

# How Spoke Character Influences Brand Equity

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**Abstract**—This research purpose is to analyze the relevance dimensions of spoke character (likability, expertise, and relevance) and to analyze the influence of spokes-character to brand equity component, that is brand awareness/association, perceived quality, and brand loyalty for Alfamart Brand in Surabaya. Data processing was conducted using IBM SPSS Statistics 22 and Lisrel 8.70 software. The sampling technique that used is non-probability sampling with purposive sampling type. The number of sample in this research is 153 respondents that has qualify the specified characteristics of the population. The result of this research show that likability, expertise, and relevance could reflect spokes-character, there is influence of spokes-character to brand awareness/association and perceived quality, and influence of perceived quality to brand loyalty. Besides that, this research also show that brand awareness/association does not influence brand loyalty.

**Keywords**—*spokes-character; brand awareness/association; perceived quality; brand loyalty; likability; expertise; relevance*

## I. INTRODUCTION

Retailers business is growing in Indonesia in recent years. With a population of more than 200 million people, Indonesia has a potential market for modern retail businesses. This is supported by the changing behavior of Indonesian citizens, from shopping in traditional markets to modern retailers.

In the period 2007-2012, the growth of modern retail outlets in Indonesia reached 17.57% per year. This growth is accompanied by sales growth. Then, economic observers predict that in 2016 the minimarket business can grow by 12% compared to the previous year. This causes competition in the retailer business is getting tighter [1].

Brand equity is an important issue for retailers because it can provide a competitive advantage to retailers [2,3]. Brand equity can increase consumer preferences, brand purchase intensity, and brand selection behavior [4,5]. Positive brand equity can also provide better market outcomes, such as brand extensibility and price flexibility [6]. For that, retailers must pay attention to brand equity in the face of competition. Brand equity consists of three components, namely brand awareness / association, perceived quality, and brand loyalty.

One of the factors that can support the creation of brand equity from retailers is the use of spokes-character in marketing activities. The ability of advertisements that use spokes to change consumer brand choices is greater than non-spoken advertisements [7].

Currently the use of spokes-character is becoming a trend in advertising activities [8-10]. In fact, according to Chang sometimes spokes-character becomes very popular to become a stand-alone brand [6]. In retail activities in Indonesia, speaking character is also widely used. For example, is the character "Albi" on Alfamart, Domar on Indomaret, Open-Chan on Seven Eleven, and so on. Spokes character has three indicators, namely likability, expertise, and relevance [11,12].

The literature of the spokes-character is generally only derived from research in the United States and Europe, whereas today's spokes-character has also become an important marketing tool in Asia [13]. Information on how to measure consumer perceptions of spokes and how effective spokes are also limited [14,15]. Most research on spokes-character focuses only on the classification of spokes-characters [11,16] and spoken-character relationships with consumer attitudes [17,12].

Spokes-character as a tool in marketing communication has become a trend in different cultures [6]. Spokescharacter is considered to be more cost-effective and reliable compared to real endorsers. However, little information has been known about consumer perceptions of spokes-character and the effectiveness of spokes-characters [14,15]. Spokes, as one type of endorsers, can be a second source in building and sustaining consumer-based brand equity [2]. However, there is rarely any literature that discusses the influence of spokes-character on brand equity. Therefore, this research will discuss the influence of the spokes-character on the three components of brand equity, namely brand association / awareness, brand loyalty, and perceived quality.

Indomaret and Alfamart are the two biggest minimarket in Indonesia. In March 2017 Indomaret has over 14,000 outlets and Alfamart has about 13,000 stores [18]. Both these minimarkets use a very famous spokecharacter that is Domar (Indomaret) and Albi (Alfamart). This research will be conducted on one of the speaking character. This study is a replication of Chang using the Open-Chan Object of 7eleven [19]. Objects are determined based on the results of the polls to customers of the two minimarkets. This poll includes the level of customer purchases on the retailer, the popularity level, and the attractiveness of Domar and Albi. The results of polling on 30 respondents showed that the spokes-character chosen as the object is Albi, from Alfamart. The results of the poll indicate that although customers are more interested in shopping on Indomaret, customers consider Albi is an icon of Alfamart more interesting than Domar which is the icon of Indomaret.

Preliminary research results show there are some research gaps. This gap occurs because there are indications of some results that are inconsistent with [6]. Some of these indications are: expertise does not indicate tendency as an inductor spokes character, (2) spokes character tends to have a negative relationship with perceived quality, and (3) brand awareness and perceived quality tend to have a negative relationship with loyalty.

The formulation of this research problem is as follows: (1). Does likability, expertise, and relevance that are the dimensions of spokes that support a particular retail brand reflect the consumer's overall perception of spokes? (2). Does the consumer's positive perception of spokes (Albi) improve brand awareness / brand association of retailers? (3). Does the consumer's positive perception of spokes-character (Albi) improve consumer perceptions of retailer quality? (4). Will higher brand awareness / association increase consumer loyalty to retailer brands? (5). Will a better perceived quality of a retailer brand increase consumer loyalty to retailers?

