CHAPTER II

LITERATURE REVIEW

In this chapter, there will be 2 types of literature review which are deductive and inductive. The deductive literature review contains theories that are related to the research that will be conducted. Whereas, the inductive literature review contains a research that has been done before. Inductive literature contains several articles that have been indexed in the last 5 years (2013-2018). Inductive literature review was obtained based on a summary of the journal in the Systematic Literature Review (SLR). This chapter is conducted to avoid plagiarism.

2.1. Previous Research

Based on the literature review that has been obtained, a CK-Chart will be created relating to the planning and methodology that will be used in the research. The beneficial of a CK-Chart is to facilitate the writer in conducting research. Figure 2.1. is the following CK-Chart that will be used in the research.
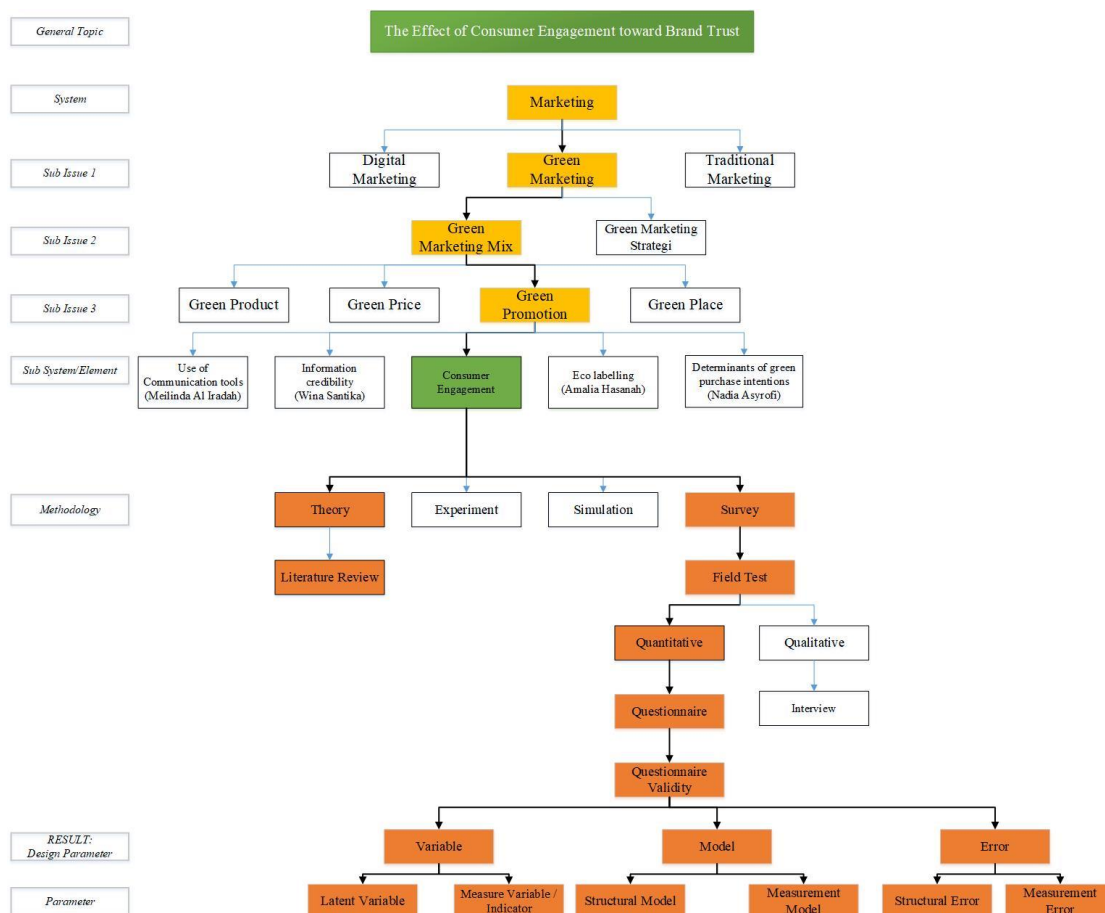
Figure 2.1 Research CK-Chart

There are several studies that have been discussed from the sub-topic on the chart. The following research discussed about green promotion and its impact towards the business and environmental protection. This research was conducted by Basha (2015). This research aims to provide representation about the impact of the green marketing on customer satisfaction and their purchasing behaviour. This research also attempts to detect the best possibility of connotation and importance of green marketing. The results show that to protect the environment for the future generation, green promotion could be the best tool which also leads to healthy business

environment. The green promotion could give a positive impact on the customer satisfaction, the safety of environment and also to promote the healthy business.

