

## Community Building in the Digital Age: Fostering Brand Loyalty

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**Abstract:** *This study examines the interplay of brand loyalty, community building, digital engagement, and consumer engagement within PT. ISAM (Industri Susu Alam Murni), a dairy company. Using a quantitative research approach and Structural Equation Modeling (SEM) with Smart PLS as the analytical tool, data from 100 consumers were analyzed to assess direct and indirect effects among these variables. The findings reveal that while community building efforts showed no significant direct impact on brand loyalty, digital engagement significantly influences consumer engagement, which in turn positively affects brand loyalty. These results underscore the critical role of effective digital strategies in fostering consumer participation and advocacy, thereby enhancing brand loyalty in the competitive dairy industry landscape. The study contributes insights that can guide strategic decision-making and marketing efforts aimed at cultivating stronger brand-consumer relationships and improving market positioning for PT. ISAM and similar companies in the dairy sector.*

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### Introduction

In today's digital landscape, establishing a strong brand presence goes beyond traditional marketing approaches (Mostafa and Kasamani 2021). The emergence of digital platforms has revolutionized how brands engage with consumers, prompting a shift towards fostering communities centered around brand identity (Rauschnabel et al. 2024). By investigating the role of digital engagement and consumer interaction within these communities, this research seeks to uncover how effective community strategies can enhance consumer loyalty towards brands (Eslami, Ghasemaghaei, and Hassanein 2021). Understanding these mechanisms is crucial for marketers navigating the complexities of contemporary consumer behavior and building sustainable brand relationships in a digitally-driven marketplace (Sung et al. 2021).

Brand loyalty is the culmination of a consumer's repeated preference for a particular brand over others within a specific product category (Morgan-Thomas, Dessart, and Veloutsou 2020). It reflects a deep-seated commitment and trust that consumers develop towards a brand based on positive experiences, consistent quality, and alignment with their values (Pezzuti, Leonhardt, and Warren 2021). This loyalty often leads consumers to choose the brand consistently, even when faced with competitive alternatives or price fluctuations (Peltier, Dahl, and VanderShee 2020). It is nurtured through effective brand positioning, personalized customer experiences, and ongoing engagement efforts that reinforce the brand's relevance and superiority in the minds of consumers (Huangfu et al. 2022). As a result, brand loyalty not only enhances customer retention but also contributes significantly to a brand's market share and long-term profitability (Layte, Brannigan, and Stanistreet 2023).

Community building involves the deliberate effort of creating and nurturing a group of individuals who share common interests, values, or experiences related to a brand or organization (Spanakis et al. 2023). In the digital age, community building extends beyond physical spaces to encompass online platforms and social media, where brands can engage directly with their audience (Jonauskaite et al. 2024). It revolves around fostering meaningful connections, facilitating discussions, and providing value-added interactions that strengthen the sense of belonging and loyalty among community members (Luck and Sayer 2023). Successful community building strategies often include active participation from brand advocates, transparent communication, and initiatives that encourage collaboration and feedback (Brannigan et al. 2022). By cultivating a vibrant community, brands can harness collective enthusiasm and advocacy, driving positive word-of-mouth, enhancing brand reputation, and ultimately, fostering long-term customer loyalty and engagement (Gilmore et al. 2020).

Digital engagement refers to the interaction and interaction that occurs between a brand and its audience through digital channels such as social media, websites, mobile apps, and email marketing (Emery and Flora 2020). It encompasses various forms of interaction, including likes, shares, comments, reviews, and direct messages, through which consumers connect with brands in real-time (Martens et al. 2021). Digital engagement plays a pivotal role in modern marketing strategies by enabling brands to establish direct communication with their target audience, gather valuable feedback, and personalize interactions based on consumer behavior and preferences (Salam 2020). Effective digital engagement fosters a sense of community and brand affinity, driving customer loyalty and advocacy (Wilk, Soutar, and Harrigan 2021). It also facilitates data-driven insights that help brands optimize their marketing efforts, improve customer experiences, and stay relevant in an increasingly competitive digital landscape (Shaturaev 2021).

