Conceptualizing Islamic Storebrand Engagement

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Abstract

This study aims to conceptualize the Muslim Customer Engagement of Islamic Brands towards Muslim customer loyalty. An in-depth review of literature was carried out to develop this concept, in order to provide a foundation for further researches. This study shows that the Islamic brands could optimize the loyalty of Muslim customer. In addition to this, this research is also expected to be able to provide a brief overview of profitable opportunities in Islamic market business in Indonesia, especially entrepreneurs, marketers and retailers in building an accurate marketing strategies. In terms of customer loyalty, business owners or management need to identify variables that influence this factor, and so this research is also useful in providing new construction, which could be tested and are useful for studying the characteristics of Muslim customer and market. Hopefully this research could fill the literature gaps in Muslim customer behavior study in Indonesia.

Keywords: islamic brand engagement, customer loyalty, customer behavior

A. Introduction

Customer loyalty has been operationalized as an expression of desired behaviour related to a product or services. The customer loyalty are also often seen from two activities which are, customer retention and product advocacy. These two factors are also became instruments in some previous studies as conducted by Cronin Jr, Brady, & Hult, 2000; Cronin Jr & Taylor, 1992. Customer loyalty in another study is defined as a word of mouth recommendation, brand enhancement and product retention (Lee, Lee, & Feick, 2001). Meanwhile according to Pearson (1996), Customer loyalty defined as the mindset of the customer who hold favourable attitudes towards a company, commit to repurchase the company products or services, and recommend the product or services to others.
Given the importance of customer loyalty, it is important for business owners or a company management to identify variables that influence this factor. According to Shi, Prentice, and He (2014) tangibility, reliability, responsiveness, assurance and empathy are effective in measuring service quality, but customer loyalty is precisely-measured more by repurchase intention, recommendation intention, positive word of mouth and product preferences. Result in this study also shows that there is a positive effect of the quality service on customer loyalty. Giovanis, Zondiros, dan Tomaras (2014) also conducted research that links the service quality with the customer loyalty. The results again confirmed that perceived service quality aspects, emotional satisfaction and image are the main drivers of customer loyalty.

Other studies as conducted by Cho (2015), showed that there is a relationship between service quality and behavioral intention in internet retail business. This study involved tangibility dimension, responsiveness, assurance and empathy. Among these dimensions, the assurance and empathy variables have been shown to influence behavioural intention. This study shows that the experience and the attention of the company is proven to be the reason to repurchase a product or services. The results also show that the customer’s experience with the retailer’s website and the fulfilment of orders separately affect the intention to repurchase. The repurchase intention is emphasized in a study conducted by Shi et al. (2014) as a part of customer loyalty study.

Other research conducted by Rajaguru (2016) explore customer’s perceptions of value for money and service quality, and its influence on behavioural intention in the perspectives of means-end chain theory and price sensitivity theory. Structural equation model was used to test the effect of this perceived value for money and service quality on customer satisfaction and their behavioural intention. The result of Flores-Zamora dan García-Madariaga (2017) study also showed that there is an influence of perceived quality on loyal intentions. As also Nyadzayo and Khajehzadeh (2016) mentioned in their study, that it showed a direct influence of service quality on customer loyalty.

In addition to service quality, there are other variables that influence customer loyalty. As mentioned by Chen dan Chang (2008) the intention to repurchase, is also influenced by the brand equity and brand preference. The study explained that
Brands would not only functioned as symbols or names to identify the producers, but more, brands is an effective marketing tool.

A brand according to Kladou, Kavaratzis, Rigopoulou, & Salonika, 2016 is a set of attributes that refers to images and meanings which generate associations with certain products when someone considers the brand. According to Yeh, Wang, dan Yieh (2016) loyalty to a mobile phone brand is influenced by brand identification. In addition to brand equity, brand preference and brand identification there is also customer brand engagement that affects loyalty intention.

Customer brand engagement is a subject that is often used in several studies because it builds relationship with prominent customer. Moreover, the consumer brand attachment is on the level of the motivational state of mind which is characterized by certain cognitive and emotional interactions (Hollebeek, 2011). Attachment to a brand is also a manifestation of customer behaviour that apart from purchase activities, which is caused by motivation (Van Doorn et al., 2010).

