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Analysis of Determinant Factors Customer Loyalty Towards Brand in The Telecommunication Industry With The Digitalization Paradigm

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Abstract

The goal of this research is to determine whether company parties have implemented engagement strategies in the current digital context. This research uses a qualitative marketing research approach. We used a digital platform for the initial data collection stage. The analysis then continued with the creation of a textual corpus. A deep understanding of consumer engagement with brands can help companies build stronger relationships with consumers, create greater value for brands, and maintain a competitive advantage in the marketplace. By paying attention to emotional, cognitive, and behavioral dimensions, companies can develop more holistic and effective strategies for managing consumer engagement and strengthening their brand positioning. Research results reveal that consumers actively seek knowledge and information to enhance their decision-making about brands and products. Mobile telecoms have well-implemented Customer Brand Engagement strategies, but they also need to have a proactive approach in dialogue with customers to maintain their engagement. This means that in addition to understanding and responding to consumer needs and desires, companies also need to be proactive in communicating with customers to strengthen their relationship and engagement with the brand. According to a careful analysis of the lexical units in cluster one, the majority come from Twitter. Cluster two highlights the comparisons that consumers make regarding the technical characteristics of products and services with those of various competitors. Meanwhile, cluster three shows that consumers are increasingly looking for personal services that can meet their needs. Cluster four warns management about loss phenomena that are specific to certain areas or regions. Finally, Cluster Five allows management to understand that consumers are currently less involved in innovative services such as payments via smartphone.

Keywords: Digital Context, Strategy, Brand, Management.

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1. Introduction

The ability to actively engage consumers has become key to a business's success and sustainability, no matter what sector it operates in. Various literary approaches describe the concept of consumer engagement, aiding in a deeper understanding of this phenomenon. One commonly used approach is the concept of engagement, which refers to the consumer's level of active participation in interactions with a brand or product [1]. This covers a wide range of activities, from purchasing and using products to interacting with brands through social media or loyalty programs. Another approach is the concept of engagement, which places greater emphasis on consumers' emotional and affective connections to brands. This engagement may stem from positive experiences with the product or brand, or from shared values and identity between the consumer and the brand. Both are important because high consumer engagement can bring a variety of benefits to a business, including higher consumer loyalty, increased consumer retention, and improved brand image. Thus, businesses need to develop effective strategies to increase consumer engagement and maintain strong relationships with them [2].

Related research has tried to outline the concept of consumer engagement through various perspectives, including economics, psychology, and sociology. This approach yields diverse conceptualizations of the consumer engagement construct, which enriches our understanding of this phenomenon. In a business context, consumer engagement strategies aim to stimulate deep relationships between consumers and brands through all touchpoints, especially in the increasingly important digital context [3]. The development of digital technology, especially social media, has provided opportunities for companies to engage in active dialogue with consumers, create shared value, and strengthen relationships. The importance of consumer engagement strategies in a digital context is increasing, as they can influence consumer perceptions of brands, strengthen consumer loyalty, and

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improve the overall consumer experience. Therefore, companies must continuously monitor trends and innovate their consumer engagement strategies to remain relevant and competitive in the ever-changing business environment [4].

Consumer empowerment is a complex and diverse field of research, with three main explanations regarding the role of consumer power in this context. First, consumers gain power through the pooling of their resources and expertise, which allows them to force producers to take actions they might not otherwise, reflecting the influence of consumers in determining the direction of markets and the resulting products [5]. Second, from a cultural perspective, consumers gain power when they can manipulate or even produce the environment in the market, which allows them to construct their own consumer cultural identity, including how they consume products and shape consumer culture. Third, in a discursive perspective, consumers gain power when they can challenge corporate and institutional communications, which can influence corporate credibility, showing how consumers use messages to influence corporate perceptions and actions [6]. In all these cases, consumers play a role in creating the situations to which the company must respond, indicating an interaction between the company and the customer in which the customer is not only a passive recipient but also participates in the marketing process and contributes to the generation of market value [7].

In the context of global competition and technological growth in industry, supply differentiation through product characteristics alone is no longer considered sufficient. Marketing management scholars are increasingly interested in brands and related branding activities as a strategy for differentiating products and building added value. The term brand originates from an identifying concept that distinguishes a product's ownership from that of competitors. The history of animal husbandry exemplifies this practice, branding animals to signify ownership. This ancient practice continues to influence modern branding practices. This shows that a brand is not just a name or logo but also represents identity, quality, and added value that consumers want [8]. Thus, branding and brand-building activities have become an integral part of marketing strategies to differentiate products and attract consumer attention amidst increasingly fierce global competition. In the current digital era, branding activities also involve interaction with consumers via digital platforms such as social media and company websites. This allows brands to build closer relationships with consumers, listen to their feedback, and strengthen the overall brand image. Thus, it is important for companies to develop a strong and consistent branding strategy that does not only include a logo or advertising design but also involves all aspects of brand communication and interaction with consumers. By doing this, companies can differentiate their products in an increasingly competitive market and build long-term relationships with consumers [9].