Another research about green promotion is conducted by Hosseinzadeh & Azizpour (2013). This research was conducted in order to discover and analyse the impact of green product and green promotion on customer's loyalty toward the brand. From this research it can be concluded that there is a positive impact and valuable effectiveness from green product and green promotion on customer's loyalty toward the brand. There are several things that may influence customer's loyalty from the research which are to inform that the company that has green products and green production processes, to advertise and present about the environmental issues and to announce green standard through a media.

Customer engagement is one of the strategies of the green promotion. Customer engagement is the level above customer loyalty. Customer engagement occurs when the connection between the brand and the customer has been built very well. In this connection there is strong emotional closeness (Liu, Lee, Liu, & Chen, 2018). If this happens, the customer no longer purchases with rational consideration and the price is no longer a consideration factor. Customers are willing to pay for more expensive products / services because they have a perception that the product is worth to purchase with the price offered. Liu et al (2018) has conducted research about trust transfer in Social Media Brand Communities (SMBC) and the role of consumer engagement. This research deliberates whether and how customer loyalty in a brand can be transferred from other trusted parties in SMBC, and involvement from customer engagement in the process. This study proves that consumer-to-consumer

trust and consumer-to-marketer trust have a positive impact on consumer engagement, which then affects brand trust. The use of the device was also found to moderate the impact of consumer engagement on brand trust.

Tafesse (2016) has conducted a research about the level of consumer engagement involvement. This research has a purpose to propose a model of the consumer engagement experience that focuses on Facebook brand pages. This research examines the impact of several dimensions, namely perceptual, social, epistemic and tangible on consumer engagement involvement on Facebook brand pages. The findings indicate that brands that facilitate greater number of experiential affordances on their Facebook brand pages generated higher levels of consumer engagement. For both brand post likes and brand post shares, the contributions of experiential affordances were significant and positive.

There are several factors that can positively or negatively influence the consumer engagement. As Heinonen (2017) discussed in the research that has purpose to classify factors that can influence consumer engagement both positively and negatively. Furthermore, to suggest theoretical and managerial implications for various factors that determine consumer engagement. This research identifies 3 categories of factors which are behavioural, emotional and cognitive factors. These factors positively and negatively specify customer's engagement in the online interest communities' context.

The next research that will be conducted will discuss the impact of the consumer engagement toward brand trust. This research was conducted based on the literature

review that had been discussed previously and had differences related to the variables used. The variables used are a combination of several previous studies. The variables include attention, interaction (So, King, & Sparks, 2012), and customer satisfaction (So K. K., King, Sparks, & Wang, 2014). In order to identify the impact of these variables toward consumer engagement and brand trust, the variable will then be processed using SEM. The data used in this study were obtained using survey methods.

2.2. Basic Theory

2.2.1. Marketing

Every human being has needs that are increasing and different from each other, they will also fulfil their needs in any way and effort. Therefore, humans as consumers will choose products that fit their needs and provide value and satisfaction for themselves. Marketing plays a very important role in giving influence to consumers to choose products that fit their needs.

Marketing is a matching process, one that pairs the capabilities of a company and the wants of the customers (Londhe, 2014). The creation and delivery of unique value to prospective customers and acquire a sustained competitive advantage is very important in marketing. Marketing activities are often interpreted by the process of the company's activities carried out in selling its products to consumers. Marketing is a very important activity in the seller's process in a company. Marketing is done in the hope of increasing sales and earning more income. On the contrary, if the marketing

activities of a company are not good then the company can suffer losses due to decreased sales.

