

## THE EFFECT OF SOCIAL MEDIA BRAND COMMUNICATION ON CONSUMER BASED EQUITY OF INDOMIE IN SURABAYA

**Angel Aprilia Susilo**

Fakultas Bisnis dan Ekonomika, Universitas Surabaya  
angelaprilialia02@gmail.com

**Silvia Margaretha**

Fakultas Bisnis dan Ekonomika, Universitas Surabaya  
silvimargaretha74@gmail.com

**Christina RahardjaHonantha**

Fakultas Bisnis dan Ekonomika, Universitas Surabaya  
crhonantha@gmail.com

### *Abstract*

*The purpose of this study was to examine the effect of Social Media Brand Communication on Consumer Based Brand Equity of Indomie in Surabaya. Data taken from 150 respondents in Surabaya was analyzed using the Structural Equation Model (SEM) with the Amos version 22. Respondents were randomly drawn from the entire Surabaya community who were part of the Indomie Fan Page. The results of the study show that firm-created and user-generated social media brands communication has an influence on brand awareness / association, but does not have influence on brand loyalty, while perceived quality is only influenced by user-generated.*

**Keywords:** social media, brand communication, brand awareness, brand loyalty, perceived quality.

### *Abstrak*

*Tujuan penelitian ini adalah untuk menguji pengaruh dari Social Media Brand Communication terhadap Consumer Based Brand Equity Indomie di Surabaya. Data yang diambil dari 150 responden yang ada di Surabaya dianalisis dengan menggunakan Structural Equation Model (SEM) dengan program Amos versi 22. Responden secara acak diambil dari seluruh masyarakat Surabaya yang menjadi bagian dalam Fan Page Indomie. Hasil penelitian menunjukkan bahwa firm-created dan user-generated social media brand communication memiliki pengaruh terhadap brand awaraeness / association, namun tidak memiliki pengaruh terhadap brand loyalty, sedangkan perceived quality hanya dipengaruhi oleh user-generated social media brand communication.*

**Kata Kunci:** social media, brand communication, brand awareness, brand loyalty, perceived quality

JEL: M31

### **1. Research Background**

The *Social Media* now adays is something that cannot be separated from human life. Through *Social Media* someone can easily get any information needed; not just that, someone can communicate with others easily and fast, although separated by distance and time difference. Many companies in the world right now take advantage of the existence of *Social Media* to build communication with consumers. *Social Media* has provided a forum for Social Networking Sites (SNS) such as Facebook, Twitter, Instagram; such that it makes easier for

companies to be able to introduce brands to consumers. In the other hand, consumers too can share information, experiences, impressions, and messages regarding the brand.

In Indonesia, social media also plays an important role for its users to search whatever information is needed. Based on the results of the Survey of the Association of Internet Services Indonesia (APJII) November 2016, it is known that the number of internet users in Indonesia today is 132,7 million people out of Indonesia's total population of 256.2 million. The most internet content often accessed is *Social Media* which is equal to 129.2 million.

As one of developing countries with the 4th largest population in the world, it is not surprising that society Indonesia makes instant noodles as their favorite food. Based on data obtained from *The World Instant Noodles Association (WINA)*, continues global demand for Instant noodles experienced an increase and Indonesia was ranked second with consumption as much 13,010 million packs of instant noodles throughout 2016. The instant noodle market share in Indonesia until now is still controlled by PT. Indofood Sukses Makmur, whose market share is equal to 70.7% of all the market share of instant noodles in Indonesia

As the largest and most popular instant noodle company in Indonesia, Indomie too utilizes Social Media, to share information with its customers. Not only that, Indomie's loyal customers can also communicate directly with Indomie, or with other customers. Social Media provided by Indomie namely Facebook, Twitter, Instagram, and Youtube. The social media that will be used in this research is Facebook, because the number of Indomie Facebook likers / followers is greater than Indomie's likers / followers on other social media. Regarding concepts used along with the hypothesis will be stated in the following explanations

Previous research also wanted to know about how the influence of social media brands communication with consumer based brand equity (CBBE) (Schivinski and Dabrowski 2013). However, there are differences in results between previous studies with referenced journal (Schivinski and Dabrowski 2015), where in previous studies firm-created social media brand communication does not have an influence on CBBE elements, whereas in the referenced journal the opposite results were obtained. Based on the data above and the referenced journal, authors want to examine how influence of Social Media Brand Communication, which consists of Firm-created Social Media Brands Communication and User-generated Social Media Brand Communication towards Consumer elements of Based Brand Equity (CBBE) which consists of Brand Awareness / association, Brand Loyalty, and Perceived Quality Indomie, especially among young people who are actively using Social Media Facebook

