

# Analysis of the Application of Customer Engagement on the Compass Shoe Brand

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## Abstract

## Original Research Article

The main purpose of this study was to analyze the implementation of Customer Engagement on the Compass Shoe Brand. This research is a causal research conducted to determine the effect of one or more independent variables on the dependent variable. The data analysis technique used in this research is Structural Equation Modeling (SEM). The sample used is Instagram users who are consumers of Compass Shoes, as many as 120 respondents. The results of this study show that only customer engagement has an effect on behavioral intention of loyalty. Meanwhile, customer involvement has no effect on customer engagement. So it can be concluded that the first hypothesis in this study was rejected and the second hypothesis in this study was accepted.

**Keywords:** Customer Engagement, Compass Shoe, Implementation.

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## 1. BACKGROUND

Lifestyle has an important role in a person's decision-making process (Pangestu, 2016). The lifestyle to look fashionable for teenagers is a current trend that must be followed in order to show the prestige of something they use (Appriilia and Dwijayanti, 2021). One of the fashion trends that is growing from year to year is the trend of shoe fashion which is now growing so that more and more types, shapes, and models change from time to time. The development of domestically made shoe brands currently has a fairly good appeal in the eyes of consumers, thus creating competition among business players in the local shoe sector. However, in the past, local shoe brands were not very attractive to the public because local brands had a bad stigma and were inferior to foreign brands in terms of quality and model.

Seeing the sluggishness of the local shoe brand market, many of the local shoe industry business players, especially sneaker shoes, have to develop their market share, especially to become the main choice for the community so as not to lose competition with foreign products. One of the things that can be done is to improve quality and establish a good and targeted marketing strategy. The rise of local sneaker brands is a testament to the successful application of social media

marketing among the public. The increasing public awareness of local brands, especially the sneaker trend, has increased in recent years.

There are many local brands engaged in the sneaker sector in Indonesia, one of which is the Compass shoe brand. Compass is a local brand that is engaged in fashion, namely shoes, especially sneakers, which was founded in 1998 and comes from the city of Bandung. Compass is a local brand that has been around for a long time but has started to be very hotly discussed in the last one or two years. This is evidenced by the products that always sell out in just a few minutes, and the sneakers lovers who are always willing to fight over the products from Compass. This local brand is able to attract the attention of consumers, especially young people.

Behind its success in terms of re-branding, social media has played a very important role in raising the Compass shoe brand. It's no secret that social media plays an important role for one's business. This also applies to Compass who maximize their Instagram account to sell products while increasing engagement with customers. Through social media, Compass is predicted as a product that is parallel to foreign products and in accordance with the tastes of today's

young people. In addition, the role of social media is very important to carry out marketing strategies and increase sales of Compass shoe products. When launching a product, Compass will announce it on their Instagram account, which now has more than 800 thousand followers. For example, when selling their Rocket with Compass shoes offline at the same time as a KPR concert, Compass announced the procedure through their social media accounts.

The relevant theory related to the application of social media marketing is the theory of customer engagement. Customer engagement describes a healthy relationship between a customer and a particular brand or brand (Cook, 2011). This strategy is an effort to create a strong relationship between customers and brands by engaging them in dialogue and two-way communication and cooperative interactions, which are also the realm of marketing activities. Based on research conducted by So *et al.* (2014) in Harrigan (2017), it was stated that the context of customer engagement includes 5 (five) dimensions, namely identification, enthusiasm, attention, absorption, and interaction.

Identification reflects the level of a customer's sense of unity towards a particular brand or brand. Attention is a space for focus and mental preoccupation experienced by a person with his work (Rothbard, 2001). Enthusiasm is characterized by a strong feeling of pleasure, which is an enduring and active state. In other words, enthusiasm reflects the level of excitement and customer interest in a brand. Absorption is a pleasant state for consumers to devote their thoughts to a particular brand or brand until the consumer is not aware of the passage of time (Siswanto, 2020). Interaction refers to a customer's online or offline participation with a brand or other customer outside of a purchase. Interaction involves exchanging ideas, sharing ideas, thoughts, and feelings about the experience of a particular brand or brand (Vivek, 2009) and is an important part of conceptualizing customer engagement.

Although the benefits and understanding of the concept of customer engagement are increasingly clear, there is very little empirical research on the emergence of this concept, most of the previous research was limited to conceptual relationships without empirical testing (Brodie *et al.*, 2013; Hollebeek, 2011; So *et al.*, 2014). However, there are no researchers who have implemented customer engagement in the fashion industry, especially in the local sneaker industry. Therefore, this study aims to fill this gap through the application of customer engagement measurements by Harrigan (2017) on the compass shoe brand.