#### *A. Theoretical Framework*

1) *Spokes-character*: Spokes-character is a visual image defined as a fictional persona employed to sell product or service [11,17] and include celebrity (e.g. mickey mouse) and non-celebrity character. This means that the spokes-character is a fictional persona used to sell a product or service, which includes a celebrity character or not a celebrity. This study is limited to discussions about non-celebrity characters [12], for example spokes-character created specifically to promote the brand. The advertises-character advertisement was created to promote brands, products and services such as Ronald for Corporate investments in brand development can improve the credibility of quality-related companies [20].

Consumers will receive positive letters and assume that retailers are dedicated to brand management and retailers, enhancing corporate image, retailer quality, and product and service quality [6]. From this discussion we propose a hypothesis:

Donald and Colonel for KFC. Spokes-character has three indicators, namely likability, expertise, and relevance [12,21]. Likability is "Global positive response to an object or idea that thus underlying cognitive and affective component [6]. It is a global positive response to objects involving affective and cognitive components. Expertise is "The perception that the source is able to make valid claims or has knowledge about the product" [22-24]. It means expertise is the perception that a source is able to declare something legally or have knowledge about the product. Relevance: Relevance is "The degree to which two stimuli match or fit together" [15,25-27]. Meaning relevance is considered as the level of conformity of the two stimuli.

Based on these argumentation, the following hypotheses are generated:

*H1 : Likability (a), Expertise (b), Relevance (c) are spokes-character dimension*

2) *Brand equity*: The concept of brand equity has been explored with perspectives from both the corporate and consumer sides [2,4,28,29] Brand equity define as "a set of elements which affects the value of a brand" [3]. It means a series of elements that affect the value of a brand. These elements are, perceived quality, brand awareness / brand association, and brand loyalty.

Perceived quality is "the consumer judgment about a brand's overall excellence" [30]. This means that perceived quality depends on how consumers value the brand's overall superiority.

Brand awareness is "the consumer's ability to recognize and recall a brand" [31]. Brand association are "anything linked to a brand" [30]. Brand awareness and brand association can be categorized as part of experience that may affect brand loyalty [19,32].

Preferred spokes create consumer interest in advertising and create positive feelings for brands [21]. Well-crafted and favored spokes will create a favorite on retailers as well as brand uniqueness in the minds of consumers, thereby enhancing brand associations [6].

*H2: Consumer positive perceptions of spokes-character increase brand awareness / association of the retailer brand*

*H3: Consumer positive perceptions of spokes-character improve consumer perceptions of retailer quality*

Some researchers consider that the awareness, association, and quality of retailers have a positive effect on consumer loyalty [6,33]. This happens if consumers remember or associate the spokes with the brand retailer. We propose hypotheses as follow:

*H4: Higher brand awareness or association will increase consumer's loyalty to retailers*

Chang and Rigaux-Bricmont emphasized the perceived quality of correlating brand loyalty [6,34]. According to Veloutsou, consumers will be more committed to retailers when retailers improve quality, as consumers consider retailers that give them better value [35].

*H5: Better perceived quality from retailers brands will increase consumer's loyalty to retailers.*

Brand loyalty define as "a deeply held commitment to re-buy or re-patronize a preferred product or service consistently in the future, despite strategic switching behaviors" [36,33]. In this definition loyalty refers not only to behavior but also to a positive attitude toward a particular brand. This attitude will also make consumers able to survive and not affected by the persuasion of other companies.

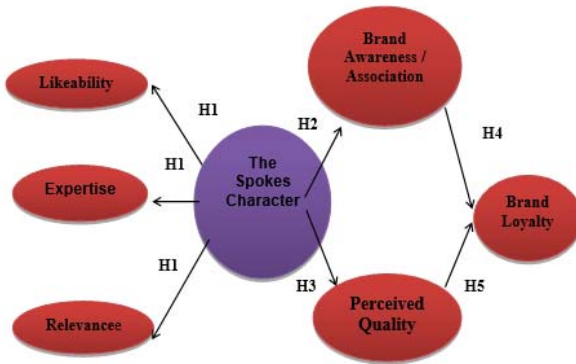


Fig. 1. Research mode.

II. METHOD

Target population in this study are individuals who have been shopping at Alfamart for personal consideration in the last three months. This study uses a numerical scale, with poles (1) Strongly disagree to (6) Strongly Agree. The number of samples in this study was 153 with sampling using purposive sampling technique.

III. RESULTS AND DISCUSSION

The test results show that all indicators meet the standards of validity and reliability. The measurement model also shows that all indicators are eligible. The structural model shows the results of a good fitness model with GFI of 0.89, NNFI of 0.99, and RMSEA of 0.047. Table 1 shows the results of hypothesis testing.