### 1.1. Social media brand communication

*Social media brand communication* according to Godes and Mayzlin (2009) can be divided into *Firm-created social media brand communication* and *User-generated social media brand communication*. *Firm-created social media communication* according to Ge (2014) is communication made by companies to disseminate information about brands to the public so that it can lead to satisfaction towards information pertaining to the product / brand. Firm - created social media communication only contains positive content because it is under the control of Marketer (Bhurn et al. 2012). While *user-generated social media brand communication* according to Ge (2014) *User-generated social media communication* is communication that is written or created by users freely in accordance with his or her thoughts without being controlled by anyone regarding a brand / product that raises satisfaction with the brand / product information. *User-generated Social Media Brand Communication* according to Bruhn et al. (2012) is both positive and negative content, which conveys information about a brand that is very useful for consumers in making decisions. Positive and negative content will lead to high levels of satisfaction for consumers who help consumers in making decisions.

### 1.2. Consumer Based Brand Equity

*Consumer Based Brand Equity (CBBE)* according to Keller (1993) is a process that

arises when consumers are familiar with the brand and have good, strong and unique brand associations in their minds. Referring to Aaker (1991) *consumer-based brand equity*, can be measured through four main elements, namely: 1) *brand awareness*; 2) *perceived quality of brand*; 3) *brand association*; and 4) *brand loyalty*.

*Brand awareness* according to Aaker (1991) is the ability possessed by the people potential consumers to recognize or remember that a brand is included in the certain product category. The Brand Association according to Aaker and Joachimsthaler (2002) is understood as everything, which consumers associate with brands, both in the form of *image* creation by consumers, a profile of products, consumer conditions, corporate awareness, brand characteristics, signs and symbols. According to Yoo et al. (2000) *brand awareness* and *brand association* can be combined into one, namely *brand awareness / associations*. *Brand loyalty*, according to Yoo and Donthu (2001) is described as a desire to be *loyal* to a brand, which is seen when consumers choose the brand as the first choice. Grover and Srinivasan (1992) in Yoo et al. (2000) stated that consumers who have loyalty to a brand will show better response for the brand than consumers who do not have loyalty or *switching consumer*. *Perceived quality* according to Aaker (1991) is a consumer perception of the quality of the product or service as a whole. While Perceived Quality according to Zeithaml (1988) can be defined as a consumer assessment of the superiority of a product.

This study develops a model from Schivinski and Dabrowski (2015). The following hypothesis is proposed:

- H1a: *Firm-created social media brand communication* has a positive influence on the *brand awareness / associations* Indomie
- H1b: *User-generated social media brand communication* has a positive influence on the *brand awareness / association* Indomie
- H2a: *Firm-created social media brand communication* has a positive influence on the *brand loyalty* Indomie
- H2b: *User-generated social media brand communication* has a positive influence on the *brand loyalty* Indomie
- H3a: *Firm-created social media brand communication* has a positive influence on the *perceived quality* Indomie
- H3b: *User-generated social media brand communication* has a positive influence on the *perceived quality* Indomie
- H4: *Brand awareness / association* has an influence on *brand loyalty* Indomie
- H5: *Brand awareness / association* has a positive influence on *perceived quality* Indomie.

## 2. Research Method

This study belongs to the type of *basic business research* because this research does not aim to solve a problem that occurs in the company, but only develops research that has been done before. Based on the type, this study is included in *Causal Research* where this research wants to know the effect of *Firm-created Social Media Brand Communication* and *User-generated Social Media Brand Communication* (Variables Exogenous) To *Brand Awareness / Association, Brand Loyalty, and Perceived Quality* (Variables Endogen) of Indomie in Surabaya. The approach used in this study is the quantitative approach, where this research involves quantitative data and uses analysis and numerical measurement.

The data source used is primary data obtained directly from respondents. This Data is obtained by distributing questionnaires online to respondents who have joined the Indomie *Fan page* on Facebook. The measurement level used in this study is the interval measurement level by using a 7-point Likert scale, from point 1 which means very not agree to point 7 which means strongly agree, to measure each statement in the questionnaire. Populations targeted in this study were all Indonesian people who had bought, consumed, and like Indomie, and own and use Social Media. Sample characteristics at this research is all Surabaya residents who buy,

consume, and like Indomie and joined the Indomie Fan Page on Facebook. The number of respondents in this study are 150 questionnaires.