## 2. LITERATURE REVIEW

### 2.1 Customer Engagement

Customer Engagement is a psychological state that arises in the customer due to intense interactions and experiences that occur between the customer and the company, so that the company is able to create a trust and commitment with the customer in a long-term relationship between the company and the customer (Bening and Kurniawati, 2019). Meanwhile, according to Mahandy and Sanawiri (2018), customer engagement is a company's way of interacting with its customers and is able to create quality content and good two-way dialogue between the company and its customers, as well as how customer loyalty and trust are fostered and shaped so that there is a company benefit.

Customer engagement is a manifestation of attitudes towards a brand or company, which involves customer commitment on the cognitive and affective sides actively through online media in the form of word of mouth activities, helping fellow consumers, providing reviews, recommendations and blogging driven by a motivation (Sanjaya, 2019). Customer engagement is reflected through repeated interactions between customers and organizations that reinforce the emotional, psychological, or physical investment that customers have in brands and organizations (Harrigan *et al.*, 2017).

Based on the definition described above, it can be synthesized that Customer Engagement is the added value that arises from the customer to the company due to an interactive interaction and the experience felt by the customer towards the company either through direct or indirect contributions, so that the emotional relationship between the two parties is well established and formed in a long and long time.

Based on Harrigan (2017) the measurement of the concept of customer engagement consists of the dimensions of identification, attention, enthusiasm, absorption, and interaction. The details related to the explanation of each dimension of customer engagement are described as follows:

#### 1) Identification

The concept of identification comes from social identity theory which argues that self-concept includes personal identity and social identity. Individuals tend to develop social identity by grouping themselves and others into various social categories, such as in terms of organizational membership (So *et al.*, 2014). In the same vein, identification can help explain a consumer's relationship with a company or a brand.

#### 2) Attention

Attention is a space for focus and mental preoccupation experienced by a person with his work (Rothbard, 2001). In this sense, attention represents an

invisible material resource that a person can allocate in a variety of ways. Highly engaged individuals tend to focus a great deal of attention, consciously or unconsciously, on the object of engagement. Similarly, personal involvement is associated with feelings of being attentive, connected, integrated, and focused in one's role performance (So *et al.*, 2014).

### 3) Enthusiasm

Enthusiasm represents a strong level of individual excitement and individual interest in their involvement in a particular brand or brand (Vivek, 2009). Several researchers have found that enthusiasm is a positive factor both in the context of engagement in the scope of work and engagement with consumers. Enthusiasm is characterized by a strong feeling of pleasure, which is an enduring and active state. For example at the brand or brand level, Compass Shoes product customer engagement can be characterized by a strong sense of excitement when viewing Posts containing new product information on Compass Shoes Instagram. It can be concluded that enthusiasm reflects the level of excitement and customer interest in a brand.

### 4) Absorption

Absorption refers to a pleasant state in which consumers are fully concentrated and happy while enjoying their role as consumers of a brand (Utami and Saputri, 2020). Based on the research by Siswanto (2020), absorption is a pleasant condition for consumers to devote their thoughts to a particular brand or brand until the consumer is not aware of the passage of time.

### 5) Interaction

Interaction refers to a customer's online or offline participation with a brand or other customer outside of a purchase. Interaction involves exchanging ideas, sharing ideas, thoughts, and feelings about the experience of a particular brand or brand (Vivek, 2009) and is an important part of conceptualizing customer engagement. Interaction refers to the participation made by consumers of the brand, or other consumers, outside of the purchase transaction.

## 2.2 Customer Involvement

Harrigan (2017) defines customer involvement as the perceived relevance of customers to an object (brand) based on their needs, values, and interests. Involvement is a concept "independent of the behavior that results from engagement" and reflects the relevance of the object in meeting customer value-based needs. Customer involvement is the consumer's perception of the importance or personal relevance of an object, event or activity. Consumers who see that the product has personally relevant consequences are said to be involved with the product (Rahayu, 2017). According to Kotler and Keller (2012), consumer involvement is related to consumer interest in a particular object. With increasing involvement, consumers have a greater

motivation to pay attention, understand, and elaborate information about a product.

### 2.3 Behavioural Intention of Loyalty

Behavioral intention of loyalty is the behavior of consumers who are loyal or loyal to the company so that they are willing to recommend to others because they have received good service from the company Purwianti and Tio (2017). Kotler (2014) behavioral intention is a condition where customers have the intention or attitude of being loyal to the brand, product and company and willingly share their superiority with other parties. Meanwhile, according to Schiffman *et al.* (2008) explained that behavioral intention determines the possibility that consumers will take certain actions in the future. Dharmesta (2008) defines that behavioral intention is a behavior or attitude of consumers who have a desire to use services continuously.