2.2.2. Green Marketing

There are several marketing concepts that have been applied by several companies over time. Green marketing is one of the concepts that preferred by many companies. Since green marketing raises the concept by inviting consumers to love and protect the environment. The concept of green marketing continues to grow over time. The aim of green marketing is to build long-term oriented relationship with customer that is based on trust (Nadanyiova, Kicopa, & Rypakova, 2015). In order to see that the community demands the responsibility of the company in conducting business activities, green marketing is developed in line with the public's attention to environmental issues. As Fuentes (2015) discussed in the previous research that green marketing was accomplished through practice and aims at promoting a specific set of practices as a way of constructing a purpose for green products. In other words, green marketing is a practical matter for the company to gain customer's trust. In addition to being able to gain trust from customers as an environmentally friendly company, the company also can get advantage from operational cost reduction, increased profits inherent to recycling and residual reuse, manufacturing process improvement due to cleaner and more efficient technologies, and enhanced corporate image, brand value and brand awareness (Simão & Lisboa, 2017).

Papadas et al (2017) acquainted three dimension of the green marketing orientation construct. These three dimensions consist of strategic green marketing

orientation, tactical green marketing orientation and internal green marketing orientation. Strategic green marketing orientation (SGMO) refers to long-term, top management actions and policies specifically focusing on corporate environmental strategy, proactive environmental strategies and external environmental stakeholders. For example, partnerships and collaborations with organizations that pursue relevant environmental policies would constitute a strategic green marketing action. Tactical Green Marketing Orientation (TGMO) involves short-term actions that transform the traditional marketing mix into a greener one. This dimension includes product-related decisions to reduce the environmental footprint, promotion tools that reduce the negative environmental impact of the firm's marketing communications and communicate products' environmental benefits; actions to improve environmental performance in the supply chain and adjusted pricing policies for green products. Internal green marketing orientation (IGMO) involves the pollination of environmental values across the organization to embed a wider corporate green culture. Such actions include employee training; efforts to promote environmental awareness inside the organization and environmental leadership activities.

In a research that is conducted by Kumar (2016) there was a review of previous researches on the classification of green marketing. There are 4 groups in the green marketing classification namely eco-orientation, green marketing strategy, green marketing consequence, and green marketing functions. The following is a brief explanation of the 4 groups in green marketing.

a. Eco-orientation.

Eco-orientation is a business philosophy that provides companies strategic competitive advantage in environmentally-sensitive markets. There are two dimensional in eco-orientations which are environmental orientation and environmental strategy. In order to develop a green marketing strategy, companies need to combine these two dimensions. There is a complex relationship between environmental orientation and a green marketing strategy that explains how a green marketing strategy comes from internal and external eco-orientation of a company. Those relationship concern as a big contribution and would produce good business performance.

b. Green Marketing Strategy

Green marketing strategy describes the relevance of marketing departments to companies in setting environmental values in marketing strategies in companies. In a green marketing strategy there are also 3 factors, namely strategy types, approaches for managing strategy, and evaluation of marketing strategy. These factors is used to assist in choosing a green marketing strategy that is carried out by the manager in the decision making process. These factors can also develop green marketing strategies in order to be more effective in achieving the stated economic, operational and environmental objectives.

c. Green Marketing Function

Green marketing functions addressed issues related to products, promotion, retailing and distribution, and other issues such as branding, positioning and international marketing.

d. Green Marketing Consequences

For green marketing consequences, literature is classified as consequences of green marketing strategies and consequences of green marketing activities. These consequences are discussed as operational, marketing, environmental and economic consequences. Consequences of green marketing strategies are explained as innovation, strategic alliances, credibility, service quality and improved public relations (Richey, Musgrove, Gillison, & Gabler, 2014).

2.2.3. Green Marketing Mix

Develop a green marketing mix, not apart from traditional 4P (product, price, promotion, place) except with a number of additional components that are closely related to the purpose of green marketing itself and other influential things. Davari & Srutton (2014) conducted a study that analysed the relationship between Green 4 Ps with consumer perceptions and reactions to sustainable brands. There is a significant relationship between the Green 4 Ps and brand loyalty. There is a positive and significant relationship on Green Product and Green Place towards the perception of brand quality. Meanwhile in Green Promotion and Green Price there is no positive and significant relationship to the perception of brand quality. It was also found that Green Products and Green Prices contained relationships that could affect brand trust.