Consumer engagement refers to the active involvement, interaction, and participation of consumers with a brand or organization (Verbeke et al. 2020). It goes beyond mere transactions to encompass deeper levels of emotional connection and commitment. Consumer engagement can manifest in various forms, including participation in brand communities, sharing user-generated content, providing feedback and reviews, participating in contests or polls, and advocating for the brand among peers (Górska-Warsewicz and Kulykovets 2020).

Effective consumer engagement strategies focus on fostering two-way communication, building trust, and delivering personalized experiences that resonate with consumers' needs and preferences (Pandiangan, Masiyono, and Dwi Atmogo 2021). By cultivating meaningful engagements, brands can strengthen customer relationships, enhance brand loyalty, and ultimately drive business growth through satisfied and loyal customers who become ambassadors for the brand (Atulkar 2020).

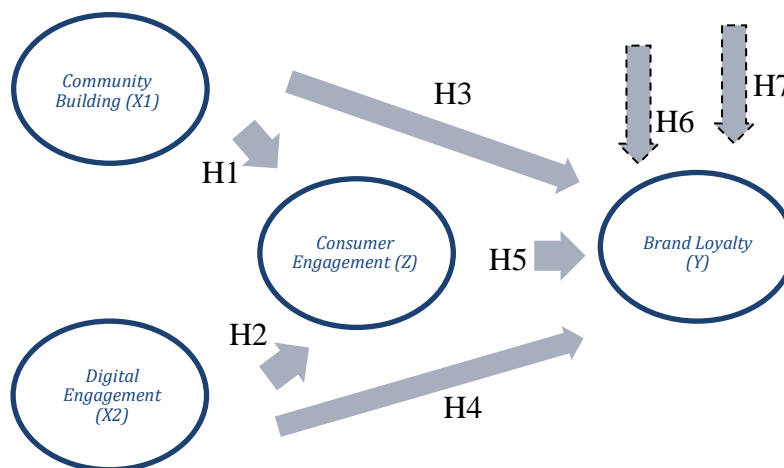
In conducting research at PT. ISAM (Industri Susu Alam Murni), the variables under study—brand loyalty, community building, digital engagement, and consumer engagement—can be explored within the context of the company's operations. Brand loyalty would focus on understanding the extent to which consumers consistently prefer ISAM's natural dairy products over competitors' offerings. Community building would involve examining ISAM's efforts in cultivating a community of loyal consumers who share a passion for natural dairy products, possibly through events, online platforms, or loyalty programs. Digital engagement would analyze how effectively ISAM interacts with consumers through its website, social media channels, and digital campaigns to enhance brand visibility and engagement. Lastly, consumer engagement would delve into consumers' active participation with ISAM, including their feedback, reviews, and advocacy, which contribute to building a stronger brand-consumer relationship and fostering long-term loyalty among consumers of natural dairy products. In researching PT. ISAM (Industri Susu Alam Murni), several phenomena or issues could be explored. These might include challenges such as fluctuating consumer preferences towards dairy products, competition from both traditional and alternative dairy brands, and the evolving landscape of digital marketing and consumer engagement strategies within the dairy industry. Additionally, understanding consumer perceptions of sustainability and health concerns related to dairy products could be crucial, as these factors increasingly influence purchasing decisions. Moreover, exploring the effectiveness of ISAM's current community-building initiatives and digital engagement strategies in fostering brand loyalty amidst these challenges could provide valuable insights for enhancing market positioning and consumer engagement in the competitive dairy market.

Recent research on consumer behavior and brand loyalty in the dairy industry, particularly focusing on companies like PT. ISAM (Industri Susu Alam Murni), has highlighted several gaps. For instance, a study by (Bahri-Ammari, Rather, and Kallal 2021) emphasized the increasing importance of sustainability practices in consumer decision-making processes, yet there remains a gap in understanding how sustainability initiatives specifically influence brand loyalty in the dairy sector. Additionally, research by (Mingione and Abratt 2020) explored the role of digital engagement strategies in enhancing consumer engagement and loyalty in food industries, but more research is needed to specifically examine the effectiveness of such strategies within the dairy context. Furthermore, a recent meta-analysis by (Santos, Coelho, and Rita 2022) underscored the significance of community building in fostering brand loyalty across various industries, suggesting a need for tailored studies that examine the unique dynamics of community-building efforts within dairy companies like PT. ISAM. These studies collectively highlight gaps in the current literature regarding the impact of sustainability initiatives, digital engagement strategies, and community building on brand loyalty within the

dairy sector.