### 2.4 Research Hypothesis

#### 1) Influence of Customer Involvement on Customer Engagement

The presence of new media channels and the increasing popularity of the internet as a technological development makes consumers able to interact easily with other consumers and a certain brand through social media (Rahmawati and Sanaji, 2015). This interaction can be initiated by a particular customer or brand. The manifestation of the interactive relationship experience by the customer is known as the concept of customer engagement. So *et al* (2014) define customer engagement as a marketing activity oriented to customer behavior and psychology.

Meanwhile, customer involvement or also known as consumer involvement is the consumer's perception of the importance or personal relevance of an object, event or activity. Consumers who see that the product has personally relevant consequences are said to be involved with the product (Rahayu, 2017). According to Kotler and Keller (2012), consumer involvement or customer involvement is related to consumer interest in a particular object. With increasing involvement, consumers have a greater motivation to pay attention, understand, and elaborate information about a product.

The results of the literature study show that customer involvement can create customer engagement with a particular product or brand (Harrigan, 2017). Based on his research, it is explained that the concept of customer engagement is different from customer involvement. Based on this, customer involvement is predicted to be a factor that influences or is an antecedent to customer engagement (Hollebeek *et al.*, 2014).

Consumer involvement in a brand which is reflected through consumer interest in a particular object or brand will have an impact on customer behavior and psychology in the form of enthusiasm, attention, absorption, interaction and identification as dimensions of customer engagement. In terms of enthusiasm, consumer involvement in a brand will create a level of excitement and consumer interest in a brand. Furthermore, in terms of attention, consumer involvement in a brand will increase consumer attention to the brand. From the absorption side, consumer involvement in a brand will cause a pleasant feeling for customers by pouring their thoughts on the brand so that they do not realize the passage of time. In terms of interaction, consumer involvement will lead to interactions that occur between customers and brands and other consumers. And in terms of identification, consumer involvement will create a level of consumer unity with a brand.

Based on the explanation above, it can be concluded that the higher the consumer involvement, the higher the consumer engagement with a particular brand. Which in this study means that the higher the involvement of Compass shoe users in the Compass shoe brand, the more customer engagement between users and the Compass shoe brand will increase. Based on the explanation above, the following hypothesis can be formulated.

H1: *Customer involvement has an effect on customer engagement.*

## 2) The Influence of Customer Engagement on Behavioural Intention of Loyalty

Customer engagement is believed to be one of the ways to maintain loyalty and maintain customer loyalty. Customer engagement is the maintenance of the relationship between the service organization and the customer. The ultimate goal of customer engagement marketing is to strengthen long-term relationships with customers, increase profits through customer loyalty, so that a product or service can compete in the industry (Purnami and Kusuma, 2017).

Behavioral intention of loyalty is the behavior of consumers who are loyal or loyal to the company so that they are willing to recommend to others because they have received good service from the company Purwianti and Tio (2017). Behavioral intention is the ultimate goal. If a product has a favorable behavioral intention, the company will be able to survive and win the competition. One of the beneficial behavioral

intentions is a positive attitude about a product or service provider. This positive attitude can be in the form of loyalty or loyalty towards a particular brand. Loyalty is the goal of the company for a product or service. Many companies use all means to make consumers loyal to their brand or product.

Customer engagement is a step taken by the company in realizing good relationships with customers or buyers so that consumers do not only become buyers but become media in marketing products. Customer engagement or customer engagement is an activity that involves consumer participation which is indirectly related to the search, evaluation of alternatives, and decision making involving brand selection. Contributions of consumers, such as knowledge, skills, and time, to facilitate the focus of the company's product offerings (Dionaldo and Engriani, 2021).

The existence of a mutually beneficial reciprocal relationship in an engagement interaction between customers and the company is able to stimulate mutual trust between the two, the interaction is outside of purchasing activities. Customers feel confident because they believe in the reliability or ability and integrity of the company in providing a good response when interacting. Thus, customers will feel that the company cares about the interests and needs of customers and has an interest in the hearts of customers.

Based on the explanation above, it can be concluded that high engagement indicates a higher sense of loyalty or increases the customer's behavioral intention of loyalty to a particular brand or brand. Therefore, behavioral intention of loyalty is a potential consequence of customer engagement activities for a brand. This is reinforced by research conducted by Harrigan (2017); So and Wang (2014); Vivek *et al.*, (2012) and Hapsari *et al.*, (2015) research which states that customer engagement has an effect on behavioral intention of loyalty. This result has the meaning of interpretation if customer engagement increases, then the behavioral intention of consumer loyalty is also higher. Based on the explanation above, the following hypothesis can be formulated.

H2: *Customer engagement has an effect on behavioral intention of loyalty.*

## 2.5 Research Model

The framework or research model used in this study is as follows.



### 3. RESEARCH METHODOLOGY

The type of research used in this research is causal research. According to Sekaran and Bougie (2017) the intention of the researcher to conduct a causal study is to be able to state that the X variable causes the Y variable. The research approach used in this study is quantitative. Quantitative data often consists of respondents' responses that are coded, categorized, and reduced to numbers so that this data can be processed and analyzed using mathematical or statistical calculations.