For those in small and medium scale companies, branding is still a relatively a new concept (Inskip, 2004). Whereas branding in small businesses could play an important role in creating differentiation and preference for products or services in the minds of customers (Knox & Bickerton, 2003). Brands, in this case are not just symbols that distinguish a product from a one company to another, but also seen as a product with benefits, exceeding price and other functional performance (Aaker, 1992; Kapferer, 2012). When a brand is considered more than a name given to a product, it embodies the overall physical and socio-psychological attributes and beliefs. Brands are intangible assets, and due to their subtle characteristics, different people find different ways to understand them (De Chernatony, 1999). According to Ahonen (2008) branding is not only an issue for giant corporation but also for Micro, small medium company in their efforts to make profits. But because marketing in those small company has a different characteristics compared to large companies, these brand issues must be considered more carefully.

Based on numbers of previous studies related to the brand, it appears that the brand is an important assets for the company, and so branding is an important thing to do for business people. Besides, building a good brand and creating customer brand engagement would enable the creation of business profits in the future,
Dwivedi (2015) further explained that consumer brand engagement has an effect on loyalty intention.

Given the importance of building brand engagement, companies need to explore brand engagement determinant factors. One of the important factors is the quality service. Based on the research conducted by Diallo and Seck (2017), it stated that service quality influences attitudes towards store brands. Identification of variables that influence brand engagement could be conducted by entering the variable of customer satisfaction. Whereas achieving satisfaction could be a complicated and precarious processes. Service meeting activities that occurs between officers and customers greatly contributed to this. Meanwhile people must also understand the level of customer satisfaction.

According to Oliver (1977) satisfaction also depends on customer expectations, and perceptions of the performance are related to those expectations. In other words, customer satisfaction would become real if the customer feels that their expectations have been fulfilled. Related to those two variables, which are customer satisfaction and brand engagement, a research conducted by Simon dan Tossan (2018) revealed that satisfaction has a positive effect to the brand engagement on Facebook page. This shows that the more satisfied someone with a brand on Facebook page, the stronger their brand engagement would be.

According to Liang, Choi, and Joppe (2018) transactions-based satisfaction would reduce the switching intention and increase customer’s repurchase intention. In line with this findings, the research conducted by Castaldo, Grosso, Mallarini, and Rindone (2016) stated that the more a customer satisfied, the more customer would have trust and loyalty.

Increasing customer brand engagement could also occur due to the consumer brand’s involvement, which reflects customer’s interest towards a product or company information. Engagement could define as a state of internal motivation that could describe customer attention towards a product based on customer’s need on buying process (Bowden, 2009).

According to Mittal (1995) customer’s involvement refers to the level of individual interest and personal relevance in relation to the objects or decisions in terms of customer’s values, goal and self-concept. The level of importance makes
customers involved in information seeking, and the more information is obtained the more it could make a customer attached to the brand. It shows that there is an influence of customer involvement towards brand engagement. This finding is also relevant with study conducted by (Algharabat, Rana, Dwivedi, Alalwan, & Qasem, 2018; Harrigan, Evers, Miles, & Daly, 2017) which stated that there is a positive influence of customer involvement towards brand engagement.

Several studies as conducted by (Cho, 2015; Flores-Zamora & García-Madariaga, 2017; Giovanis et al., 2014; Nyadzayo & Khajehzadeh, 2016; Rajaguru, 2016; Shi et al., 2014) emphasize that in order to generate customer loyalty it is necessary to have a good quality service. The customer satisfaction variable is also considered to have influence on customer loyalty, it is based from the result study from (Castaldo et al., 2016; Liang et al., 2018). Brand is also one of the important variables that could generate customer loyalty based on the study conducted by (Chen & Chang, 2008; Dwivedi, 2015; Kladou et al., 2016; Yeh et al., 2016).

From those study which discuss the relationship between variables such are: service quality, brand engagement and customer satisfaction, proved that those variables have an influence on customer loyalty.

B. Business Phenomenon in Indonesia

In Indonesia, there is an increasing invitation to shop at Muslim stores recently. One such invitation for example was carried out by The Deputy of The Indonesian Islamic Da’wah Council (Dewan Dakwah Islamiyah Indonesia/DDII) who also asked Muslim to master the real sector (http://www.voa-islam.com/03/03/2018). One the real sector is Muslim-owned stores, this must be realized due to the huge potential of Muslim communities in Indonesia, but even though, at the same time many shopping flows did not lead to Muslim-owned shops. One that could be a reference is the data released by http://moneter.co.id which shows that PT Sumber Alfaria Trijaya Tbk (Alfamart) recorded revenue in 2016 of 56.11 trillion Rupiahs following the positive growth of economy compared to the previous year. Hans Perwira, The President Director of Alfamart stated that the consolidated net income of the company and its subsidiaries in 2016 increased by 16.25 percents compared to 2015 which stood at 48.27 trillion Rupiahs.
The number achieved by Alfamart showed how big the potential of the real sector is, and if the Muslim community had a role on it, it would bring a lot of good things considering the amount of zakat that could be obtained from the business. Not to mention the revenues from other minimarket such as Indomart, and therefore many the idea emerged to empowered people through Muslim Shops. When this suggestion was followed by many people, it start to emerge shopping movements in local community shops, and also the emergence of Muslim minimarket in recent months. It signalled the enthusiasm to take an economic role in Indonesia. Some new minimarket brands of those movement for example: Kita Mart, Shadaqo, U Mart, 212 Mart, NU Mart and MU Mart (http://www.panjimas.com/03/03/2018).

