In a Social Capital Perspective: The Effect of Branded E-Stickers (BES) Usage on Brand Attitudes and Brand Purchase Intentions (Study on LINE Social Messenger)

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ABSTRACT

Branded E-Stickers (BES) is one of the brand new and innovative tools to promote brand using an interactive way that enables social messenger users to chat more attractively with other users. To examine the effectiveness of this new marketing tool, this study investigates the effect of Branded E-Stickers (BES) usage on Brand Attitudes and Brand Purchase Intentions, in the perspective of social capital theory. Total 358 Indonesian LINE messenger users filled the questionnaire. Through multiple regression analysis, the results show that social capital plays important role in influencing users’ brand attitudes and brand purchase intentions. Referent ties, brand attitudes, and intensity of BES usage have direct significant and positive effect on brand purchase intentions while majority ties, sociability, self-disclosure, self-presentation, and featured character-brand fit indirectly influence brand purchase intentions through brand attitudes. Since Branded E-Stickers can facilitate LINE users to develop their social capital, marketers should take this opportunity by promoting their brand through Branded E-Stickers.

Type of paper: Empirical

Keywords: Social capital; brand attitudes; purchase intention; social ties; referent ties; majority ties

1. Introduction

People nowadays spend more time on their smartphone. They like to chat and share things with other users in social media and social messenger. To make their conversation more communicative, people use emoticons which allow them to show what they feel (e.g. smile and frown). However, there are many expressions that can not be expressed by emoticons since emoticons only have basic facial expressions. Therefore, several social messenger applications, such as LINE messenger, Telegram, WeChat, and Kakao Talk, provide E-Stickers for better chatting experience. E-Stickers is a picture or animation of cartoon characters or celebrity that can be used by social messenger users to express their moods, feelings, and what they are doing (Griffith, 2015). E-Stickers give more explanation about body language and facial expression that cannot be shown only by sending simple text messages or emoticons (Figure 1). In other words, E-Stickers give a greater variety of ways for social messenger users to express their feelings.
Figure 1. Comparison between E-Stickers and Emoticons

In this study, we focus on LINE messenger because LINE is a social messenger with E-Stickers features which has most users in Indonesia, compared to Telegram, KakaoTalk, WeChat and other social messengers (Jakpat, 2016). Moreover, LINE is a social messenger which actively cooperates with companies to promote their brands. Related to E-Stickers availability, there are only a few official E-Stickers which can be downloaded for free. If users want to have other E-Stickers, they have to purchase them on the application store. Unfortunately, many of social messenger users still have low willingness to pay although they like to communicate with many E-Stickers options. There are only 30% of LINE users who ever purchase E-Stickers in LINE messenger (Lee, 2017). Besides, based on Jakpat (2016) survey of LINE users in Indonesia, there are only 41% of LINE users who ever purchase the paid E-Stickers. Knowing this kind of user behavior, LINE messenger gives alternative way for users to have more collection of E-Stickers by providing free Branded E-Stickers (BES). LINE messenger enables companies to promote their brands through BES. BES is an E-Sticker which uses cartoon character or celebrity as a featured character or icon of a specific brand (Lee, 2017). Companies can add some brand elements they wish to emphasize in BES design. This feature is an innovative method to expand market reach (Knight, 2013; Lomas, 2013) and strengthen the relationship between brand and customers (Griffith, 2015) which may lead to purchase intentions and word of mouth recommendation (Keller, 2001). Marketers expect that this innovative way of brand promotion can lead users to build favorable brand attitudes and increase purchase intentions. The more they use BES, the better their brand attitudes and the higher their purchase intentions (Lee, 2017).

Lee (2017) examines the effect of Branded E-Stickers (BES) usage on brand attitudes and brand purchase intentions in the perspective of social capital theory. According to Lee (2017), BES can facilitate users to build social capital and take advantage of it. Social capital is a form of capital from social relationship and networking based on mutual acquaintance and recognition that may enhance the ability to advance personal interest (Bordieu, 1986). By incorporating social capital, people may gain instrumental benefit and emotional support (Sheer and Rice, 2017).
Up to now, there is a limited study regarding the Branded E-Stickers (BES) and social capital in marketing context in Indonesia. Therefore, this study focuses on examining the effect of Branded E-Stickers (BES) usage on brand attitudes and brand purchase intentions in social capital perspective by replicating the research model from the prior study of Lee (2017) in Taiwan. The purpose of this study is to examine the effect of social capital variables, which is facilitated by BES, on BES usage intensity, brand attitudes, and brand purchase intentions. In this study, we analyze the effect of BES usage in LINE messenger.