The population in this study are consumers of Compass Shoes. According to Sekaran and Bougie (2017) the sample is part of the population. While the samples used are consumers or users of Compass Shoes. In this study, the sampling technique used was based on the non-probability sampling method. This study will use a purposive sampling method where the researcher will select certain respondents according to predetermined criteria, namely Compass shoes users.

In this study, the data collection technique used was by means of a survey. The survey was

conducted by distributing questionnaires to the respondents. The questionnaire in this study is divided into 3 parts, namely the first part is an introductory part for respondents from the author. The second part contains the identity of the respondent. The third part is the contents of the questionnaire regarding customer involvement, customer engagement, and behavioral intention of loyalty which is accompanied by the technical and procedures for filling out the questionnaire for each variable. Respondents will choose the statement that best fits their perception and is measured through a 7 (seven) point Likert scale. The answers to each indicator of this instrument have a gradation from the highest to the lowest value where the statement strongly agrees is given a score of 1 to the statement strongly agrees is given a score of 7. Likert scale assessment is used for all research variables. However, on the customer intervention variable, the provision of a Likert scale is adjusted to the statement items and there are several statement items that use an inverted Likert scale score.

The details regarding the statement items for each variable are described as follows.

#### Customer Involvement

No.	Statement Items	Source
1.	Important – Not Important*	Zaichkowsky (1994) in Harrigan (2017)
2.	Boring – Fun	
3.	Appropriate – Not Appropriate*	
4.	Fun - Not Fun*	
5.	Meaningless – Very Meaningful	
6.	Attractive – Not Attractive*	
7.	Stunning – Mediocre*	
8.	Useless – Useful	
9.	Involving – Not Involving*	
10.	Not Needed - Needed	

\* The measurement scale is presented inverted

#### Customer Engagement

No.	Variable Dimension	Statement Items	Source
1.	Identification	When someone criticizes Compass Shoes, it feels like a personal insult to me.	Harrigan (2017)
2.		When I talk about Compass Shoes, I usually prefer to use the word us rather than them when referring to Compass shoes.	
3.		The success of the Compass shoe is also a success for me.	
4.		When other people compliment the Compass Shoes, it feels like a personal compliment to me.	
5.	Enthusiasm	I really like Compass Shoes.	
6.		I am very interested in Compass Shoes.	
7.		I was excited when I heard things about Compass Shoes.	
8.		I feel happy when I use Compass Shoes.	
9.		I love Compass Shoes as a local shoe brand.	
10.	Attention	I like to learn more about Compass Shoes, such as the models of the Compass shoes, the history of their establishment, to the milestones of the success of the Compass shoes.	
11.		I pay a lot of attention to all things Compass Shoes	
12.		Anything related to Compass shoes, really interests me.	
13.		I pay great attention to and focus on all forms of information related to Compass	

No.	Variable Dimension	Statement Items	Source
		shoes.	
14.		I like to learn new things related to various products and types of Compass Shoes.	
15.	Absorption	When I interact with Compass Shoes via instagram, I forget everything else around me.	
16.		Time flies when I interact via instagram with Compass Shoes.	
17.		When I interact via instagram with Compass Shoes, I get carried away	
18.		When interacting via Instagram with Compass Shoes, I find it hard to stop.	
19.		In my interactions with Compass Shoes via Instagram, I was blown away	
20.		When interacting with Shoes Compass through Instagram intensely, I feel happy	
21.	Interaction	In general, I like to be involved in the Compass Shoes discussion community.	
22.		I am someone who enjoys interacting with like-minded people in a local Shoe community especially about Compass Shoes.	
23.		I am someone who likes to actively participate in the Compass Shoes discussion community.	
24.		In general, I really enjoy exchanging ideas with others in the Compass Shoes community.	
25.		I often participate in activities or camping carried out by Compass Shoes.	

### Behavioural Intention of Loyalty

No.	Statement Items	Source
1.	I will say positive things about Compass Shoes to others.	Harrigan (2017)
2.	I would recommend Compass Shoes to someone who asks me for advice on a local sneaker brand.	
3.	I will encourage friends and relatives to buy and use Compass Shoes.	
4.	I will be using and buying Compass Shoe products over the next few years.	

Researchers used two forms of questionnaires, namely softcopy and hardcopy. Softcopy questionnaires were created using the Google Sheets application and distributed via email and online chat applications such as Whatsapp. The questionnaire will be distributed to Compass Shoes consumers. Likewise with hardcopy questionnaires. This questionnaire was directly distributed to consumers of Compass shoes.