### 3. Result and Discussion

Initial data test of 30 questionnaires using IBM SPSS 20 for Windows shows all indicator of each variable has the value of *Pearson Correlation* greater than 0.5 (valid) and each variable has the value of Cronbach's Alpha greater than 0.6 (reliable). Then it is proceeded with processing data of 150 respondents. The first step is to test the measurement model using IBM SPSS AMOS 21 for Windows and the results of the goodness of fit index are recorded in the table below.

**Table 1 Goodness of Fit Measurement Model Indomie**

No	Fit Test	Fit Criterion	Fit Result	Notes
1.	CMIN	$\leq 3$	1,157	<i>Good fit</i>
2.	RMSEA	$\leq 0,08$	0,032	<i>Good fit</i>
3.	GFI	0.8 – 0.9	0,894	<i>Marginal Fit</i>
4.	CFI	$\geq 0,9$	0,962	<i>Good Fit</i>
5.	TLI	$\geq 0,9$	0,954	<i>Good Fit</i>

After obtaining the results of the goodness of fit index, then data processing is proceeded with testing the validity and reliability of each variable. Each indicator in each variable shows the standardize loading number as greater or equal than 0.5, so it is declared valid. Then to measure the validity and reliability of variables use Average Variance Extract (AVE) with a value of greater or equal than 0.5 and Construct Reliability (CR) with the value of greater or equal than 0.7. All variables have meets the requirements of AVE and CR so that they are declared as valid and reliable. After testing the meal measurement model, proceeded with the structural model test, test the structural model obtains the results of the goodness of fit index as follows

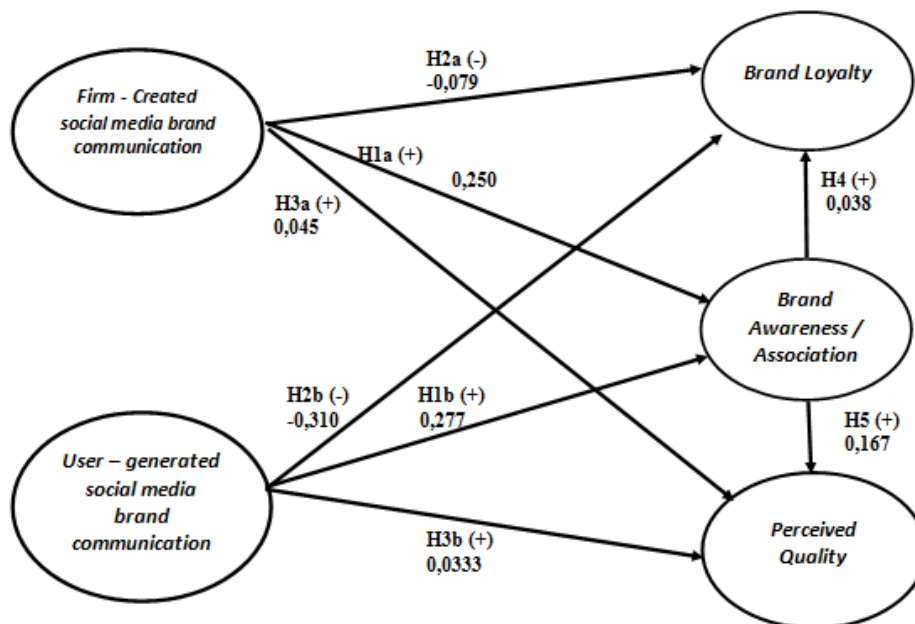
**Table 2 Goodness of Fit Structural Model Indomie**

No.	Fit Test	Fit Criterion	Fit Result	Notes
1.	CMIN/DF	$\leq 3$	1,151	<i>Good Fit</i>
2.	RMSEA	$\leq 0,08$	0,032	<i>Good Fit</i>
3.	GFI	0,8 – 0,9	0,894	<i>Marginal Fit</i>
4.	CFI	$\geq 0,9$	0,963	<i>Good Fit</i>
5.	TLI	$\geq 0,9$	0,956	<i>Good Fit</i>

After testing the goodness of fit index, the next step is to test the hypothesis. The hypothesis can be accepted if it has a Critical Ratio (CR)  $\geq 1.96$  or Value of  $P \leq 0.05$ . The following are the results of hypothesis testing that has been done.