However, there is also a negative relationship with Green Price regarding brand loyalty and brand trust, which means that if prices rise, loyalty and trust decrease. In the following sections, a focus will be made on each of the 4 Green Ps based on Davari & Srutton (2014).

    a. Green Product

Products are the result of the interaction of goods, capital, machinery, labour, and so forth. From the results of the interaction, it is formed an out form in the form of products or services. The resulting product must be able to satisfy the references of consumers. In product management, it includes planning and developing of products or services that are good for the company to market. The products offered are in the form of physical goods, services, people or individuals, places, organizations and ideas. So the product can be tangible or intangible which can satisfy human needs. Based on this definition, it can be understood that products are not only physical, but can also be non-physical such as services, company prestige, and ideas. Ottman et al (2006) highlited '' the terms 'green products' or 'environmental products' are used in general to describe those that seek to protect or enhance the natural environment by saving energy and / or resources and reducing or eliminating the use of toxic agents, pollution and waste.''. Most common production strategies for green products are: recycling, reuse of the product or part of it, reducing packaging, make products more durable, repairable, compostable, healthy and safer in shipment (Mishra & Sharma, 2014). There are three dimensions that are considered in a green product as discussed by

Davari & Srutton (2014). The three dimensions are considered in their model: tangibility (factors subject to evidence of senses or regarding labels and aesthetics), warranty (security of green products in terms of environmental impact), and reliability (functional performance related to quality, compliance, and durability).

b. Green Price

Price is closely related to the quality of the product and its definition should consider the willingness to pay of consumers. Price is a component that directly affects the company's profit because the price level determined affects the quantity of products sold. Besides that indirectly prices also affect costs because the quantity sold has an effect on the costs incurred in relation to production efficiency. Based on this definition, it can be identified that the price is the value of an item or service that is stated with money. Prices can be influenced by consumers' decisions to buy them, so it is important to understand how far the effect of fixed prices on buyer choices. Green Pricing can be defined as setting prices for green products that offset consumers' sensitivity to price against their willingness to pay more for products' environmental performance.

c. Green Place

Distribution is a marketing activity that serves to expedite the flow of product delivery from producers to consumers. The distribution task is to choose an

intermediary that will be used in the distribution channel and develop a distribution system that physically handles and transports the product through the channel. Since consumers rarely actively search for green products, decisions on how and where to make green products available are very important; niche distribution does not seem to be a good choice for green products since consumers should be exposed to green products view where they shop (Mishra & Sharma, 2014). Green distribution is a very delicate operation. Customers must be guaranteed of the 'Ecological nature' of the product (Yazdanifard & Mercy, 2011). The green environment is a constantly regulated environment and as such high level of compliance is necessary when carrying out distribution of green products. (Davari & Srutton (2014) also stated that green place refers to management tactics related to distribution, from production to consumption, and reverse logistics.

d. Green Promotion

Promotion is one part of the marketing mix that has a large role. Promotion is an expression in the broad sense of activities that are actively carried out by the company (seller) to encourage consumers to buy products offered. Promotion has activities that are introducing products and services to consumers so that consumers become familiar with and know the product. Promotion is used as a company tool to introduce its products to consumers and consumers are expected to be affected and want to buy, especially if consumers are satisfied with the product being promoted. Promotion is also used to establish communication between companies and consumers so that a

better relationship is established. The impact of green promotion and advertisement on consumer's buying, finding that most consumers have a positive attitude towards the print and television advertisement of green products and that a positive attitude toward these products can predict consumer buying intention.

2.2.4. Green Promotion

Green advertising is effective tool to promote products, services, ideas and organizations' efforts to show concern and their initiatives to protect and preserve the environment. It is also a tool used by the companies to share and inform the role that the companies also directly impact with the global issues, parallel with consciousness displayed by the societies. Thus, there will be a parallel rise in environmental advertising in order to increase the level of awareness of consumers. The terms used in the advertising such as biodegradable, recyclable, and ozone safe have become a popular in green advertisements. However, there are some backlashes on the green adverting claims that cause confusion among the consumers. Some of the critics include the unclear meaning of the terms used in the advertising such as 'biodegradable', and some perceived that the term requires technical and scientific knowledge in order to understand the message. Thus, a marketer who is introducing the environmentally-friendly product must have a strategy on how to communicate their products in a more appealing way. If marketers can address the strength of the new innovation product and process, the quality concerns of the product, the performance and benefits that associated with the green characteristics thus, "greenwashing" activities could be avoided (Hasan & Ali, 2015).