In this study will use a multivariate analysis based on variance, namely Partial Least Square (PLS). This is because in accordance with the purpose of this study, which is to predict whether there is an influence between one construct on another so that it is predictive. In addition, the limitations in data collection will make it easier for researchers to obtain research results with a number that is not too large. The software that will be used is SmartPLS. The evaluation of the model is divided into two stages, namely the test of the outer model and the inner model.

## 4. RESULTS AND DISCUSSIONS

### 4.1 Respondent Profile

Based on the data obtained through 120 respondents, after processing the data by researchers using SPSS software, detailed data related to the respondent's profile were obtained.

Based on the data obtained, it shows that the respondents who are male are 105 respondents or 87.5% of the total respondents as a whole. While the remaining 15 respondents were female or 12.5% of the

total respondents as a whole. So it can be concluded that the majority of respondents are male. In addition, based on the age range of respondents who filled out the questionnaire in this study, respondents were dominated by respondents aged 21-30 years. Based on the latest education possessed by respondents who participated in this study, the results showed that the majority of respondents in this study were respondents with the latest education of S1 / Bachelor Degree with 73 respondents or 73% of respondents from a total of 120 respondents who filled out this questionnaire.

Based on the type of work owned by the respondents who filled out the questionnaire in this study, it was found that the majority of respondents worked as private employees with a percentage of 59.2% of the total respondents who filled out this questionnaire. Meanwhile, based on the level of income obtained, the majority of respondents in this study earn less than Rp. 5,000,000 (<5,000,000) per month which is recorded as 44 respondents or 36.7% of the total respondents who filled out this questionnaire.

### 4.2 Measurement Model Test Results

Analysis of the measurement model (outer model) in this study was carried out using validity and reliability tests. The validity test consists of convergent validity and discriminant validity. While the reliability test is stated in the calculation of the composite reliability and Cronbach's Alpha values.

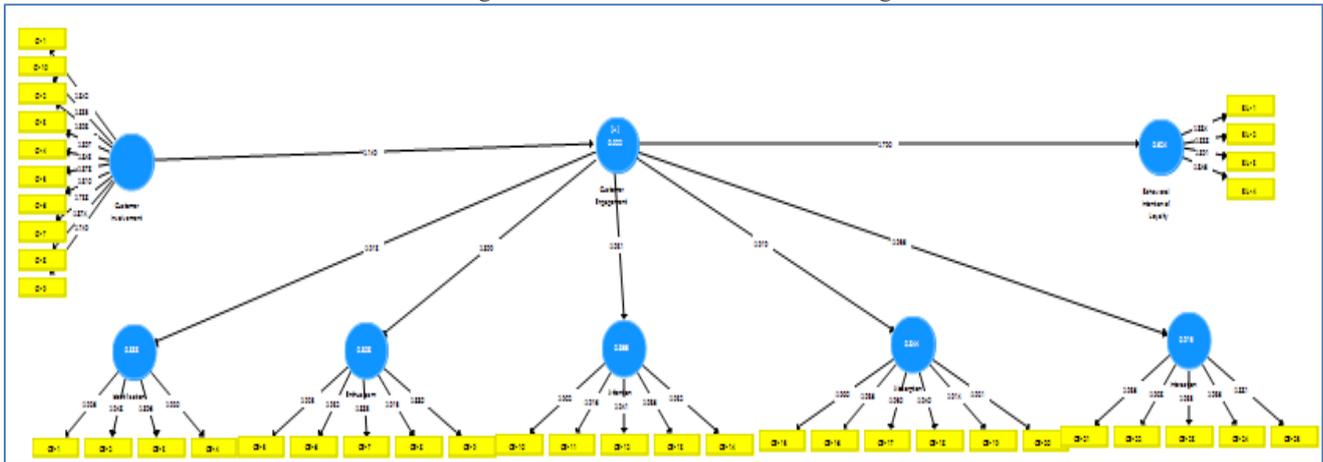
**1) Convergent Validity**

The convergent validity test in PLS with reflective indicators is assessed based on the loading factor (correlation between item scores/component scores and construct scores) indicators that measure these constructs (Abdillah and Hartono, 2015). The results of the convergent validity test were carried out in two stages. That is calculating the second order first and then the first order. The results of these tests can be seen in the following figure.

**• Second Order Confirmatory (First Step)**

The first step that needs to be done is to do a second order confirmatory. This is done because the Second-Order Confirmatory Factor Analysis for latent variables cannot be measured directly through the indicator variables. The results of the second order confirmatory test on the outer model of this research are described as follows.