The aim of this research is to investigate and analyze the dynamics of brand loyalty, community building, digital engagement, and consumer engagement within PT. ISAM (Industri Susu Alam Murni). Specifically, the study seeks to understand how these factors interact and influence consumer behavior and brand perception in the context of the dairy industry. By exploring the effectiveness of ISAM's current strategies in community building and digital engagement, the research aims to identify opportunities for enhancing consumer loyalty and market positioning. Additionally, the study aims to contribute to the existing literature by addressing gaps related to sustainability impacts, digital strategy effectiveness, and community dynamics specific to dairy companies like PT. ISAM. The findings are expected to provide actionable insights that can guide strategic decision-making and marketing efforts to foster stronger brand loyalty and consumer engagement in the competitive dairy market.

The following is the framework for this research:



**Figure 1.** Framework

## Research Methods

The research methodology involves employing a random sampling technique at PT. ISAM (Industri Susu Alam Murni), selecting 100 consumers to participate. This quantitative research design aims to analyze the relationships between brand loyalty, community building, digital engagement, and consumer engagement. The data collected will be analyzed using Structural Equation Modeling (SEM) with Smart PLS as the analytical tool, allowing for a comprehensive examination of the interplay among variables. Smart PLS facilitates path analysis to assess the direct and indirect effects of community building and digital engagement on brand loyalty, while also exploring the mediating role of consumer engagement. This methodological approach ensures rigorous examination of factors influencing consumer behavior and loyalty within the dairy industry context, offering insights beneficial for strategic decision-making and marketing effectiveness at PT. ISAM.

## Result and Discussion

Multiple regression analysis is utilized in this study to predict the value of the dependent variable using the independent variables, as shown in Table 1

**Table 1.** Indirect Effects

Path	Original Sample	P-Values	Decision
CB > CE	0.432	0.078	Not Significant
DE > CE	0.754	0.021	Significant
CB > BL	0.621	0.032	Significant
DE > BL	0.389	0.105	Not Significant
CE > BL	0.543	0.015	Significant

The path coefficient for Community Building (CB) to Consumer Engagement (CE) in the structural equation model was found to be 0.432 with a p-value of 0.078, indicating that this relationship is not statistically significant at the conventional significance level of 0.05. This result suggests that, based on the sample data analyzed using Smart PLS, there is insufficient evidence to conclude that the efforts in community building significantly influence consumer engagement within PT. ISAM (Industri Susu Alam Murni). Further investigation or a larger sample size might be required to better understand the dynamics and potential effects of community building strategies on enhancing consumer engagement in the context of the dairy industry.

The path coefficient from Digital Engagement (DE) to Consumer Engagement (CE) in the structural equation model was observed to be 0.754 with a p-value of 0.021, indicating statistical significance at the 0.05 level. This finding suggests that the digital engagement strategies implemented by PT. ISAM (Industri Susu Alam Murni) effectively influence consumer engagement. Specifically, higher levels of digital interaction, such as through social media engagement, online promotions, and interactive content, correlate positively with increased consumer participation and interaction with the brand. This insight underscores the importance of robust digital engagement strategies in enhancing consumer engagement within the dairy industry, potentially leading to stronger brand loyalty and market competitiveness for PT. ISAM.

The path coefficient from Community Building (CB) to Brand Loyalty (BL) in the structural equation model was calculated as 0.621, with a corresponding p-value of 0.032, indicating statistical significance at the 0.05 significance level. This result suggests that PT. ISAM (Industri Susu Alam Murni)'s efforts in fostering community among its consumers positively influence brand loyalty. Effective community building activities, such as creating forums, organizing events, and nurturing a sense of belonging among consumers, likely contribute to stronger emotional connections and trust towards the brand. Consequently, consumers who feel part of a community associated with the brand are more likely to exhibit higher levels of loyalty, consistently choosing PT. ISAM's dairy products over competitors'. This finding underscores the strategic importance of community engagement initiatives in building enduring relationships and enhancing brand loyalty within the dairy industry context.