Green promotion can be defined as environmental claim. Environmental claims refer to claims that are included in any labelling, advertising, promotional materials and all other forms of marketing, whether asserted directly or by implication. It can be through words, symbols, emblems, logos, depictions, product brand names, or through any other means, including marketing through digital or electronic means, such as the Internet or electronic mail. Green promotion also needs to communicate substantive environmental information to consumers that has meaningful links to corporate activities. As such, it is unlikely to be an effective strategic tool unless it is supported by other corporate activities (Polonsky & Rosenberger III, Reevaluating Green Marketing: A Strategic Approach, 2001). Thus, promoting several real environmental attributes of a product or firm requires a change in the product, process, or has integration with other activities. Most buyers are influenced by advertisement that reflects a company's commitment to environment (Polonsky & Ottman, 1998). Companies that do green advertisement tends to portray an image of environmental friendliness, influences their customer purchase decisions. Consumers love to associate themselves with companies that are environmental stewards. When a company communicates this through their advertisements, promotions, publicity and corporate social responsibilities, they are sure to get many loyal customers. (Yazdanifard & Mercy, 2011). There are also several aspects that have a positive influence of consumption of green products that might benefit for promotional activities in a company. These aspects based on Ritter et al (2015) are information and knowledge, environmental attitude, social context and environmental consciousness. Kordshouli et al (2015) discovered that green promotion is one of the marketing mix that might has a positive influence on customer's green satisfaction which also give influence to the customer loyalty.

2.2.5. Consumer Engagement and Brand Trust

Consumer engagement is a multidimensional construct – researcher performed a qualitative study in order to classify attributes of the engagement construct (Vivek, 2009). There are 5 dimension of the conceptual of consumer engagement, which are:

- Awareness – being conscious of and having knowledge of the focus of engagement i.e. object of engagement
- Enthusiasm – Strong excitement about the object of engagement
- Interaction – interchange of ideas, thoughts, feelings about the object of engagement with others
- Activity – actions focused on the program or offering the person is engaged in
- Extraordinary experience – sense of newness of perception and process

Consumer engagement also has several cycle as the process of building consumer engagement. In refer to awareness, consideration, inquiry, purchase and retention stages the notion of customer engagement cycle has been used in order to represent stages in purchase process to choose specific product to be purchased that decided by customer, although with a feedback loop for future purchase, rather than customer engagement and might apply the first time new customers choose what product to purchased. In addition, Sashi (2012) proposed the stages in the costumer engagement are in the following explanation:

- Connection

The prerequisite for establishing relational exchange with emotional bonds is for sellers and customers to connect with each other. The connections may be established using both traditional offline methods like salespersons and new digital online methods like social networking. Customers may use existing connections with sellers and other customers to satisfy a need or they may seek new connections with sellers and customers outside their current circle. Sellers searching for customers may also establish connections.

- Interaction

  Once connected customer can interact with seller personnel and other customers. Before the internet, these connections were limited by available technology like word-of-mouth, letters, and telephone to narrow circles of family, friends, colleagues, and acquaintances constrained by location. Texting, instant messaging, email, blogging, virtual worlds, and social networking are examples of tools that enable more frequent, faster, and richer interactions among much larger groups of connected individuals and organizations or communities. Sellers can play an active role in the formation of these communities using social media supplemented by the tools traditionally used to serve customers. Interactions among sellers and their customers can improve understanding of customer needs, especially changes in these needs over time, and facilitate modifications to existing products or the development of new products to better satisfy these needs.

- Satisfaction

Only if interactions between a seller and a customer or among the members of a community including seller and customers result in satisfaction will they stay connected and continue to interact with one another and progress towards engagement. Satisfaction is a necessary condition for customer engagement. Therefore, it is not sufficient for customer engagement. Satisfaction with interactions during a purchase process may precede or follow the purchase and dissatisfaction at any stage can disrupt the process and result in customer exit.

- Retention

  Customer retention can result from either overall satisfaction over time or highly positive emotions. Overall satisfaction over time emerged as a result of repurchases and implies a long-term relationship between seller and customer but not necessarily highly positive emotions for each other. On the other hand, a customer's highly positive emotions for a seller do not imply that the customer has a long-term relationship with the seller. Thus retention may be the result of enduring relationships without emotional bonds or emotional bonds without a long-term relationship.