*Loading Factor – Second Order Results Image*

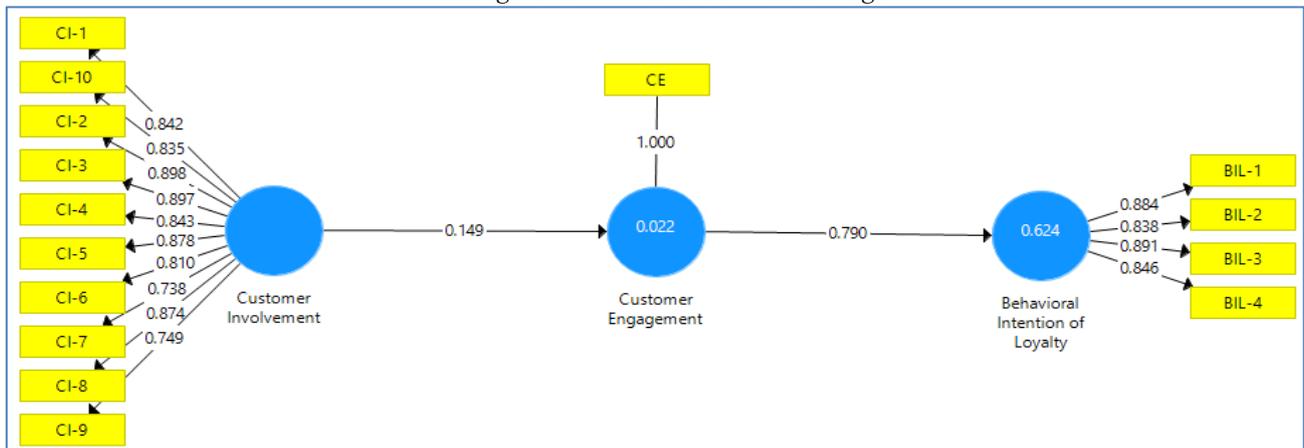


**• First Order Confirmatory (Second Step)**

After finding the value of the latent variable or variable that has dimensions through the second order

confirmatory stage, the next step is the first order confirmatory. The results of the first order outer model in this study are described as follows.

*Loading Factor – First Order Result Image*



The outer model is assessed by looking at the convergent validity value (the magnitude of the loading factor for each construct). Convergent validity of the reflexive indicator measurement model is assessed based on the correlation between the item score/component score and the construct score calculated by SmartPLS. The individual reflexive measure is said to be high if it has a correlation of more than 0.70 with the construct to be measured. From the output diagram in the model above, it is obtained that

the loading factor of each relationship between indicators and their constructs has a value greater than 0.70. So that all indicators are valid and no value shows below 0.70.

**2) Discriminant Validity**

The discriminant validity test was assessed based on the cross loading measurement with the construct (Abdillah and Hartono, 2015). The results of the AVE value are described as follows.

Average Variance Extracted Result Tab,e

Variable	Average Variance Extracted
Customer Involvement	0,702
Customer Engagement	0,723
Behavioral Intention of Loyalty	0,748

The results in the table above show the AVE value of each construct above 0.50. So it can be concluded that all constructs are valid.

3) Composite Realibility and Cronbach’s Alpha

Reliability testing on the SEM model uses the Cronbach's Alpha formula and composite reliability. Composite Reliability is an indicator to measure a construct that can be seen in the latent variable coefficients view. Based on the calculation results, the composite reliability value is obtained as follows:

Cronbach's Alpha and Composite Reliability Result Table

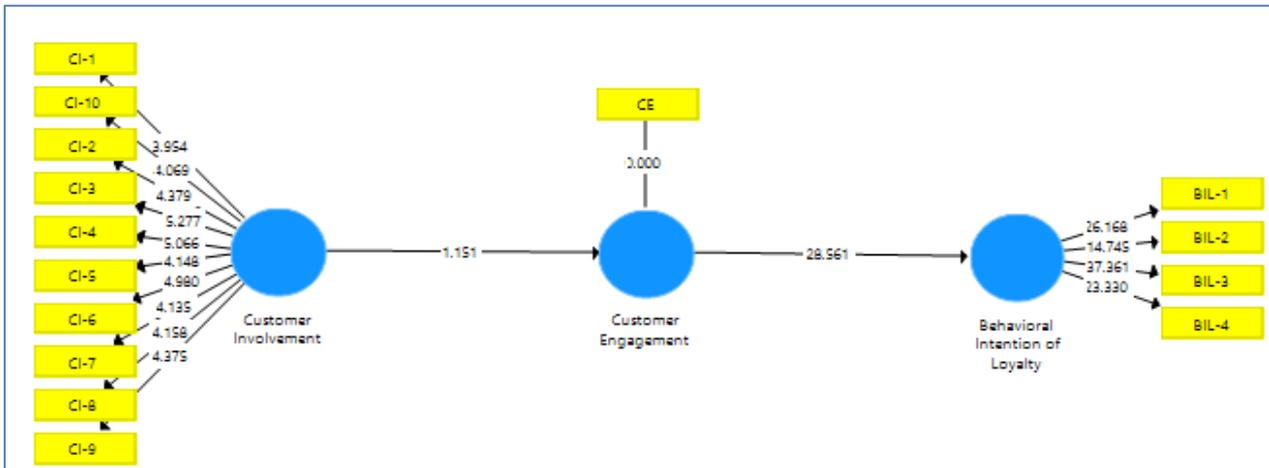
Variable	Cronbach’s Alpha	Composite Reliability
Customer Involvement	0,956	0,959
Customer Engagement	0,984	0,985
Behavioral Intention of Loyalty	0,889	0,922

Based on the table above, the composite reliability value is greater than 0.60 and Cronbach's alpha is greater than 0.70 for all exogenous and endogenous constructs. So it can be concluded that customer involvement, customer engagement and behavioral intention of loyalty have good reliability.

