

CHAPTER 1

INTRODUCTION

1.1 Background

Competition in the business world today increasingly tight and competitive in attracting consumers to use the products offered by the company. The company continues to think and develop ways to make consumers feel satisfied with the products. So that the company can compete in making the services or products that fit the needs and desires of consumers. In addition the company also provides services as possible so that consumers may be interested in using the services or products offered. Where companies continue to compete in providing services or products that are high quality and in accordance with the expectations of consumers. So that consumers may be interested in the services or products offered by the company. One of the companies that are rapidly growing and competitive in today's business world is a sporting goods company.

Sports today has become a human need for healthy living. There are so many sports that demand by many people one of them is running sports. Track currently favored by many people as it can make the body become fitter. All types of sports require equipment that meets the standards of exercise so that it can run a good sport activity and can produce optimal results in the exercise. So the company sportswear trying to produce a good product and quality and can make consumers interested in the brand.

In this era, many companies especially in the field of products more competitive in creating a product in order to create brand loyalty. Brand Loyalty is the willingness of consumers to pay for products

purchased at a higher price. With the willingness of the consumers can directly distinguish these products from others, even consumers can feel an emotional connection with these products from others, even consumers can feel an emotional connection with these products because they think the product is in accordance with his character as Brand Personality. Consumers will be satisfied when the company is able to provide services or products to meet what is expected by the consumer. If the services or products provided by the company in accordance with the expectations expected by consumers is by itself the consumer will be satisfied and so did the opposite. With the creation of self-satisfaction in the consumer, the consumer can easily give a positive response to the services or products purchased also felt a good experienced between it.

Choosing shoes for doing running sport not only in terms of desire, but also in accordance with the character of the feet of the users themselves. Perceptions like that are understood by the artist who also Putri Indonesia 2002 Melanie Putra who pursue the running sports since 2011. "For people who like to run, the shoes are weapons. So had to adjust to the character because it's everyone's feet are different, Melanie said when contacted by CNN Indonesia." Since it began to undergo serious running sports, Melanie Putra admitted to frequently change her shoes. Not only the type sought, but also brand shoes. Some people feel that sports shoes with good brand certainly has a high quality and comfortable when worn.

For many decades, the percentage amount in the sports industry was 80% of athletic shoes are did not worn for customer intended purpose, it is rather used as casual sportswear said by Matt Powell for Forbes. Taking data from The NPD Group's Consumer Tracking Service, Matt Powell was

able to test that theory. He pleased to tell us that the sports industry's collective wisdom is pretty smart. Over the last few years in the U.S., according to The NPD Group's Retail Tracking Service, sales of sport footwear now exceed those in the combined dress and casual categories, a point not lost on the fashion footwear market. This knowledge of end use will help brands and retailers make more strategic decisions about which products to focus on. Of the largest categories, running shoes have the highest intent to use for sport, at about 50%. Outdoor is actually quite low, at about 10%. The above statement is also a form of Brand Experience and Brand Personality is understood by the customer running sports shoe, where the sports shoes running must match the character of the wearer and thus the customer will feel a different experience than buying running shoes at random or out of character. With the formation of the character and experiences it is ensured that customer satisfaction and brand loyalty towards running sports shoes purchased will appear. The increasing amount of running sport shoes wearer is because it could be matched with customer lifestyle.

According to Alloza (2008) based on Sahin et al., (2011) brand experience can be defined as the perception of the consumers, at every moment of contact they have with the brand, whether it is in the brand images projected in advertising, during the first personal contact, or the level of quality concerning the personal treatment they receive. brand experience is defined according to Brakus et al., (2009) on Chinomona (2011) who expressed it as subjective, internal consumer responses and behavioral responses evoked by brand-related stimuli that are part of a brand's design and identity, packaging, communications, and environments. The almost-similar definition is also expressed by Gentile et al., (2007) on

Kwong and Candinegara (2014) who defined brand experience as customer experience with the product or company that is established through customer personal relationship with the product or company itself. Delgado et al., (2005) on Sayed (2015) found that brand experience permit to us to feel more relaxed with the brand and to start building trust – as long as that the brand meets its expectations. Based on those explanation it can be concluded that brand experience is a consumer feelings to response about the products they buy. Brand experience is a important aspects for company to create consumer feelings in order to increasing their performance. The greater consumer feelings happy about the product, the greater company would meet the expectation of the consumers.