- Commitment

  Commitment in a relationship has two major dimensions: affective commitment and calculative commitment. Calculative commitment is more rational and resulted from a lack of choice or switching costs. Instead affective commitment is more emotional and resulted from the trust and reciprocity in a relationship. Customer loyalty may be considered the result

of calculative commitment to a product, brand, or company while customer delight is the result of affective commitment to a product, brand, or company.

- Advocacy

- Engagement

  When delighted or loyal customers share their delight or loyalty in interactions with others in their social networks and become advocates for a product, brand, or company, the foundation has been laid for proceeding to the next and perhaps most important step in the cycle, customer engagement. Both customer delight and customer loyalty are necessary for customer engagement. In other words, customer engagement requires affective commitment as well as calculative commitment or trust as well as commitment between sellers and customers. Customer engagement occurs when customers have strong emotional bonds in relational exchanges with sellers.

Moreover, Hollebeek et al (2014) differentiated a classification of consumer engagement dimensions that most commonly identified as cognitive, emotional and behavioural dimensions. The following is a brief explanation of the three consumer engagement dimensions.

- Cognitive dimension - a consumer's level of engagement object related thought processing, concentration and interest in specific object (business enterprise, brand, online social network, brand community)

- Emotional dimension – a state of emotional activity also known as the feeling of inspiration or pride related to and caused by engagement object

- Behavioural dimension – a state of consumer behaviour related to engagement object and understood as endeavour and energy given for an interaction

Consumer engagement is associated with certain emotions, behaviour and consumer's cognitive efforts or commitment. Kuvykaite & Tarute (2015) discovered that the number of dimensions used for measurement of consumer engagement is determined by the perspective of consumer engagement. Moreover, the definition of these dimensions depends on the object of engagement for example brand, brand community, advertisement, social media sites, websites, etc. Bianchi & Andrews (2018) provided an understanding that the main drivers of consumer-brand engagement might lead to purchase intentions. Consumer's attitudes toward engaging with retail brands are influenced by peer communication, compatibility and credibility, and that attitude has a strong influence on intentions toward this behaviour. Furthermore, there is a strong relationship between intentions to engage and the likelihood of purchasing through a retail brand. As Laroche et al (2012) showed that consumer engagement has a positive influence to brand trust.

Brand trust can be defined as the ability of a brand to be trusted that originates from the customer's belief that the product of a brand has the value expected and promised by the producing company and the brand's intention is based on the customer's belief that the brand can prioritize customer interests (Delgado-Ballester & Munuera-Aleman, 2000). If the customer feels that the brand cares about the needs

and interests of the customer, the customer will have an interest in the customer's heart (So K. K., King, Sparks, & Wang, 2014). This is because customer confidence arises from repeated perceptions and the existence of positive learning and experience from the brand (So K. K., King, Sparks, & Wang, 2014). Through this positive evaluation customers can find out how much the level of acceptance of risk if they use the services of a company. If the chance of accepting the risk is small, then the customer does not hesitate to increase his commitment to the company (So K. K., King, Sparks, & Wang, 2014). According to Laroche et al (2012) brand trust has an important role in converting value creation practices to brand loyalty and fully mediates the effect of brand use. Likewise, Chaudhuri & Holbrook (2001) stated that through the combined impact of brand trust and brand affect, brand trust and brand affect was indirectly related to market share and prices relative toward purchase loyalty and attitude loyalty. There are three important aspects to measuring brand trust namely "the brand promises are reliable, the brand is consistent in providing quality service" dan "the brand show respect to costumers" (Ndubisi, 2007).

2.2.6. Survey

According to Singarimbun & Effendi (1989) a survey is a study that uses a sample of one population, and uses a questionnaire as a data collection tool. There are 2 types of questionnaires, namely a questionnaire that is directly filled with the physical form and an online questionnaire. Singarimbun & Effendi (1989) explained the purpose of using the survey method:

- Explorative

Researchers are still looking for the problem to be studied.

- Descriptive

  The researcher conducted careful measurements of certain social phenomena based on the facts.

- Explanatory or confirmatory

  To explain causal relationships and hypothesis testing.

- Evaluation

  To find out how far the objectives formed at the beginning of the program are achieved or have signs to be achieved.

- Predict or predict certain events in the future

- Operational research

  To identify variables related to operational aspects of a program.