Structural model or Inner model is used to analyze the relationship between the existing latent variables in accordance with the proposed hypothesis. Structural modeling can only be done when the analysis of the measurement model has been carried out and specifically with regard to the validity and reliability of the measuring instrument is met. The results of boothstrapping can be seen in the following image.

4.3 Structural Model Test Results

Inner model analysis describes the relationship between latent variables based on substantive theory.



1) Coefficient of Determination

Inner model can be measured by calculating R-square for the dependent construct, t-test and the significance of the coefficients of structural path

parameters. The R-square value of the dependent variable obtained in this research model can be seen in the following table.

Table of Test Results - Coefficient of Determination

Variable	R-Square	Description
Customer Engagement	0,022	Weak
Behavioral Intention of Loyalty	0,624	Moderate

The R-square value on the customer engagement variable is 0.051 which means that the variability of the customer engagement construct can be

explained by customer involvement of 5.1% for the endogenous latent variable in customer engagement, which identifies that the model is weak. While 94.9% is

explained by other variables not included in this study. Then the R-square value on the behavioral intention of loyalty variable is 0.624 which means that the variability of the behavioral intention of loyalty construct can be explained by customer involvement and customer engagement of 62.4% for the endogenous latent variable in behavioral intention of loyalty, which

identifies that the model is moderate. While 37.6% is explained by other variables not included in this study.

## 2) Hypothesis Test Results

Hypothesis testing is done by looking at the t-statistics. The results of the path coefficient are as follows:

Hypothesis	Original Sample (O)	Sample Mean (M)	Standart Deviation (STDEV)	T-Statistic (O/STERR)	P-Value	Description
Customer Involvement → Customer Engagement	0,149	0,182	0,129	1,151	0,250	Rejected
Customer Engagement → Behavioral Intention of Loyalty	0,790	0,794	0,028	28,561	0,000	Accepted

The explanation regarding the results of hypothesis testing based on the table above will be described as follows:

- 1) **H1= Customer involvement has no effect on customer engagement.** This can be seen from the t-statistics value of  $1.151 < 1.96$  and the p value of  $0.250 > 0.05$  with a positive beta value. So the first hypothesis in this study was rejected.
- 2) **H2= Customer engagement has a significant effect on behavioral intention of loyalty.** This can be seen from the t-statistics value of  $28,561 > 1.96$  and p value of  $0.000 < 0.05$  with a positive beta value. So the second hypothesis in this study is accepted.

## 4.4 Discussion of Hypothesis Test Results

### 1) Influence of Customer Involvement on Customer Engagement

Based on the results of hypothesis testing, it is known that H1 is rejected. This means that customer involvement has no effect on customer engagement. The results of this study contradict previous research conducted by Harrigan (2017) which states that customer involvement has an effect on customer engagement. Based on the results of descriptive statistical tests, the lowest mean value for the customer involvement variable was obtained, namely the item CI-10 statement which states that Compass shoes users feel they don't really need Compass shoes with a score of 5.9917. This is one of the reasons why customer involvement does not affect customer engagement.

This shows that Compass shoe users have not yet felt the need for these shoes in their daily lives. Customer involvement is described as the perceived relevance of customers of an object (brand) based on their needs, values, and interests. Customer involvement is a consumer's perception of the importance or personal relevance of an object, event or activity. Consumers who see that the product has personally relevant consequences are said to be involved with the product (Rahayu, 2017).

Based on the results of hypothesis testing, there is no influence between customer involvement on customer engagement. How far and how deep are consumers involved in a brand, which in this study is Compass Shoes does not affect the level of customer engagement on the Compass shoe brand. This is because Compass Shoes users do not feel that engagement should be described through their involvement in Compass Shoes.

### 2) The Influence of Customer Engagement on Behavioral Intention of Loyalty

Based on the results of hypothesis testing, it is known that H2 is accepted. This means that customer engagement has an effect on behavioral intention of loyalty. The results of this study are in line with research conducted by Harrigan (2017) which states that customer engagement has an effect on behavioral intention of loyalty. This means that the higher the customer engagement owned by the consumer, the higher the behavioral intention of loyalty.

