

Customer's Emotional Bond Effects of Customer Loyalty on Cross Industry

Agus, Rahayu, A.K.H Jaelani*, M. Arief

Universitas Pendidikan Indonesia
 Bandung, Indonesia

*hisyamjaelani@upi.edu

Abstract— Nowadays, the rapid development of business world makes the competitions more increasing and challenging for each competitive company in running the business activities. Emotional bonds strategy which is done by PT. Bank Negara Indonesia, Tbk is development strategy by combining two or more goods or services to be a new product with extra value. BNI cooperates with a soccer club, Chelsea FC, by making products of pay-ment-cards with Chelsea series as brand combination in BNI. This research aims to (1) know the description about emotional bonds strategy, (2) know the description about emotional bonds in BNI's customers, (3) know the description of loyalty level of BNI's customers, (4) gain findings regarding how big emotional bonds influences the customers' loyalty of BNI-Chelsea credit cards in Indonesian supporters of Chelsea's fans club in Bandung. The object of this research is the customers of BNI-Chelsea credit cards in Indonesian supporters of Chelsea's fans club in Bandung. The research is a descriptive verification with quantitative approach and the method which is used is explanatory survey with simple random sampling technique, with 70 customers of BNI-Chelsea credit cards as the amount of the sample. The technique which is used to analyze the data is path analysis with a computer software, SPSS, as the tool. The results of this research show that emotional bonds influence the customers' loyalties. From investigating the hypothesis examination, it can be known that emotional bonds positively influence the customers' loyalties as BNI-Chelsea credit cards' users.

Keywords—Customer Emotional Bond; Customer Loyalty; Cross Industry

I. INTRODUCTION

In the world of marketing study, customer loyalty is one of the most important element because the forward or retreat of a company depends on the company's ability to get customers. There are two main approaches to loyalty: (1) behavior-based loyalty, meaning that loyal customers are customers who repurchase and a fixed proportion of purchases, (2) attitude-based loyalty, meaning that the customer is psychologically committed to the object [1]. If you look at the current phenomenon, in order to maintain customer loyalty, it is not enough to only conduct behavioral loyalty approach, because customers tend to continue to seek satisfaction from a product that the company has to offer. In accordance to [2], the loyalty interpretation as purchasement does not provide an idea of actual loyalty because purchasement in the past are not considered indicators of true loyalty. According to [3], a loyal customer is one who makes regular repeat purchase, purchase

across product and service line, refers others and demonstrates an immunity to the pull of the competition.

Meanwhile, according to [4], customer loyalty is a psychological character that is formed from continuous customer satisfaction and has a strong emotional bond and is then formed from service excellence for consumers consistently to connect with brands, prefer brands, make repeat purchases, and purchase premium. [5] defines consumer loyalty in the context of service marketing as a response that is closely related to pledges or promises to uphold the commitments underlying continuity of relations, and is usually reflected in the ongoing purchase of the same service provider on the basis of pragmatic dedication and constraints.

Therefore loyalty approach based on attitude has been done by many companies in marketing programs to get loyal customers. One of them by paying attention to the psychological aspects of customers through the bond (attachment). [6] defines Attachment / bonds is an emotional-laden target specific bond between a person and a specific object. Attachment varies greatly in degree of strength and attachment is closely related to strong feelings of connection, love, love and passion. Then, [7] defines customer emotional bond is a critical construct in the marketing literature as it describes the strength of the bond customers have with the brand. This bond subsequently affects their behaviour and in turn fosters firm profitability and customer lifetime value.

Previous studies have shown that customer loyalty will be rapidly formed through ties between customers and companies or brands [8] [9] [10]. Loyalty can be formed quickly if it involves the psychological aspect of an emotional bond between the customer and the company or brand. Previous research gap on [10] reveal the results of this study indicate the unexpectedly limited effectiveness of corporate branding on customer emotional attachment. Although the findings show that customers' emotional bonds positively drive their brand loyalty, the results do not fully support the hypothesis that corporate branding effectively enhances a customer's emotional bonds.

Banking companies in Indonesia compete for attention and make potential Indonesians as their clients, but in reality many Indonesians become banking customers but are not loyal to the banks they have chosen. In Indonesia, the banking system that facilitates the Retail and Consumer Banking segment consists of three main products, namely prepaid cards (e-Money), debit

cards, and credit cards. According to data from Bank Indonesia over the last three years from 2014 to 2016, Retail & Consumer Banking products have increased transactions and volume on prepaid products (e-Money) and debit cards, but on their own credit card products since 2014 outstanding volume of credit cards relatively decreased until the end of 2016. According to General Manager of Indonesian Credit Card Association (AKKI) Steve Marta, that credit card growth continues to experience significant slowdown since the issuance of Bank Indonesia Regulation (PBI) Number 14 / 2 / PBI / 2012 regarding credit card ownership, even predicted in 2016 the publishing growth is only around 5% only, inversely in the year before the rule there is a growth of 10-15%.

Bank Indonesia (BI) records the development of credit cards in Indonesia during 2012 until 2016, the development of credit card business is very promising because from 2012 to 2016, the number of cards and the number of transactions increased relative although not rising in large numbers each year. However, in 2014 and 2015 the volume of credit cards is likely to be down even though the volume of transactions in 2014 still rose quite high. This indicates that there is a problem with customers who use credit cards in Indonesia one of them loyalty problems of customers' credit card users.

