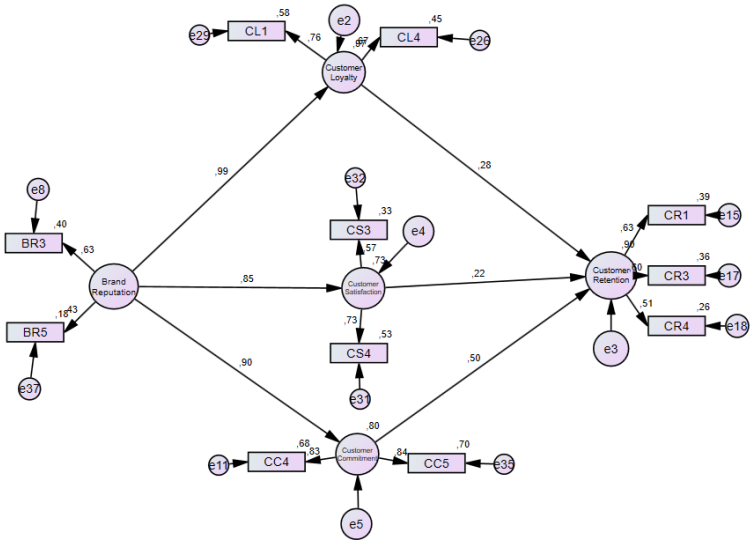
Table 3 shows the reliability of 313 respondents, namely 100% of respondents filled in completely in the case processing summary table. In addition, the reliability statistics table shows that all question items with a total of 25 questions show a Cronbach Alpha score at a value of 0.926, which is above the Cronbach Alpha value limit > 0.7. So that it can be stated that all of the question items are reliable.

Table 4. Variable Reliability

	Cronbach's Alpha	N of Items
Brand Reputation	0.711	5
Customer Loyalty	0.754	5
Customer Satisfaction	0.738	5
Customer Commitment	0.720	5
Customer Retention	0.712	5

The reliability table for each variable shows a number above Cronbach's Alpha which is 0.7. All variables show a reliable number value. So this can result in all questionnaire items declared reliable. In this study, the author analyzed the data using Structural Equation Modeling using the AMOS application. By using AMOS, the authors modify the indications on the modification indices. After reducing the indicators, the authors modeled the research model with the remaining indicators according to the following figure:

Figure 2. Research fit model



The output on the Fit model has met the requirements that have been determined through the CFA, namely the P value > 0.05 and CMIN/DF 2.00 as shown in the following table:

Table 5. Results of CMIN Model Fit

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	27	48,817	39	0.135	1.252
Saturated model	66	0	0		
Independence model	11	1205.089	55	0	21,911

In Table 5 it can be seen that the overall estimated value has met the standard and the model can be declared fit. Based on the standard values that have been determined, the results of the Goodness of Fit analysis are as follows:

Table 6. Goodness of Fit Analisis Analysis Results

GOF size	Limit Value	Mark	Decision
CMIN/DF	< 2.00	1.252	*Good Fit*
Goodness of Fit Index (GFI)	0.90	0.973	*Good Fit*
Root Mean Square (RMR)	0.05	0.028	*Good Fit*
Root Mean Square Error of Approximation(RMSEA)	0.05	0.028	*Close Fit*
Normal Fit Index(NFI)	0.90	0.959	*Good Fit*
Adjust Goodness of Fit Index(AGFI)	0.90	0.954	*Good Fit*
Incremental Fit Index (IFI)	0.90	0.992	*Good Fit*
Comparative Fit Index(CFI)	0.90	0.991	*Good Fit*
Tucker Lewis Index(TLI)	0.90	0.988	*Good Fit*

With the fit conditions for each standard and because all the requirements are met for each standard, the research model is declared good fit for the overall assessment standard.

Hypothesis testing

The hypothesis has a significance value using a standard value of CR > 1.96 and a P value < 0.05, while the strength of the influence can be seen in the estimation table based on Generalized Least Squares Estimates which is seen in the following table.