- Development of social indicators

  The development of this indicator can be developed based on surveys conducted periodically.

2.2.7. Questionnaire Testing

Questionnaire testing is a step that used in order to determine the validity and reliability of the questions that will be asked to the respondent.

A. Validity Test Questionnaire

This test is done to find out the validity of the statement. A valid statement will then be distributed to the respondent. While those that are not yet valid

need to be repaired in the form of changes or omissions. The formula for testing the validity of the questionnaire is:

$$r_{xy} = \frac{N(\Sigma xy) - (\Sigma x)(\Sigma y)}{\sqrt{\{N\Sigma x^2 - (\Sigma x)^2\}\{N\Sigma y^2 - (\Sigma y)^2\}}}$$

Information:

N	=	The total of instrument
X	=	Respondent score on the instrument (question)
Y	=	Total score all of the instrument (question) on every respondent
r_{xy}	=	Correlation coefficient between variables X and variable Y
Σxy	=	The number of multiplications between variables X and Y
Σx^2	=	The sum of the squares of the X value
Σy^2	=	The sum of the squares of the Y value
$(\Sigma x)^2$	=	The number of X values is then squared
$(\Sigma y)^2$	=	The number of Y values is then squared

Figure 2.2 Validity Test Formulation Information

The basis used in making decisions on each of the questions said to be valid or not is as follows:

- If r counts $\geq$ r table, then the question or statement can be said to be valid.

- If r count $<$ r table, then the question or statement can be said to be invalid.

B. Reliability Test Questionnaire

Reliability is an indicator that shows the suitability of the measuring instrument with what is measured. The formula used to determine the reliability of a

research instrument can be calculated using the following Cronbach alpha formula:

$$\alpha = \left[\frac{k}{(k-1)}\right]\left[1 - \frac{\Sigma\sigma_j^2}{\sigma^2}\right]$$

α	=	Instrument reliability
k	=	Total question item that testing
$\Sigma\sigma_j^2$	=	Value of the variance of the j-th question
σ^2	=	Total variance

Figure 2.3 Reliability Test Formulation Explanation

Information:

Before using the Cronbach alpha formula, first determine the number of variance items, the formula that can be used is as follows:

$$\sigma^2 = \frac{\Sigma x^2 - \frac{(\Sigma x)^2}{N}}{N}$$

Information:

σ^2	=	Instrument variance
Σx^2	=	Number of X squares
Σx	=	Number of scores for each instrument

Figure 2.4 Number of Variance Formulation Explanation

Therefore, the basis for making decisions on these measuring instruments is reliable or not as follows:

- If r alpha ≥ r table, then the variable can be said to be reliable.
- If r alpha < r table, then the variable cannot be said to be reliable.

2.2.8. SEM

SEM can be used in handling research problems to treat unobservable and difficult to measure variables (Wong, 2013). Most of the success of SEM, can be attributed to the ability of methods to evaluate the measurement of non-measurable variables, while also examining the relationship between these variables (Babin et al, 2008).

In using SEM, there are several assumptions. SEM assumptions are:

1. Sample size

    The minimum recommended sample size in the use of SEM is as much as 100 or using a comparison of 5-10 times the number of observations for each estimated parameter or indicator used.

2. Normality

    Normality and linearity Data distribution must be analysed to see whether normality assumptions are met. Normality can be tested through image histogram data. Linearity test can be done through scatterplots from the data

that is by selecting the data pair and seeing the pattern of its spread to predict whether there is linearity.

3. Outliers

Outliers, which are observations with extreme values both univariate and multivariate that arise because of the combination of unique characteristics that they have and look very much different from other observations.

4. Multicollinearity and singularity

The very small determinant value of the covariance matrix gives an indication of the problem of multicollinearity or singularity. Treatment is done by issuing variables that cause multicollinearity or singularity.