**Table 3 Results of Testing the Indomie Hypothesis**

Hypothesis	Influence	Critical Ratio	P-Value	Notes
H1a	FC $\rightarrow$ BAS	2,124	0,034	Significant
H1b	UG $\rightarrow$ BAS	2,117	0,034	Significant
H2a	FC $\rightarrow$ BL	-0,667	0,504	Not Significant
H2b	UG $\rightarrow$ BL	-2,135	0,033	Not Significant
H3a	FC $\rightarrow$ PQ	0,397	0,692	Not Significant
H3b	UG $\rightarrow$ PQ	2,396	0,017	Significant
H4	BAS $\rightarrow$ BL	2,171	0,030	Significant
H5	BAS $\rightarrow$ PQ	1,283	0,199	Not Significant



H1a in this study is significant with a CR value of 2,124 and P-Value of 0,034, so it is concluded that respondents agreed that Indomie's Firm-communication brand communication media that had already been created provides information, both in the form of pictures, posters, videos, and opinions that can improve *Brand Consumer Awareness / Association* for the Indomie brand.

H1b in this study is significant with a CR value of 2,117 and P-Value of 0,034, It means that respondents agree that Indomie's *user-generated social media communication* has provided information, opinions, and experiences that are interesting, informative, and in accordance with the respondent's needed to be able to *increase brand awareness / association* with the brand Indomie.

H2a in this study is not significant with a CR value of -0,667 and P-Value of 0,504. Schivinski and Dabrowski (2015) stated that although there are many companies incur costs for marketing through *social media*, but consumers tend to be reluctant to accept brand communication made by the companies. Consumers consider that Social media communication created by other users is more reliable. Consumers cannot trust all the *firm-created social media communication* because of it according to Bruhn et al. (2012) *Firm-created social media brand communication* is controlled by the marketer fully, so that it will always produce *positive brand-based communication*.

H2b in this study is not significant with a CR value of -2,135 and P-Value of 0,033, in other words the results of this study state that *user-generated social media brands communication* has no influence on Indomie's brand loyalty. Schivinski and Dabrowski (2015) stated that *user-generated social media brand communication* is not capable to influence *Brand Loyalty* because the company or manager only focuses on the introduction of new products, trends, and the spread of sales promotions among consumers that will only increase the *Brand Awareness / Association*. Besides, there is a tendency for variety seeking among Indomie consumers (Meilisa and Setyo 2015). Indomie is included in the low-product category involvement that is often consumed and has a low risk. Because it is often consumed then consumers become bored and the risks are low, causing consumers not to hesitate to try other brands.

H3a in the study was not significant with a CR value of 0,397 and P-Value of 0,692. *Firm – created social media brand communication* Indomie is not able to influence *perceived quality* in this study due to consumers trust more on information, opinions, and also experiences conveyed by other consumer than information or opinions conveyed by company side. So that *firm-created social media brand communication* Indomie created by the



company only able to influence the consumer's *Brand Awareness / Association* Indomie.

H3b in this study is significant with a CR value of 2,396 and P-Value of 0,017, which means that the respondent agrees that *user-generated social media brand communication* Indomie are able to provide information, opinions, and other user experiences that influence perception consumers of the quality of Indomie.

H4 in this study is significant with a CR value of 2,171 and P-Value of 0,030. In other words, respondents agree that Indomie is easily recognized, has certain characteristics, and different from other competing brands so that it can influence brand loyalty towards Indomie.

H5 in this study is not significant with a CR value of 1,283 and P-Value of 0,199. Schivinski and Dabrowski (2015) state that an important role for consumers is *user - generated content* that will affect their perception of *Perceived Quality* as well as *brand loyalty*. Consumers depend on opinions from families, friends, and other consumers regarding the quality provided by the company. This causes consumers who already know and associate the Indomie brand cannot have a perception high quality of Indomie before consumers get information or confirmation opinions from family, friends and other users regarding the quality of Indomie

#### 4. Conclusion

Based on the results coming from processed data for this research; conclusions can be drawn, namely as follows: *Firm-created and User-generated social media brand communication* has a positive influence and significant to *Brand awareness / association* Indomie; *Firm - created and User - generated social media brand communication* has no influence towards Indomie *Brand Loyalty*; *Firm-created social media brand communication* has no influence on *Perceived Quality* Indomie; *User-generated social media brand communication* has a positive and significant influence towards *Perceived Quality* Indomie; *Brand Awareness / Association* has a positive and significant influence on *Brand Loyalty* Indomie; *Brand Awareness / Association* has no influence on *Perceived Quality* Indomie.