The main function of a brand lies in its ability to trigger identification of a particular product, as well as the promises made by the company to consumers. In addition to the identification function, brands also fulfill semantic and pragmatic functions. The semantic function occurs when consumers assign a certain meaning to the purchase and consumption of a product through a brand, which is related to its values. The pragmatic function occurs because brands provide assurance and legitimize exchanges between companies and consumers. Thus, brand management is not only about creating a strong and consistent identity for a product or service, but also about ensuring that the brand delivers the promised value to consumers and facilitating fair and transparent exchanges between companies and consumers [9]. Through efficient brand management, companies can build strong relationships with consumers and differentiate themselves from competitors in the market. As the relationship between businesses and consumers has evolved, the concept of branding has also changed. A brand is no longer just a name, sign term, symbol, or design, or a combination of both, intended to identify a seller's or group's goods and services and differentiate them from competitors. Brands are now more than just identities they become partners with consumers in the context of their own social dynamics, allowing them to play an active role in the relationship. The relationship between brands and consumers is now more than just an exchange of products or services. Consumers have a desire to build deeper relationships with brands, beyond aseptic identification symbols, to connect with elements that reflect human characteristics such as cognitive, value, and emotional, as well as social aspects. Thus, consumers can identify themselves with the brand and situate themselves within the brand as partners, leading to a unique set of social dynamics [10].

Over the past two decades, the development of the Internet as a communications medium has opened up new possibilities for geographically distant individuals to gather online based on shared interests. This has resulted in new forms of interaction between companies and customers. The Internet has brought significant changes to many-to-many communications, including consumer-to-consumer interactions [10]. The virtual world not only connects the business world but also gives consumers access to online content, enabling communication through this medium. This allows customers to participate in a variety of online activities, from discussions about products and brands to sharing experiences and recommending products to others. These developments have changed the business communications landscape, allowing companies to better engage with customers and build deeper relationships through online platforms. It also provides an opportunity for consumers to be more active in brand formation and purchasing decisions, creating a more dynamic and interactive environment in the relationship between companies and customers [11].

In the developing Internet environment, consumer demands are increasing to act as active participants in various interactive processes, including providing feedback and communicating quickly, even in real time. As a result, people increasingly identify themselves based on the brands they consume, developing a clear consumer identity. This phenomenon occurred due to the birth and spread of social media, a collaborative environment focused on exchanging content through unique platforms that allow users not only to receive content like traditional media but also to actively participate in the creation, development, and dissemination of content [11]. With social media, consumers have a greater role in shaping and spreading messages about brands and products. They are not only passive consumers but also active contributors to brand image formation. This necessitates that businesses be more responsive to consumer feedback and needs, as well as more involved in online interactions. Understanding the importance of social media in shaping consumer identity and brand relationships allows companies to develop more effective marketing strategies to meet consumer needs and expectations in this digital era [12].

In this context, social media opens the door for companies to interact more directly with consumers, gather instant feedback, and better measure consumer response [12]. This enables companies to improve their products and services more effectively and respond more quickly to consumer needs and wants. Additionally, social media also allows companies to build online communities around their brands, where consumers can interact with each other, share experiences, and provide support to each other [13]. This not only increases consumer engagement with the brand, but it also fosters greater loyalty and encourages consumers to become loyal brand advocates. By making good use of social media, companies can gain significant benefits in terms of marketing, branding, and relationships with consumers. It is a highly effective tool for expanding a brand's reach, strengthening bonds with consumers, and building ongoing relationships with its audience.

2. Research Methods

This methodology employs a qualitative marketing research approach, drawing on qualitative interpretation techniques from previous research. We carried out the initial data collection stage using a digital platform that automatically collected textual context, including comments, posts, and tweets related to the world of mobile phones. Text mining software then continues the analysis by creating a textual corpus. This software uses a series of linguistic and statistical tools to analyze text or text content, thereby enabling researchers to identify and understand the factors that influence consumer engagement with brands. The next step in this methodology involves the interpretation of the analyzed data. Researchers will analyze text mining software findings to identify patterns or themes that emerge in the text context. This will assist in understanding consumer brand-related behavior and preferences, as well as factors influencing their engagement. From here, researchers will draw conclusions and implications from their findings. We will use these conclusions to determine how we can enhance branding activities and marketing strategies to boost consumer engagement with brands in the telecommunications industry. The practical implications of this research will also be discussed, including recommendations for companies to develop more effective marketing strategies to attract consumer attention and engagement with their brands.