2. **Literature Review**

2.1 **Branded E-stickers Usage**

Branded E-Stickers (BES) is a friendly advertising and brand promotion tool compared to the prominent style of traditional mobile advertising such as skip-able video ads and banner ads which often annoy and irritate mobile users (Wehmeyer, 2007). BES only subtly embed brand and can be used by LINE users for daily chatting without getting annoyed by prominent advertising. BES enables social messenger users to express their feelings and make their conversation more attractive and fun (Lomas, 2013). The more they use BES, the more they familiar with the brand. Moreover, they tend to develop a positive attitude toward the brand which may affect the brand purchase intentions (Li and Li, 2014). Therefore, we propose three hypotheses as follows:

H1(a): Brand attitudes has a positive effect on brand purchase intentions.
H1(b): BES usage intensity has a positive effect on brand attitudes.
H1(c): The effect of BES usage intensity on brand purchase intentions is mediated by brand attitudes.

2.2 **Social Capital**

According to sociologist Bordieu (1986), social capital refers to a capital or resources from a social relationship that may enhance the ability to advance a personal interest. In terms of BES study, Lee (2017) defines social capital as the actual and potential resources derived from the network of relationship possessed by a current and potential customer. There are two types of benefits people can gain from social capital: instrumental benefit and emotional support (Sheer and Rice, 2017). Instrumental benefit consists information acquisition, financial gain, job recommendation while emotional support consists empathy, love, and sympathy (Sheer and Rice, 2017). Social capital consists of four dimensions such as structural, relational, cognitive, and situational dimension (Lee, 2017). These four dimensions have their own variables which are examined in this study.

2.2.1 **Structural Dimension**

Nahapiet and Ghosal (1998) defined the structural dimension in social capital as individual ability to make ties with others and gain advantages from those ties. Lee (2017) classifies structural dimensions into two factors. The first factor is referent ties which refer to someone’s ability to make ties with social referents such as partners, best friends, and family (Lee, 2017). Several studies give empirical evidence that referent ties play important role in influencing
behavioral intentions (Fishbein and Ajzen, 1975; de Holanda et al, 2008; Verkantesh and Bala, 2008). In order to comply social referents’ expectations, individuals are motivated to form positive attitude and purchase particular brands used by social referents (Lee, 2017). Besides, the second factor is majority ties which are someone’s ability to make ties with many people (Lee, 2017). According to Lee (2017), people want to be the part of the mainstream of people so they will not be left alone in conversation. This kind of motivation may enhance brand attitudes and purchase intentions to a certain brand that widely used by the majority of people. Therefore, the following hypotheses are proposed:

H2(a): Referent ties has a positive effect on brand attitudes.
H2(b): Referent ties has a positive effect on brand purchase intentions.
H3(a): Majority ties has a positive effect on brand attitudes.
H3(b): Majority ties has a positive effect on brand purchase intentions.

2.2.2 Relational Dimension

According to Coleman and Coleman (1994) and Putnam (2000), a relational dimension in social capital involves trust, friendship, respect, and expectations of a personal relationship which have developed through interactions with others. In this era, interactions and relationship can be developed through a social messenger that allows users to stay in touch and communicate with others. Moreover, E-Stickers or Branded E-Stickers can satisfy the need to socialize with other users in more communicative and interactive manners (2017).

Therefore, user’s sociability level can be increased by communicating with BES. Several studies have proven that sociability has an important role in enhancing attitudes toward the brand which leads to purchase intentions (Chu, 2013; DeAdrea, 2012; Li and Li, 2014). Since BES facilitates user to socialize with others, there is a possibility that users will generate favorable brand attitudes which may lead to purchase intentions (Lee, 2017). Accordingly, the hypotheses in relational dimensions are:

H4(a): Sociability has a positive effect on brand attitudes.
H4(b): Sociability has a positive effect on BES usage intensity.