Brand personality refers to a symbolic or self-expressive function for consumer (Keller, 1993 on Safa and Daraei, 2016) because human characteristic are reminded by a brand (Aaker, 1997). Further, consumers use brands with a strong brand personality to build relations with (Fournier, 1998 on Geuens et al., 2009) and to show their own personality (Belk, 1988). Brand personality is associated with human personality traits which may be attributed a specific brand (Kotler, 2009 on Safa and Daraei, 2016). Levy (1959) on Lin (2010) indicates that brand personality contains demographic features, such as gender, age and social class, and they may be directly influenced by the image of the brand users, personnel and product spokespersons, and indirectly affected by product attributes as well. According to Lannon (1993) on Safa and Daraei (2016) stated that brand personality in an environment of symbolic consumption is known as differentiating factor, by which the consumer express their idea and appear their characteristics (Sirgy, 1982). Another view for brand personality is that if the brand were a person, what would be personal traits? (Hoyer and

McGinnis, 1997 on Bilgili and Ozkul, 2015). Some researchers believe that the brand personality is 3th dimension of brand after the physical and functional attributes of the brand (Engel et al., 1995 on Bilgili and Ozkul, 2015). Brand personality defines how an organization relates a brand with human personality traits for the purpose to create symbolic relations that are strong, unique, distinct and consistent to the consumers (Freling and Forbes, 2005 on Ling et al., 2014). So, based on those definitions it can be concluded that brand personality is a human characteristic which is associated with a specific brand. The other definition of brand personality is that the personality traits associated with a brand to distinguish between the brands.

Kotler and Keller (2009:138) satisfaction is feeling happy or disappointed someone arising from comparing the performance of perceived product (result) to their expectations. If the performance fails to meet expectations, customers will be dissatisfied. If performance in line with expectations, the customer will be satisfied. If performance exceeds expectations, the customer will be very satisfied or pleased. Companies would be wise there to measure customer satisfaction on a regular basis, because one of the keys to maintain the customer is customer satisfaction (Kotler and Keller, 2009:140). This is in line with Lovelock and Wrigth (2005:102) customer experience various levels of satisfaction and dissatisfaction after suffering their respective services in accordance with the extent to which their expectations are met or exceeded. Customer satisfaction is an important concept in the thinking of marketing and consumer research (Peter and Olson, 2008:393). Based on those definitions it can be concluded that customer satisfaction is a satisfied and dissatisfied feelings of a consumer about the products sold to them. The offering about

the product given by the company need to be same with the product obtained by the consumers because it is also becoming the buyer's expectation about the product offered to them. So, company need considering this aspects as important thing to maintain and serve their customers in a good performance then customers felt satisfied with the product and services given by the company.

Chinomona et al., (2013) They appear to numerous definition for brand loyalty in the marketing literature. Giddens (2002) on Chinomona et al., (2013) assert that brand loyalty exist when a consumer is willing to pay a high price for a certain brand within the same product group and recommends that brand to the people around them. Oliver (1997) on Bazer et al., (2015) defines loyalty as "a deeply held commitment to rebuy or repatronise a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behaviour". Schiffman and Kanuk (2004) on Jing et al., (2014) defined that brand loyalty represents a commitment of the consumer to the brand which makes it asanintangible asset that reflects the company's price of the product or service. According to Hsin et al., (2009) on Ling et al., (2014), brand loyalty comes from consumers' satisfaction through their past experiences in using the same brand in which will lead to repurchase behaviour.

Oliver (1999) on Ling et al., (2014) suggested that brand loyalty represents consumers' repurchase commitment in the future purchase and they will not change their brand loyalty no matter in what situations. Therefore, brand loyalty can be defined as the degree of consumer's attachment to a specific brand (Hee Jung and Myung Soo, 2012 on Ling et al., 2014). Based on those definitions above it can be concluded that brand

loyalty is a consumer feeling to be loyal to the product given to them because it is meet the customer expectation. Also, some of customers willing to pay the price more higher than usual of the product they want because they already loyal with the product and they beliefs another product can not replace it.

The previous study on the same topic has been done before by Bazer et al., (2015) in Turkey. Findings revealed that brand experience directly and positively affected consumer satisfaction, brand trust and brand loyalty. More specifically, it was found that the effect of brand experience on consumer satisfaction and brand trust was much more powerful than its direct effect on brand loyalty. This study highlights the direct and indirect effect of brand experience on brand loyalty directly and through the mediating roles of consumer satisfaction and brand trust.

Second previous research was conducted by Cleff et al., (2013) in Germany. Findings revealed that brand experience has a significant positive correlation with brand personality, consumer satisfaction and consumer loyalty. In addition, a significant correlation between brand personality with consumer loyalty and consumer satisfaction could have also been validated.