The rise of Muslim shops shows that shopping behaviour is also driven by religious relationship motivation. This statement is in line with the opinion from (Alserhan, 2010) who states that brands with religious sentiment, such as halal brands, have a significant influence on Muslim. It also shows that brand are related to emotions, especially belief-based. A business owner creates a brand with certain intentions, for example for reciprocal relationships, other than that, there also a belief that brand would encourage customer to consume (Wilson & Liu, 2011).

This understanding of The Islamic brand is important, even though without the encouragement, this Islamic brand will still remain, because of the cultural factor and temporary status of halal product. For most Muslims, branding could not be separated from their faith, which determines that all activities should bring God’s merit and in accordance with God’s religious guidance (Alserhan, 2010). There is also a tendency that the increasing interest in Islamic brands arise due to convincing arguments related to the potentiality, large market shares that already exists, increasing awareness and awareness from Islamic community.

At the international level, there are many conventional brand that are also enter into the Muslim market. Therefore, today is the right momentum for the Islamic brand to become a brand that is also intended for the general market (Yusof & Jusoh, 2014). One of the findings in this study is the importance of motivational pleasure, for example the creation of satisfying quality atmosphere that makes people go to a certain restaurant, and that is would be one of the biggest challenge in this industry.
In Islamic law, everything can be owned except for things that are not useful like a grain of corn, and objects and benefits that are haram, like a carcass. While the brand is useful and not prohibited, therefore it can be owned. Therefore, the brand owner has the right to get protection for his brand, as he has the right to commercialize and refer to it such as selling, renting, or giving licenses to other parties. Every violation of the brand in the form of copying, imitating, hijacking, and faking branded products is illegal, because it falls into the category of consuming other people's assets by using vanity.

Shop brands have tremendous growth rates throughout the world and that these developments are likely to continue in the future. Studies show that retailers must consider the impact on profitability if they increase the share of store brands. What are the consequences for this store brand growth retailer? Is it only profitable for them? Does it increase store loyalty? There are a number of possible implications of increasing the share of store brands (Sudhir & Talukdar, 2004). Shop brands are more profitable (higher profit margins), but the unit profits do not have to be higher. The consequence could be to reduce total profits as a whole, if the increase in the share of store brands is not accompanied by greater expenditure in the store. Revenues decrease, because the prices of shop brands are lower (Sudhir & Talukdar, 2004).

Further research using approaches suggested by (Levy, Grewal, Kopalle, & Hess, 2004) and (Johnson, Sohi, & Grewal, 2004) which includes "Store as a Brand," "Store Brands," and "Manufacturer Brands "in" Corporate Image "of the store. They suggest that future studies should examine how store images develop along with the development of store brands and brand equity, which they say are areas that cannot be adjusted with a simple cross-sectional database. However, most researchers do not have full access to company information, which means it makes more sense to suggest that future studies use a number of different methodologies to provide additional information on the role of store brands for the image of retailers. Experimental studies can, for example, use a particular store brand and manufacturer's brand, rather than seeing a store's brand in general. In-depth interviews can illuminate how various brands are perceived by consumers. Cross-
cultural cross-cultural studies can compare the development of store brands with the market share of retailers and producers. If researchers have access to a leading retailer customer database, more research can be done on behavioral data. An interesting approach is to compare profitable customers versus customers who are less profitable towards using their store brand. In an academic perspective, it is a problem that the majority of store brand studies use the concept of "shop brands" as if the brand is identical between the state and the retailer.

Religiosity is a sub category of human values and relates specifically to someone with the highest beings and how individuals express that relationship in society (McDaniel & Burnett, 1990). This is acknowledged to be one of the most important social forces in history and has become a major force in individual behavior (LaBarbera & Mazursky, 2006). Religiosity is traditionally written as the level of one's spiritual commitment or religious affiliation. This phenomenon began to be studied in the business environment, with studies (McDaniel & Burnett, 1990); (Mazursky, Labarbera, & Aiello, 1987) strongly suggest a possible relationship between religion and specific aspects of consumer behavior. First, religiosity is an inherent human value that tends to be stable over a long period of time; second, many elements of religiosity can be observed, and therefore are pragmatic for marketers; and, third, customer behavior is very important for the success of marketers, especially retailers.