2.2.9. Conceptual Model (Framework of Research)

Based on the explanation of the research, results that have been conducted on customer engagement and brand trust, the authors find several variables that are likely to relate to customer engagement and brand trust, namely as follows:

a. Attention

Attention represents an invisible material resource that a person can allocate in multiple ways (So, King, & Sparks, 2012). Individuals who are highly engaged tend to focus a great deal of attention, consciously or unconsciously,

on the object of engagement (So, King, & Sparks, 2012). A customer who is engaged with a brand is attracted to information related to the brand (So, King, & Sparks, 2012). The notion of attention is consistent with the construct of conscious participation (Vivek, 2009), which captures a consumer's level of attention towards a brand. Therefore, attention, representing a consumer's attentiveness and focus on the brand (So, King, & Sparks, 2012).

b. Interaction

Interaction refers to a customer's online and off-line participation with the brand or other customers outside of purchase (So, King, & Sparks, 2012). Interaction involves sharing and exchanging ideas, thoughts, and feelings about experiences with the brand (Vivek, 2009) and constitutes an important part of the conceptualization of costumer engagement. Therefore, interaction constitutes an important dimension of CE, representing the behavioural manifestation of a consumer's relationship with the brand beyond traditional consumptive behaviour (So, King, & Sparks, 2012).

c. Customer Satisfaction

Clemes et al (2011) stated that consumer satisfaction as a subjective process of a consumption experience through time. Bitner & Hubbert (1994) view overall customer satisfaction as a function of multiple transaction-specific satisfactions, and thus overall customer satisfaction is a post-choice

evaluation of a specific purchase occasion. Satisfaction with service, however, depends primarily on the consumer's experience, and only after experiencing the service can the consumer assess the quality (Browning, So, & Sparks, 2013). More specifically, Anderson et al (1994) argued that overall customer satisfaction is considered superior when it is compared with transaction-specific satisfaction because customer satisfaction is more fundamental and useful in predicting a consumer's behavioural intentions.

Customer perceived value has both functional and symbolic dimensions (Chen & Hu, 2010). Functional value is therefore defined in this study as an overall assessment of value incorporating quality, the traditional value for money, and convenience characteristics. This type of value represents the customer's perception of quality in terms of goods and services received from the coffee outlet, the price paid for those goods and service, and the time saving to receive them. Symbolic value is defined as an overall representation of experiential value perceptions from the social, emotional, the aesthetic, and reputation aspects. This value represents the customers' impression on others, perception of delight or pleasure, enjoyment of the visual appeal, and reputation of outlet, involved with the consumption experience. Overall, customers who perceive value can be defined as customer satisfaction. Figure 2.5 below show the conceptual research model.
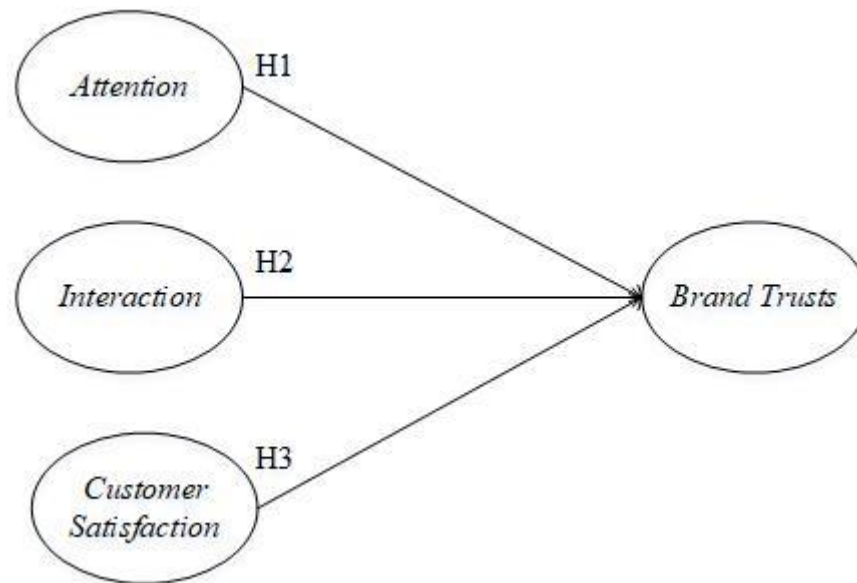
Figure 2.5 Conceptual Model Research

As can be seen from the figure above, there are 3 hypotheses in this research, namely:

1. H1: The customer's attention has a significant relationship toward the brand trust.
2. H2: The customer's interaction has a significant relationship toward the brand trust.
3. H3: The customer's satisfaction has a significant relationship toward the brand trust.

Those three aspects were defined by looking for sources from journals that have related topics to this research.