There are several reasons for choosing Reebok shoes in Surabaya as the object of research. It is due to the Reebok shoes that are able to compete in the sport shoe industry because since 2005 this brand has become part of a popular brand and standing at the top 6 said Gary Liam for sports.10terbaik.com. Which has good quality and has a varied range of models and has a more affordable price than its competitors. So it can be reached by most people. Reebok shoes in Surabaya also provides brand experience to customers so as to create a good experience, the brand

personality arising properly can make consumers feel the emotion in accordance with their character, customers will be satisfied if the brand can make a good experience and have a character that suits the customer. By itself, brand loyalty will cause the positive side. It is correlated because what is desired by the customer in accordance with what is expected.

This research in title *The Influence of Brand Experience towards Brand Loyalty through Brand Personality and Customer Satisfaction Of Rebook shoes in Surabaya* is important to studied because this study aims to determine the post-purchase behaviour in particular influenced by the brand experience and brand loyalty as well as to determine the effect among variables with each of the indicators contained. There are many brands appear in market nowadays and most of consumers are seek for the best one suitable with their characters from that point the experience given by the product to the consumers would give a possitive side which make the consumers loyal with the brand they bought about.

1.2 Problem Statement

Of the background issues that have been described, the problem can be formulated as follows:

1. Does Brand Experience give effect toward Brand Personality on Reebok Running Shoes in Surabaya?
2. Does Brand Experience give effect toward Customer Satisfaction on Reebok Running Shoes in Surabaya?
3. Does Brand Personality give effect toward Customer Satisfaction on Reebok Running Shoes in Surabaya?
4. Does Brand Personality give effect toward Brand Loyalty on Reebok Running Shoes in Surabaya?

5. Does Customer Satisfaction give effect toward Brand Loyalty on Reebok Running Shoes in Surabaya?
6. Does Brand Experience give effect toward Brand Loyalty through Brand Personality on Reebok Running Shoes in Surabaya?
7. Does Brand Experience give effect toward Brand Loyalty through Customer Satisfaction on Reebok Running Shoes in Surabaya?

1.3 Research Objectives

This study is conducted to examine and analyse the influence:

1. Brand Experience toward Brand Personality of Reebok Running Shoes in Surabaya.
2. Brand Experience toward Customer Satisfaction of Reebok Running Shoes in Surabaya.
3. Brand Personality toward Customer Satisfaction of Reebok Running Shoes in Surabaya.
4. Brand Personality toward Brand Loyalty of Reebok Running Shoes in Surabaya.
5. Customer Satisfaction toward Brand Loyalty of Reebok Running Shoes in Surabaya.
6. Brand Experience toward Brand Loyalty through Brand Personality of Reebok Running Shoes in Surabaya
7. Brand Experience toward Brand Loyalty through Customer Satisfaction of Reebok Running Shoes in Surabaya

1.4 Significant of the Study

Results of this research are expected to provide the following benefits:

1. Academic Benefits

Helps authors to deepen material that has been taught during the lectures, as well as implementing the existing theories into the real world. As well as to increase knowledge about Brand Experience, Brand Personality, Consumer Satisfaction and Brand Loyalty. Being one of the sources of information, especially for research in the future of Brand Experience, Brand Personality, Customer Satisfaction and Brand Loyalty.

2. Practical Benefits

This research can be used as input and consideration to determine how much influence the Brand Experience towards Brand Loyalty through Brand Personality and Customer Satisfaction on Reebok Running Shoe in Surabaya.

1.5 Systematic of Writing

CHAPTER 1: INTRODUCTION

Contains background of the problem, formulation of the problem statement, research objectives, the significant of the study, and systematic of writing.

CHAPTER 2: LITERATURE REVIEW

This cahpter explains the literature review of previous studies, the theoretical basis (comprised of Brand Experience, Brand Personality, Customer Satisfaction, Brand Loyalty), the relationship among variables, the research model and research hypothesis.

CHAPTER 3: METHODS

Contains the design of the study (research design), the identification of the variables, the operational definition of

variables, types and sources of data, tools and methods of data collection, population, sampling, data analysis technique and hypothesis testing procedures.

CHAPTER 4: DISCUSSION AND ANALYSIS

This discussion will be described in the description of the research data, research data analysis, and discussion.

CHAPTER 5: CONCLUSION

This section describes about the conclusions based on analysis of previous chapters, and suggestions for improvement.