Table 7. Hypothesis Test Results

Ha	Hypothesis			Estimate	SE	CR	P	Description
H1	BR	→	CL	1.151	0.124	9,260	***	Received
H2	BR	→	CS	0.884	0.084	10,490	***	Received
H3	BR	→	CC	1,456	0.118	12,338	***	Received
H4	CL	→	CR	0.191	0.201	0.949	0.342	Rejected
H5	CS	→	CR	0.145	0.134	1.077	0.281	Rejected
H6	CC	→	CR	0.212	0.090	2,367	0.018	Received

Based on table 7 above, it can be concluded that the first hypothesis is that brand reputation has a positive and significant effect on customer loyalty. This is in accordance with previous studies(Bontis et al., 2007; Yee & Faziharudean, 2010)which states that brand reputation has an

influence on customer loyalty. This study shows that brand reputation is very important in determining customer loyalty in using the product. A good reputation of a company will result in high customer loyalty as well. So this study shows the reputation of the company will affect the level of loyalty.

The next hypothesis shows that brand reputation has a positive and significant effect on customer satisfaction. This is in line with previous studies(Gul, 2014; Le-Hoang, 2020; Sengupta et al., 2014). Overall provides an explanation that the positive significance is seen in the influence of brand reputation on customer satisfaction. This is also what causes the author's research to make brand reputation a factor influencing customer satisfaction. In the end, it will result in a good brand reputation that can result in customer satisfaction in using social media.

The third hypothesis is that brand reputation has a positive and significant effect on customer commitment. This is in accordance with previous studies(Lai, 2019; Su et al., 2016)which shows that there is a positive significant influence of brand reputation on customer satisfaction. So that brand reputation has a positive effect on customer commitment. This shows that the reputation of a social media brand will lead to a strong commitment of its users as well.

The fourth hypothesis shows that customer loyalty has no positive effect on customer retention. This result contradicts the research conducted by previous research(Danish et al., 2015; Lay, 2018). This study did not produce positive and significant results regarding the effect of customer loyalty on customer retention. So that customer loyalty does not have a significant effect on customer retention. This shows that user loyalty does not necessarily affect the ability to survive in using social media.

The fifth hypothesis shows that customer satisfaction does not have a positive effect on customer retention. This result is also contrary to research conducted by previous studies(Ali et al., 2010; Darzi & Bhat, 2018; Lay, 2018; Nazir et al., 2016; Sari et al., 2018; Simarmata et al., 2017). This study shows that there is no significant effect of customer satisfaction on customer retention. This shows that user satisfaction which still tends to be lacking does not result in the user's ability to survive in using social media.

The sixth hypothesis shows that customer commitment has a positive effect on customer retention. This research is in accordance with what was done by previous research(Boohene et al., 2013; Moghadam, 2013). This shows that there is a significant effect of customer commitment on customer retention. So that it can be seen that the relationship increases in the committed relationship made by social media users. This causes the ability to survive using the media has also increased.

4. Conclusion

Based on the research that has been done by the author, it shows that the results of the hypothesis are very diverse. The first hypothesis is that brand reputation has a positive and significant effect on customer loyalty. This results in the influence of a good reputation will result in the loyalty of social media users to use it. While the second hypothesis is that brand reputation has a positive and significant effect on customer satisfaction. This shows that a good reputation on a brand will result in satisfaction of the social media users.

The third hypothesis is that brand reputation has a positive and significant effect on customer commitment. This shows that there is a positive influence on the reputation of a brand on the commitment of social media users. While the fourth hypothesis shows that customer loyalty has no positive and significant effect on customer retention. This results in customer satisfaction does not necessarily affect the survival ability of a social media user in using it.

The same thing happened with the results of the fifth hypothesis, namely that customer satisfaction had no positive and significant effect on customer retention. So it can be seen that user satisfaction does not necessarily lead to the ability to survive in using social media. While the sixth hypothesis, namely customer commitment has a positive and significant effect on customer retention. This results in a positive influence on user commitment in determining the survival ability of social media users.

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