Bank BNI seeks to do business with one of the sports club that is football club, considering the people of Indonesia have a very big interest to the sport of football. But not only interest but the people of Indonesia have become fanatical fans of football clubs, especially European clubs, Bank BNI in cooperation with Chelsea F.C. Given the number of fans of these clubs in Indonesia so much then Bank BNI seeks to facilitate the creation of an emotional bond between the fans in Indonesia with Chelsea F.C. The existence of this cooperation is expected Bank BNI will get more attention from the fans of Chelsea F.C club in Indonesia.

In Indonesia the fanaticism of soccer clubs in Europe, especially in the UK is very high, can be seen from the data of Chelsea F.C. The www.goal.com website notes that Chelsea fans have reached 125 million in the world and 75 million fans are in the Asia Pacific region. Furthermore, for the Blues population in the Asia Pacific region, Indonesia ranks number one with a total supporter of 2.7 million people, followed by Malaysia with 2.4 million people, 2.3 million people in China and 1.9 million in Thailand. Indonesia's interest in football makes it a potential business opportunity for banks to increase their number of customers. With the huge number of club fans making the main reason BNI 46 team up with Chelsea F.C football club.

The purpose of this study is to be achieved the influence of emotional bond on customer loyalty to BNI-Chelsea credit card customers in the fans club Chelsea Indonesia Supporter Bandung.

II. METHODOLOGY

Objects in this study are BNI-Chelsea credit card customers in the fans club Chelsea Indonesia Supporter Bandung. This research was conducted at the time period of research less than one year, hence re-search method used is cross sectional method with quantitative approach. This study was conducted

in May-September 2017. Type of research used, based on the variables studied then this type of research is descriptive and verification. Descriptive research aims to find out the description of the concept of emotional bonding and customer loyalty to BNI-Chelsea credit card customers, which is expected to represent the overall picture of credit card users within the industry. While verification research aims to test the hypothesis that has been formulated previously about how much influence the influence of emotional bond to customer loyalty. Based on the type of research is descriptive and verification re-search conducted through data collection field, then the method used in this research is an explanatory survey.

The population in this study is BNI-Chelsea credit card customers in the fans club Chelsea Indonesia Supporter Bandung in 2017 as many as 336 people. The formula used to measure the sample, used the formula on [11], namely the size of the sample which is a comparison of the size of the population with the presentation of leniency inaccuracy, because the sampling can be tolerated or desirable. In this sampling used the error rate of 5%. Then so that the sample used representative, then in this study determined a sample of 70 respondents. Analytical technique used is path analysis.

III. RESULTS AND DISCUSSION

The overall test results give significant results. So to know which exogenous variables that individually significantly influence the endogenous variables can be continued with partial testing.

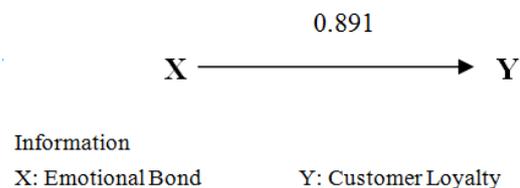


Fig. 1. Emotional bond channel paths to customer loyalty.

Figure 1 shows between emotional bond and customer loyalty. Where the emotional bond has a significant effect on customer loyalty of 0.891. This is in accordance with the opinion of [12] that customer ties with the company of the brand will create a strong relationship between customers with companies of the brand. Brands that involve emotional bonding can predict the intensity of the customer in consuming a product, until eventually there will be repeat purchases. Besides, it was stated by [13] that the famous brand formed customer behavior to re-buy routinely so that it can be said as a loyal customer. Based on [7] theory that emotional attachment/bonds is influenced by the brand of a company that always involves the emotional side of its customers, causing customers to become loyal to the brand or company.

IV. CONCLUSION

The description of customer loyalty is measured by (Word of Mouth, Trust, Commitment and Ownership). The customer loyalty dimension that has the highest rating of BNI-Chelsea

credit card customers is Word-of-Mouth, because BNI-Chelsea credit card customers have a sense of loyalty to the Chelsea club and BNI collaborates with the issuance of BNI-Chelsea card products so that information is positive, recommendations and good experience will make customers willing to become BNI-Chelsea credit card business referrals to others. While the dimensions with the lowest rating are Trust because the customer's trust in using one credit card is deemed insufficient in various transactions.

Emotional bonds have a positive effect on customer loyalty with high influence. This suggests that if a strategy that involves a customer's emotional will be very much in line with the interests and wishes of a potential football club fan, Chelsea F.C, the merging strategy of two big brands with community-based will create a stronger emotional bond with the product. And the positive influence between emotional bond to customer loyalty has a very high effect. This is because of the emotional bond that has been created on the credit card customers BNI-Chelsea so that customers become loyal to the bank BNI, BNI-Chelsea credit card facilities. Recommendations from results of this study are as follows: 1) For the banking industry, how emotional bonds making customers more loyal to the company. 2) Making loyal customers become assets of the company in the future. 3) For further research, it is suggested that the discussion can be expanded, either by adding variables analyzed, or to expand the coverage and scope.

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