The results of this study indicate that user-generated social media brand communication has an influence on perceived quality, where the influence is considered big based on this study when compared with the influence of variables from one another. Besides that, Brand awareness / association in this study also has a big influence on Brand Loyalty. Chevalier and Mayzlin (2006) state that user generated content (UGC) significantly affects consumer perceptions of product quality. This shows that Indomie consumers also consider user-generated social media communication as a source information that can influence consumer perceptions of the quality of Indomie

Aaker (1991) and Yoo and Donthu (2001) state that when someone knows brand and associate the brand, then the contact is continuously intertwined with the brand. This will affect consumer perceptions of brand quality and brand behavior loyalty. This shows that Indomie consumers who already know and associate Indomie will continue to establish contact with Indomie so that eventually the consumer becomes loyal to Indomie which of course will provide a profit that is very profitable for the Indomie.

The recommendation for the Indomie is management are expected to maintain the quality of content shared on Facebook Indomie for example by sharing information about the process of making Indomie through interesting videos and posters so that the content produced can always meet consumer expectations. the content produced can always meet consumer expectations. Besides that it is also necessary to improve the quality of content produced by users by providing opportunities for the people users to express more about the consumer experience with Indomie, for example by organizing contests with prizes for consumers who can share unique experiences with Indomie, or certain events such as the limited edition of Indomie giveaway for consumers who have shared a unique experience with Indomie and invite friends and family to participate in the giveaway, so that information, experience, and

opinions are shared by capable users meet the expectations of Indomie consumers.

Indomie's management also needs to maintain the quality of information, experience and opinions shared by users on Facebook Indomie. This can happen if accompanied by interesting content shared by the company, giving rise to information, opinions, as well as interesting experiences from users. Thus, Indomie consumers will be able to provide a good assessment of information, experience and opinions shared by Indomie Facebook users.

To maintain brand awareness, it is necessary to always display characteristics Indomie, such as Logo, packaging and taste by sharing more information about new Indomie products with different flavors and attractive packaging on Facebook Indomie so that Indomie consumers can distinguish Indomie from other brands that are also circulating in social media.

The recommendation for further research is that further research is expected to be able to use a wider range of areas with the age of respondents up to 35 years, so that the results of the research obtained are more diverse. Besides that, it can also use objects other than the instant food industry, clothing, non-alcoholic beverages, and service providers so that the results of future research can be used as a comparison. Future studies can also try to examine the mediating role of Brand Trust in the relationship between Brand Community and Brand Loyalty (Laroche et al. 2013) that has not been discussed in this research

## References

- Aaker, DA. 1991. *Managing Brand Equity: Capitalizing On The Value Of A Brand Name*. New York: The Free Press.
- Aaker, DA., Joachimsthaler, E. 2002. *Brand Leadership, Building Assets*. New York: The Free Press
- Bruhn, M., Schoenmueller, V., Schäfer, DB. 2012. Are social media replacing traditional media in terms of brand equity creation. *Management Research Review* 35(9): 770-790.
- Chevalier, J., Mayzlin, D. 2006. The effect of word of mouth on sales: online book reviews. *Journal of Marketing Research* 43(3): 345-354.
- Ge, SH. 2014. Pengaruh Firm Created Communication dan User Generated Communication Terhadap Persepsi Merek Green Product “ L’occitate dalam Konteks Social Media [Thesis]. Surabaya: Universitas Surabaya.
- Keller, KL. 1993. Conceptualizing, Measuring, And Managing Customer-Based Brand Equity. *Journal Of Marketing* 57(1): 1-22.
- Schivinski, B., Dabrowski, D. 2015. The impact of brand communication on brand equity through Facebook. *Journal of Research in Interactive Marketing* 9: 31 – 53.
- Yoo, B., Donthu, N. Lee, S. 2000. An examination of selected marketing mix elements and brand Equity. *Journal of the Academy of Marketing Science* 28(2): 195-211.
- Yoo, B., Donthu, N. 2001. Developing And Validating A Multidimensional Consumer-Based Brand Equity Scale. *Journal Of Business Research* 52(1): 1-14.
- Zeithaml, VA. 1988. Consumer Perceptions of Price, Quality, and Value: A Means-End Model and Synthesis of Evidence. *Journal of Marketing* 52: 2–22