Based on the results of descriptive statistics, the highest mean value for customer engagement is in the statement item CE-9 which states that I love Compass Shoes as a local shoe brand with a mean value of 5.5667. In addition, the highest mean value for the behavioral intention of loyalty variable lies in the BIL-2 item which states that I will recommend Compass Shoes to someone who asks for my advice about a local sneaker brand) which is 5.8083.

Based on these statistical results, it can be seen that the relationship between consumers or users of compass shoes is going well with the compass shoe brand. This is reflected in Compass shoes users who love Compass Shoes as the local shoe brand that they choose to use. This will have an impact on consumer behavior in the form of loyalty. Research respondents who are users of Compass shoes have actions that show loyalty to the Compass shoe brand. This is reflected in the behavior of Compass shoe users who will recommend Compass Shoes to someone who asks them for advice about a local sneaker brand.

Based on the characteristics of the respondents, the respondents of this study were dominated by men as many as 105 respondents or 87.5% of the total respondents as a whole. This means that men are the majority of Compass shoe users in this study. In addition, based on the characteristics of the respondents, it can be seen that Compass shoe users come from various respondents with various types of work. This shows that Compass Shoes is a versatile local sneaker brand. In a sense, it can be used in all forms of occasion. In addition, it can be seen that Compass Shoes are affordable shoes, which means they can be reached by various groups, this can be seen from the majority of respondents who are dominated by respondents with incomes of respondents with incomes in the range of less than Rp. 5,000,000 (< Rp. 5,000,000) recorded as many as 44 respondents or 36.7% of the total respondents as a whole who filled out this questionnaire. In terms of the age of the respondents, it can be seen that Compass Shoes can be used by various groups from the age of 16-40 years. Respondents in this study were dominated by respondents in the age range of 21-30 years totaling 57 respondents or 47.5% of the total respondents as a whole. Respondents in this age range are the most active respondents both in social activities and cyberspace. So that it can encourage engagement on the Compass shoe brand.

Customer engagement is believed to be one way to maintain loyalty and maintain customer loyalty. Behavioral intention of loyalty is the behavior of consumers who are loyal or loyal to the company so that they are willing to recommend to others because they have received good service from the company Purwianti and Tio (2017). So it can be concluded that the higher the customer engagement with a brand, it will increase the consumer's behavioral intention of loyalty to the brand.

## 5. RESEARCH CONCLUSION

Based on the results of the hypothesis testing conducted, it can be concluded that only customer engagement has an effect on behavioral intention of loyalty. Meanwhile, customer involvement has no effect on customer engagement. So it can be concluded that the first hypothesis in this study was rejected and the second hypothesis in this study was accepted.

Customer engagement has a significant effect on behavioral intention of loyalty. The results of this study are in line with research conducted by Harrigan (2017) which states that customer engagement has an effect on behavioral intention of loyalty. Customer engagement is believed to be one way to maintain loyalty and maintain customer loyalty. A brand can increase its profits by having loyal customers, so businesses don't have to spend a lot of money and resources looking for new clients. (Purnami and Kusuma, 2017). Behavioral intention of loyalty is the

behavior of consumers who are loyal or loyal to the company so that they are willing to recommend to others because they have received good service from the company Purwianti and Tio (2017). The higher the customer engagement with a brand, it will increase the consumer's behavioral intention of loyalty to the brand.

On the other hand, customer involvement has no effect on customer engagement. The results of this study contradict previous research conducted by Harrigan (2017) which states that customer involvement has an effect on customer engagement.

Customer involvement is described as the perceived relevance of customers of an object (brand) based on their needs, values, and interests. Customer involvement is a consumer's perception of the importance or personal relevance of an object, event or activity. Consumers who see that the product has personally relevant consequences are said to be involved with the product (Rahayu, 2017). Based on the results of hypothesis testing, there is no influence between customer involvement on customer engagement. This is because Compass Shoes users do not feel that engagement should be described through their involvement in Compass Shoes.

## 6. Research limitations and suggestions for further researchers

In compiling this research, there are some limitations faced by the author. This limitation can be used as a lesson for further research. The first limitation of the study is that the antecedent variable used to see its effect on customer engagement is only customer involvement. Second, the object of research only examines the local sneaker brand, namely the Compass Shoe Brand. Third, the limitation in terms of time in collecting research samples is only 2 (two) months.

Seeing the limitations experienced in compiling this research, the following are suggestions for further research. Suggestions for further research related to research variables, namely by adding antecedent variables that affect customer engagement in further research. Examples include service quality, brand experience, and so on. Furthermore, expanding the object of research is expanded to not only research local sneaker brands, but can compare local brands with international brands such as Converse, Vans, and so on. In addition, further research is expected to be able to expand the time of collecting research samples so that the data and samples obtained can be more and more accurate.

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