2.2.3 Cognitive Dimension

Cognitive dimension focused on self-disclosure which refers to the need to share interest, values, and information in communication exchanges (Nahapiet and Ghosal, 1998; Lee, 2017). Chen and Beaudoin (2016) defined self-disclosure as the information, feeling, thoughts that people reveal or disclose about themselves. In this current study about BES, users gain psychological benefit and find BES favorable for revealing their information since BES enables them to share their personal information, thoughts, and feeling (Naidu, 2013). Moreover, the more they believe they can disclose what they feel by using BES, the more intense they use BES in their daily conversation. Thus, two research hypotheses are proposed:

H5(a): Self-disclosure has a positive effect on brand attitudes.
H5(b): Self-disclosure has a positive effect on BES usage intensity.
2.2.4 Situational Dimension

Situational dimension refers to the advantage gained by people based on how they want to be known or seen by others through their interaction (2017). In the context of Branded E-Stickers (BES) usage, Lee (2017) proposes self-presentation and featured-character brand fit as the factors of situational dimensions. Self-presentation is defined as how much people feel that they are able to make a good impression and achieve favorable self-presentation (Gibb et al, 2006). In the current context of BES, Lee (2017) defines self-presentation as of how social messenger users believe that they are able to make good impressions to others by using BES. If they do believe it, they tend to increase the intensity of BES usage and they may develop positive attitudes toward the brand which provides the BES they use. This research, therefore, proposes the following hypotheses:

H6(a): Self-presentation has a positive effect on brand attitudes.
H6(b): Self-presentation has a positive effect on BES usage intensity.

The second factor, featured character-brand fit, is the perceived relevance of the featured character in BES design with the brand. Companies typically create featured characters to gain users’ attention and interest (Balfour, 2013). Companies design their BES featured character to communicate and emphasize brand elements such as attributes and benefits which are promoting user learning and memory about the brand (Lee, 2017). According to Lee (2017) users do not choose BES randomly. Lee (2017) proposes that users choose BES based on users’ perceive relevance between the featured character and the brand. The higher level of featured character-brand fit, the greater brand associations formed which can eventually effect user evaluation about the brands. Therefore, when the degree of fit is high, users may develop favorable brand attitudes. Moreover, users also memorize the brand attributes and benefits for future use which means that they likely to purchase the brand in the future. We, therefore, hypothesize the following hypotheses:

H7(a): Featured character-brand fit has a positive effect on brand attitudes.
H7(b): Featured character-brand fit has a positive effect on brand purchase intentions.

3. Research Methodology

Cross-sectional data survey is used and the questionnaire is spread online. The respondents were screened by two questions regarding whether they use LINE messenger and Branded E-Stickers (BES) in daily chatting. A total of 358 respondents fill in the questionnaire and pass the screening questions. Respondents fill the questionnaire based on their level of agreement using six-point Likert scale (1 = strongly disagree and 6 = strongly agree).

To measure brand attitudes, we use brand favorableness by Verkantesh and Bala (2010) by asking whether the brand is pleasant, good, and favorable. Measurement of likelihood to buy from Mathwick (2002) was used to measure brand purchase intentions. Respondents were asked whether it is likely, possible, and probable for them to buy products from the brand which offers BES they use. For BES usage intensity, we use Lee (2017) measurement which was modified from intensity measurement by Wang and Stefanone (2013). This variable measures the level of user engagement in BES usage. They were asked if it is true that whenever they want to express themselves they use BES right away, whether they use BES to communicate with friends, and whether they use BES frequently.
For independent variables, referent ties are scaled by Verkantesh and Bala’s (2008) measurement by asking who affect the individual decision: someone important to him or her, friends, and family. Majority ties are scaled by users’ perceptions about the increasing number of BES user in LINE messenger (Lee, 2017). Sociability refers to perception to interact with a brand and other social messenger users with BES (Lee, 2011). Chu (2013) defines self-disclosure as information reveals about themselves. We asked respondents whether they use BES to express their emotion and status, which was the measurement of self-disclosure used by Lee (2017). For self-presentation, we adapt the measurement from Gibbs et al (2006) that refers to the degree to which respondents believe they are able to make good impressions by using BES. Finally, featured character-brand fit is the degree of perceived relevancy between the featured character in BES design with the brand (Garretson and Butrton, 2005).