The main problem with research on religiosity is the absence of generally accepted theories or definitions of religion (Guthrie, 1981). The definition of religion proposed ranges from fulfilling expectations to beliefs in spiritual beings so that these variables must be defined for each research arrangement. A rather traditional approach is used and religion is defined as trust in God accompanied by a commitment to follow the principles believed to be established by God. It has long been recognized that people's religious beliefs have an effect that is seen in attitudes and behavior. Behavioral scientists have concluded that religious beliefs tend to be causally related to different types of attitudes and / or behaviors among individuals in a population. In general, these studies have looked at religiosity or religious orientation from one of two perspectives: (1) religious commitment or (2) religious affiliation. Religious commitment has been measured both cognitively (eg, the rate
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at which a person holds religious beliefs) and behavior (eg, frequency of attendance at a place of worship). Religious affiliations are usually measured relative to religious group membership or individual religious identification (eg, Catholicism, Protestantism, Islam).

C. Conceptual Development Islamic Brand Engagement

Brands as complex symbols that represent various ideas and attributes. Customers build a set of associations with one brand so that they cannot be replaced with other product brands. In research (Kim, 1990) described branding as relating social and symbolic meanings to a product, therefore, full and clear appreciation of consumers and the markets in which they exist are needed to develop and maintain the brand. Brand is a synthesis of all elements, physical, aesthetic, rational, emotional, and product attributes must be coherent, precise, distinctive and attractive to consumers. Research (de Chernatony, 2008) states that a company's brand is a combination of a system of identity, image, value system, personality, relationships and added value that forms a general antecedent of the brand's personality. The use of personification of metaphors (Aaker, 2006) and relating them to brands, thus describing the dimensions of brand personality, as well as psychologists when identifying and describing dimensions of human personality. Brand personification moves the brand as an artifact that can be manipulated for living things, machines and organisms (Hanby, 2017).

In formulating The Islamic Storebrand Engagement begins with an article on the evolution of branding theory (Roper & Parker, 2006) which covers the development of brands and branding identification (1760-1830), differentiation (1830-1990) and personification (1990-...). In the period of identification (1760-1830), the macro environment is industrialization of production and the purpose of branding was to associate a product with its manufacturer by giving its manufacturer's name or product. This period was divided into two era, from 1830 to 1970 the macro environment is mass production, development of infrastructure distribution and mass communication. The objective is product differentiation (quality and functionality), an example for this is brand advertising. From 1970 to 1990 was the development of service sector, the objective of brands is to improve the quality of
communication with customer (intangible differentiation) an example of this is brand narrative. Then since 1990, a period known as globalization and post modernism, the objective of brands is “emotionalize”, build relationship. An example of this era is micro marketing (Roper & Parker, 2006).

After that period, a new concept emerged, namely “Corporate Branding Theory” (Hankinson, 2007). There are five principles in this concept. First is strong and visionary leadership. Secondly is brand oriented corporate culture. Third is departmental coordination fourth and fifth are stakeholder communication and partnerships. And only in the following period the religious branding concept emerged (Einstein, 2008).

Concept of religious branding has increased substantially over the past two decades due to the social change, especially freedom of religion or belief and the rise of mass media which also grew the advertising business in many places. Branding is a marketing tools where a product is given an identity outside from its physical attributes or services. Two branding campaign conducted by the church of scientology and United Methodist is an example how the church has become increasingly sophisticated in their marketing. Apart from product promotion, this campaign uses brands to solve many marketing issues, ranging from increasing the reputation from the public that has declining, it also successfully putting back its traditional denominations (Einstein, 2011). From this religious branding concept, spurred the emergence of another forms of Brands and marketing, namely the emergence of Islamic Branding (Alserhan, 2010). Islamic branding is defined in three ways, which are: Islamic brands by compliance (Islamic brands by religion or halal brands), Islamic brands by origin and Islamic brands by customer.

Islamic brands by compliance posits their brand attractiveness very tightly, this happens because it is closely tied to sharia law. Currently this type of brands concentrated in the financial and food sector business. This type of Brands aimed at Muslim customers, mainly because they have faith in it (Williams & Sharma, 2005). Secondly, Islamic brands by origin, these brands gained Islamic legitimacy mainly because it comes from their origin which is usually an Islamic countries. This type of brand for example is Emirates Airlines. While the third, Islamic brands by customer, carries brands originating from non-islamic countries, but it is specifically...
designed to target the Muslim customers. Although this brand is usually owned by non-Muslims, their product is often pictured as a representation of the Muslims (Alserhan, 2010).