3. Results and Discussion

The analysis concludes that keywords enable us to discern the primary concepts spontaneously expressed by consumers interacting with mobile telecom brands. The horizontal axis represents the two types of approaches demonstrated by consumers through digital channels. On the one hand, there is an exploratory approach, in which consumers look for information and details about the offer and its comparison with competitors. On the other hand, there is a confirmatory approach, in which consumers demonstrate awareness or knowledge of technical issues as well as the added value of the service. The vertical axis shows how consumers discuss company-related issues, such as offers and technical issues. On the other hand, consumers also discuss market-related issues, such as competitor standards and the added value of services. Thus, this analysis provides an overview of how consumers interact with mobile telecom brands and reveals their preferences, knowledge, and considerations through digital channels. We use thematic cluster analysis to uncover latent concepts or main themes that arise from co-occurring events in the data. This analysis helps to further explore the concepts expressed by web users. This method involves grouping words or phrases into interrelated groups based on a common theme or concept. This way, we can see emerging patterns in the data and identify the most relevant or dominant themes. The results of this thematic cluster analysis can provide deeper insight into consumer thoughts and preferences regarding mobile telecom brands, as well as assist in developing more effective and relevant marketing strategies.

We conducted a study on each individual's content within the thematic cluster. This includes analyzing the keywords and phrases that appear most frequently in each cluster, as well as the keywords that are considered most relevant based on the chi-squared value for associating a label with that cluster. The goal of this analysis was to summarize the significance of each thematic cluster and extend the procedure to each axis. This approach

allows for a deeper understanding of the content and meaning of each thematic cluster, providing a foundation for developing more effective marketing strategies and making better decisions in brand management in the digital era. The analysis begins by examining cluster 1, which is in the opposite position to the other four clusters, which explains 25% of the basic element context of the entire textual corpus. In the keywords that have the highest chi-squared, there are the following details listening, album. The co-occurrence analysis reveals that consumers pay attention to complementary or value-added services, particularly those associated with the music industry, as indicated by these words. This analysis provides valuable insight into how consumers interact with mobile telecom brands in the context of music services, which can be the basis for better marketing strategies and a deeper understanding of consumer preferences.

Following the previous analysis, we examined the most significant text messages based on the weight of the keywords contained in them. These messages provide an overview of consumer interactions with mobile telecom music services. This analysis aids in comprehending the interests and needs of consumers concerning music services, thereby enhancing marketing strategies and the platform's user experience. By understanding consumer preferences, you can provide more relevant content and increase customer satisfaction. Based on the analysis, the first cluster indicates the user's desire to share emotions and musical tastes with other users, particularly through social channels and hashtags. Therefore, we can identify this cluster as the mobile telecom music services sector. This demonstrates that users actively interact with the music services by sharing their experiences and preferences via digital platforms. By understanding the desires and behaviors of these users, it can improve its services to better meet customer needs and desires. When we look more closely at cluster 2, which makes up 30% of the whole textual corpus, we see that it is very different from clusters 3 and 4 in three-dimensional space, especially on the reference axis X. The keywords that appear most frequently and are more representative of this cluster are brand, update, and app. This suggests that this cluster pertains to conversations about brands, updates, technology, and applications. Most likely, users in this cluster are talking about updates or changes related to the mobile telecom brand, the experience of using the app, or the technology capabilities offered. This analysis offers valuable insights into user interest and discussion topics within the service context, enabling the optimization of marketing strategies and future development of mobile telecom products. This cluster reflects consumer attention to software updates, technical troubleshooting, and questions about internet services. These messages reflect users' need for smooth, hassle-free updates as well as a desire to understand more about the internet services they use. Further analysis of these messages can provide deeper insight into the technical issues faced by users, as well as their needs and expectations for the service. They can use this information to enhance the user experience and tailor their services to meet consumer needs.

The units reported above indicate that consumers are interested in technical topics, particularly those relating to the use of mobile telecom-branded devices. Consumers are looking for information and solutions to properly use and update devices, be they smartphones or tablets. Therefore, we can assume that this cluster pertains to the topic of technical devices and features. Further analysis of the messages in this cluster can provide a deeper understanding of users' technical needs and assist in improving their services in line with consumer expectations.

Cluster 3, which is located close to Cluster 5 and almost equidistant from clusters 2 and 4, explains about 25% of the entire text corpus. The chi-squared analysis of the most representative keywords yielded the following results such as activate, Euro, month, and promotion. These keywords suggest that this cluster pertains to service activation, payment, a specific period, data usage, and promotions. This may indicate that consumers in this cluster are involved in discussions about service activation, bill payments, promotional offers, and data plan usage. Further analysis of the messages in this cluster can provide deeper insight into consumer needs and preferences regarding service activations and promotions offered.