TABLE I. HYPOTHESES TESTING RESULT

Hipotesis	Relationships	Standardize Estimate	Result
H1a	LK ← SP	0.88	Significant
H1b	EX ← SP	0.71	Significant
H1c	RL ← SP	0.87	Significant
H2	SP → BA	0.66	Significant
H3	SP → PQ	0.75	Significant
H4	BA → BL	0.02	Significant
H5	PQ → BL	0.83	Significant

TABLE II. FITNESS OF THE STRUCTURAL MODEL

No	Test Compatibility	Criteria Minimal Compatibility	Results Compatibility
1.	CMIN / df	CMIN/ df ≤ 2	1.445
2.	RMSEA	RMSEA ≤ 0.08	0.047
3.	CFI	CFI ≥ 0.9	0.99
4.	NNFI	NNFI ≥ 0.9	0.99
5.	GFI	GFI ≥ 0.9	0.89

The results of this study show that expertise, likeability and relevance are significant dimensions for spokes character. The results also show that the spokes-character has a positive effect on brand awareness/association and perceived quality. Therefore, in order for consumers to have a positive perception

of Albi and have a high brand awareness / association and perceived quality, Alfamart must build the dimension of likability, expertise and relevance. Likability is an important factor in designing spokes-character. For that, Albi must be designed with a funny and unique to attract the attention of the community with funny. Furthermore, to build the expertise dimension, Alfamart can create ads with Albi as the main icon and know everything about Alfamart; namely in terms of service, quality, product and so on. This causes Albi to be seen as an expert bee icon and know Alfamart well. The third dimension of relevance can be built by designing Albi in accordance with Alfamart brand, for example from Albi clothes and Albi body color in accordance with the color of Alfamart logo design.

Furthermore, the results show that perceived quality affects brand loyalty. Alfamart must always maintain the quality given to the customer by serving professionally, quickly responding, and, showing a pleasant attitude. Alfamart also must strive in providing customer needs at affordable prices. Customer perception of good quality Alfamart will increase customer loyalty to Alfamart.

IV. CONCLUSION

In this study there are 6 supported hypotheses and 1 hypothesis that is not supported, so the conclusions are: (1). Likability of Albi which supports the Alfamart brand reflects overall consumer perceptions of Albi, (2) Expertise from Albi that supports the Alfamart brand reflects overall consumer perceptions of Albi, (3) Relevance from Albi that supports the Alfamart brand reflects the overall consumer perception of Albi (4) Consumer positive perceptions of Albi increase brand awareness / association with the Alfamart brand, (5) Consumer positive perceptions of Albi increase consumer perceptions of Alfamart quality, (6) Brand awareness or association does not affect consumer's loyalty towards Alfamart, (7 ) Better perceived quality of the Alfamart brand will increase consumer's loyalty towards Alfamart.

Albi as a spokes character must be designed funny and unique so that it attracts the attention of the public with its humor. Furthermore, to build the dimension of expertise, Alfamart can advertise with Albi as the main icon and know everything about Alfamart; namely in terms of service, quality, products etc. This causes Albi to be seen as a bee icon that is expert and knows Alfamart well. The third dimension, relevance can be built by designing Albi in accordance with the Alfamart brand, for example from Albi clothes and Albi body colors that match the colors of the Alfamart logo design.

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**Forewords**  
**by the Organising Committee Chair of the 5th Joint International  
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This joint conference aims at bringing together all scholars, practitioners (in corporation, government, social organization, and education institution), researchers, and students in Indonesia and abroad to share and exchange their research findings and experiences especially in the fields of social sciences, management and accounting at both the theoretical and practical levels. I hope that all the participants will find the presentations and discussions are interesting and useful in this conference. I do hope that all the participants will benefit from this conference and would further enhance the quality of research.

I would like to take this opportunity to extend our sincere gratitude and appreciation to the Sekolah Tinggi Ilmu Ekonomi Indonesia (STEI) Jakarta, Faculty of Economic and Business Universitas Sam Ratulangi, and Faculty of Social and Politics Sciences Universitas Sam Ratulangi top management, Head of Department, Lecturers and Employees; Co-Hosts; Batik Air and Bank Negara Indonesia (BNI) for their necessary support to organize this Conference.

We are honored to have Professor Edward Buckingham of the Monash University, Melbourne, Australia; Professor David C Hay of the University of Auckland, New Zealand; Professor Remus Ilies of The National University of Singapore, Singapore; Professor Madhusudan Ghos of Visva-Bharati, Santiniketan, India; and Professor Mohd Fuad Mohd Salleh of the University of Selangor, Malaysia for supporting us in all possible ways.

Thanks are also deserved to international committee members, my team, and all other local organizing committee members for their hard work, commitment and contributions to this conference. Profuse thanks to all the presenters, participants, well-wishers and all other people for your invaluable contributions in making this event a great success.

Finally, On behalf of the Sekolah Tinggi Ilmu Ekonomi Indonesia (STEI) Jakarta, Faculty of Economic and Business Universitas Sam Ratulangi, Faculty of Social and Politics Sciences Universitas Sam Ratulangi, committee members, and conference team, I would like to extend heartiest welcome to all all of you, speakers, presenters and participants who come from all corners of the globe to the 5th Joint International Conference on Business, Economics and Social Sciences (Indonesia International Conference on Social Sciences (IICOS), Annual International Conference on Management Research (AICMaR) and Annual International Conference on Accounting Research (AICAR)). Welcome to Manado, North Sulawesi, Indonesia! I wish you every success in your deliberations and very pleasant stay in Manado.

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