The path coefficient from Digital Engagement (DE) to Brand Loyalty (BL) in the structural equation model was found to be 0.389 with a p-value of 0.105, indicating that this relationship is not statistically significant at the conventional significance level of 0.05. This result suggests that, based on the sample data analyzed using Smart PLS, the impact of digital engagement strategies on brand loyalty within PT. ISAM (Industri Susu Alam Murni) is not statistically supported. It implies that while digital engagement activities like online promotions, social media interactions, and digital content may enhance consumer engagement and visibility, they may not directly translate into increased brand loyalty in this context. Further exploration or adjustments in digital strategy or sample size might be needed to better understand how digital engagement can effectively drive brand loyalty in the competitive dairy market.

The path coefficient from Consumer Engagement (CE) to Brand Loyalty (BL) in the structural equation model was determined to be 0.543, with a corresponding p-value of 0.015, indicating statistical significance at the 0.05 level. This finding suggests that higher levels of consumer engagement, characterized by active participation, feedback, and advocacy among consumers of PT. ISAM (Industri Susu Alam Murni), positively influence brand loyalty. Consumers who are more engaged with the brand, perhaps through interactions in brand communities, sharing positive experiences, or providing constructive feedback, are more likely to develop stronger emotional connections and loyalty towards PT. ISAM's dairy products. This underscores the critical role of consumer engagement initiatives in fostering long-term brand loyalty and advocacy within the competitive dairy industry landscape.

The next test is an indirect test which is presented in the following table:

**Table 2.** Indirect Effects

Path	Original Sample	P-Values	Decision
CB > CE > BL	0.432 * 0.543	0.059	Not Significant
DE > CE > BL	0.754 * 0.543	0.012	Significant

The indirect effect from Community Building (CB) to Brand Loyalty (BL) through Consumer Engagement (CE), calculated as 0.432 (CB to CE) multiplied by 0.543 (CE to BL), resulted in a product of 0.235 with a p-value of 0.059. Despite the product of path coefficients suggesting a positive influence, the p-value indicates that this relationship is not statistically significant at the 0.05 significance level based on the sample data analyzed using Smart PLS. This finding suggests that while community building efforts may lead to increased consumer engagement, which in turn could potentially enhance brand loyalty within PT. ISAM (Industri Susu Alam Murni), the observed effect in this study does not provide sufficient statistical evidence to support a direct causal relationship. Further investigation with a larger sample size or adjustments in research methodology may be necessary to clarify the impact of community building on brand loyalty through consumer engagement in the context of the dairy industry.

The indirect effect from Digital Engagement (DE) to Brand Loyalty (BL) through Consumer Engagement (CE), calculated as the product of 0.754 (DE to CE) and 0.543 (CE to BL), resulted in 0.410 with a statistically significant p-value of 0.012. This finding indicates that digital engagement strategies implemented by PT. ISAM (Industri Susu Alam Murni)

significantly influence consumer engagement, which in turn positively impacts brand loyalty. Higher levels of digital interaction, such as through effective online campaigns, personalized content, and interactive platforms, appear to foster increased consumer participation and advocacy. Consequently, consumers who are more engaged with the brand are likely to exhibit stronger loyalty towards PT. ISAM's dairy products. This underscores the critical role of digital engagement strategies in driving consumer engagement and ultimately enhancing brand loyalty within the competitive dairy industry landscape.

## Conclusion and Recommendation

This research has provided valuable insights into the dynamics of brand loyalty, community building, digital engagement, and consumer engagement within PT. ISAM (Industri Susu Alam Murni). The findings indicate that while community building efforts directly may not significantly influence brand loyalty, digital engagement plays a crucial role in enhancing consumer engagement, which in turn positively impacts brand loyalty. Specifically, effective digital strategies such as interactive content and personalized communication channels are pivotal in fostering consumer participation and advocacy, thereby strengthening brand loyalty. These insights suggest that dairy companies, like PT. ISAM, can benefit significantly from investing in robust digital engagement strategies tailored to enhance consumer engagement and ultimately cultivate enduring brand loyalty in today's competitive market environment.

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