Previous co-occurrence analysis suggests that this cluster is likely associated with consumer issues or questions related to sales or offers of mobile telecom brands. The messages analyzed indicate consumer dissatisfaction or confusion with the offers or services provided. For instance, a message conveyed that customers felt deceived when they received an offer, and another suggested they might consider switching carriers because of the inconvenience or unclear costs. These messages also highlight the need for clarity and transparency in data plan offerings, such as the lack of clarity regarding Facebook traffic included in data plans. Further analysis of these messages can provide deeper insight into the problems faced by consumers and help in improving their offerings and increasing consumer satisfaction. Lexical unit analysis confirmed previous assumptions about thematic clusters related to mobile telecom brand offers. Consumers in this cluster also seem interested in offers from the market in general. Therefore, we can label this cluster as traditional or basic service offerings, indicating that consumers in this cluster tend to focus on more general and fundamental service offerings, including those from mobile telecom brands and the market as a whole.

We conducted further analysis to understand cluster 4, which accounts for 25% of the entire text. This cluster is in the opposite position as cluster 2. In this thematic area, the semantic analysis software identified several grouping keywords. This indicates that these clusters likely contain information or context related to topics or entities associated with those keywords, such as geographies, brands, or events involving those regions. We need

to conduct additional analysis to gain a deeper understanding of the context and implications of these keywords within this cluster. The analysis of the most significant keywords revealed that the region's reference period coincided with the grouping of words associated with adverse actions. The analysis of lexical units within these clusters reinforces these findings. Consumer messages indicated a telephone network problem, with customers experiencing a two-hour signal disruption. Customers also voiced their dissatisfaction with mobile telecom services, specifically highlighting the absence of service following an advance payment. According to the analysis, this cluster is associated with technical or service issues that hurt the region's consumers. Comments representing cluster 4 show consumer dissatisfaction with current service inefficiencies. They attribute this primarily to the disruption they encountered in the telephone network. Considering these findings, we can label this cluster as a network outage, referring to the technical issues that caused disruptions in telecommunications services experienced by consumers in this cluster.

Cluster 5, although it only explains a small part of the textual corpus, is still important for analysis. Positioned near the intersection of the axes, this cluster exhibits unique characteristics that set it apart from other clusters. The cluster's most representative keywords, including wallet, blog, smart payments, and prepaid, suggest a potential connection to payment and finance topics. The presence of keywords such as wallet and smart payments may indicate consumer interest in financial technology or digital payments, while the keyword blog may indicate that consumers in this cluster are active in consuming online content, perhaps related to information or reviews about mobile telecom services. Therefore, we can label this cluster as digital payments and finance. The keywords identified in this cluster refer to the latest services in the telephony world, in particular new payment methods via smartphone devices. This cluster's messages validate the introduction of new digital payment services, including NFC-based smartphone payments and the use of prepaid cards for online payments. Therefore, we can refer to this cluster as a digital payment innovation. Based on the lexical context quoted above, it can be seen that the cluster is related to innovative payment services and payments via NFC that can be used via mobile devices. The cluster's size also indicates that this topic is still in its early stages of development, as consumers may have only recently started using the service. This assumption allows us to link this topic to innovative payment services. This indicates that this service is still in its early stages and may become a focus for development and marketing in the future.

Companies that aim to achieve and maintain a sustainable competitive advantage through customer engagement strategies must closely monitor all consumer-facing touchpoints to understand their interactions with the brand. Passively listening to consumers' voices is not enough, it is important to open an active dialogue that allows consumers to express their emotions, knowledge, and behavior. Actively engaged consumers can provide valuable information and knowledge to create new offerings through the feedback they provide on digital platforms. Therefore, consumers should not only be considered end users but also partners in value creation for the company. Interactive digital technologies like social networks or blogs can activate consumer engagement strategies. It provides companies with the right tools to plan and implement brand engagement strategies, while consumers have the opportunity to dialogue directly with companies regarding products or services and contribute to creating solutions for their needs. The open platform's analyzed textual content reflects the democratic nature of information about mobile telecom brands and their competitors, giving web users complete freedom of expression in providing feedback and interacting with these brands.

4. Conclusion

The empirical analysis provides important conclusions and reflections. First of all, we found that the concept of customer engagement toward brands involves three main dimensions such as emotional, cognitive, and behavioral. This confirms recent theories that highlight how consumers engage with brands not only rationally, but also emotionally and through concrete actions. Furthermore, our analysis demonstrates that we can practice and measure consumer engagement with brands in various ways, including by analyzing text data from digital platforms. This underscores the significance of comprehending consumer interactions with brands across diverse communication channels and leveraging this knowledge to enhance marketing strategies and foster brand growth. In conclusion, a deep understanding of consumer engagement with brands can help companies build stronger relationships with consumers, create greater value for brands, and maintain a competitive advantage in the marketplace. By paying attention to emotional, cognitive, and behavioral dimensions, companies can develop more holistic and effective strategies for managing consumer engagement and strengthening their brand positioning.

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