The concept of Islamic branding provides a better understanding, one of which is to conceptualize the relevant terms in the effort to “Islamization” of non-Muslim brands. One of them is by identifying branding practices that are needed. This provides a distinction between Islamic products and Islamic brands, identifies and explains various types of Islamic brands and relates them to the “Islamization” product of non-Muslim brand that are at first non-Muslim, or international brands. Also, in addition to this, there are discussions on halal issues in the context of Islamization of Islamic brands in order to increase the chances of success in the Islamic market (Alserhan, 2010).

Customer brand engagement was introduces by Hollebeek (2011) based on findings of many literature reviews. Customer brand engagement is defined as the level of an individual customer’s motivational, brand-related and context-dependent state of mind characterised by specific level of cognitive, emotional and behavioural activity in direct brand interactions. As Hollebeek mentioned “The concept of ‘direct brand interactions’ refers to customer’s direct, physical contact-based interactions with a focal brand, as opposed to indirect brand interactions that may occur, for example by observing a brand through mass communications (Brakus, Schmitt, & Zarantonello, 2009)“. Cognitive activity is represented by the level of individual concentration or individual attachment towards a brand, meanwhile emotional activity is represented by the level of brand inspiration or brand pride of the customer (Salanova, Agut, & Peiró, 2005).

On the other hand, Kahn (1990) introduced the concept of personal engagement which refers to the behaviour by which people bring in or leave out their personal selves during work role performances. In engagement as Kahn mentioned, people employ and express themselves physically, cognitively and emotionally during work performances. Engagement and disengagement concept which developed here integrating ideas that people need self-expression and autonomy in resolving their work problem (Alderfer, 1972). Engagement can be seen as a state variable or results that exist at a certain intensity at a certain point in time and with different intensity
of involvement can be predicted to produce different behaviors (Salanova et al., 2005; Schaufeli, Martinez, Pinto, Salanova, & Bakker, 2002; Schaufeli, Salanova, Gonzales, Roma & Bakker, 2002). Resnick (2001) argues that involvement is a reflection of the process by which intensity can develop over time. Its nature of involvement tends to be potentially dynamic, relatively persistent and pervasive, thus providing potential application in marketing research as a variable that provides valuable insights in the consumer segment (Wedel & Kistemaker, 1989; Hollebeek, Jaeger, Brodie & Balemi, 2007).

The subject of self-expression is also discussed in motivational theory as written on *a theory of human motivation* (Maslow, 1943). This theory addresses the physiological needs that are included in the basic needs. Whereas physiological needs are usually regarded as the starting point for the next level needs. After physical need has been fulfilled, the next level of need is the need for security. Thirdly is the need for love, then self-esteem and then the last would be self-actualization (Maslow, 1943).

D. Conclusion

Nowadays, there are a lot of products and shops with Islamic brands that are mushroomed in Indonesia. This study found that there is a religious motivation in customer behaviour. The concept of Islamic Brand engagement is offered to provide solutions to resolve the research gap in this study. The phenomenon which used to observe this, is through Islamic Brands or stores, with Islamic identities that aims to serve the Muslim community. It is hoped that this Islamic Brand Concept of product Engagement could be useful for many people.

The contribution that might have a significant effect from this study is that, this study tries to bring up new values, which is, there is a relationship between the form of the Islamic Brand Engagement and Customer loyalty. This is felt to be one of the important fields in the field of Islamic products marketing. Furthermore, this study also aims to develop the literature on the subject of Islamic product marketing and expands the role of The Islamic brand symbols in customer behaviour, which hopefully could be a substantial theoretical contribution to the similar researches.
On a practical level, this research makes an important contribution to business people, marketers and retailers who deals with Muslim customer behaviour. This study also provides a new field for observation for the customer behavioural practices especially on buying decision making process related to the product with Islamic characteristics, and also in the hope of getting a new approach to develop a more effective marketing strategy. Therefore, this research is an initial study that needs to be followed by another empirical studies.

At this time, the author has followed up on the new construction of Islamic Brand Engagement in the empirical field towards local Islamic micro, small, medium business in Banyumas, Purbalingga, Banjarnegara, Kebumen, and Cilacap of Central Java region, and so this study is not only expected to has a theoretical implication but also a managerial implication.

**Bibliography**