After the data is collected, we imported the data to SPSS 23. A pre-test with 30 samples was conducted to check the validity and reliability. Both the pre-test and main test, all indicators passed the validity and reliability check. The model used in this study follows Lee (2017) study which examines the effect of BES usage on brand attitudes and brand purchase intentions (Figure 1). We conduct multiple regression analysis methods using three sub models which is constructed based on the dependent variables: BES usage intensity, brand attitudes, and brand purchase intentions.

4. Results

Of the 358 respondents, 57.5% are female and 42.7% are male. Sixty seven percent respondents are in the 21-25 age-group. Besides, 54% respondents have passed bachelor degree and 58% of total respondents are students. Table 1 below shows the profile of respondents in this study.

Furthermore, for the regression result as shown in Table 2, BES usage intensity (β=0.180), majority ties (β=0.076), sociability (β=0.090), self-presentation (β=0.077), and featured character-brand fit (β=0.372) have significant positive effect on brand attitudes while there is no significant effect of referent ties and self-disclosure on brand attitudes. Sixty one percent
variances of brand attitudes can be explained by the variables in this model. For the sub-model 2, the value of adjusted R-squared is 0.30 which means 30% variance of brand purchase intentions is explained by the independent variables in the model. Based on the regression result, brand attitudes ($\beta=0.710$), and referent ties ($\beta=0.241$), have significant positive effect on brand purchase intentions while majority ties and featured character brand fit have no significant effect on brand purchase intentions.

Based on regression result of sub-model 3, all independent variables have a significant effect on the dependent variables. Sociability ($\beta=0.125$), self-disclosure ($\beta=0.405$), and self-presentation ($\beta=0.303$), play important role in affecting users’ BES usage intensity. Besides, brand attitudes do not mediate the effect of BES usage intensity because there is a greater direct effect of BES usage intensity on brand purchase intentions compared to the indirect effect which is mediated by brand attitudes. Table 3 summarizes all the result of hypotheses testing in this study.
Table 3 Result of Hypotheses Testing

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1(a) Brand attitudes has a positive effect on brand purchase intentions.</td>
<td>Accepted</td>
</tr>
<tr>
<td>H1(b) BES usage intensity has a positive effect on brand attitudes.</td>
<td>Accepted</td>
</tr>
<tr>
<td>H1(c) The effect of BES usage intensity on brand purchase intentions is mediated by brand attitudes.</td>
<td>Rejected</td>
</tr>
<tr>
<td>H2(a) Referent ties has a positive effect on brand attitudes.</td>
<td>Rejected</td>
</tr>
<tr>
<td>H2(b) Referent ties has a positive effect on brand purchase intentions.</td>
<td>Accepted</td>
</tr>
<tr>
<td>H3(a) Majority ties has a positive effect on brand attitudes.</td>
<td>Accepted</td>
</tr>
<tr>
<td>H3(b) Majority ties has a positive effect on brand purchase intentions.</td>
<td>Rejected</td>
</tr>
<tr>
<td>H4(a) Sociability has a positive effect on brand attitudes.</td>
<td>Accepted</td>
</tr>
<tr>
<td>H4(b) Sociability has a positive effect on BES usage intensity.</td>
<td>Accepted</td>
</tr>
<tr>
<td>H5(a) Self-disclosure has a positive effect on brand attitudes.</td>
<td>Rejected</td>
</tr>
<tr>
<td>H5(b) Self-disclosure has a positive effect on BES usage intensity.</td>
<td>Accepted</td>
</tr>
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<td>H6(b) Self-presentation has a positive effect on BES usage intensity.</td>
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</tr>
<tr>
<td>H7(a) Featured character-brand fit has a positive effect on brand attitudes.</td>
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</tr>
<tr>
<td>H7(b) Featured character-brand fit has a positive effect on brand purchase intentions.</td>
<td>Rejected</td>
</tr>
</tbody>
</table>

5. Discussion

Branded E-Stickers (BES) is the brand new and innovative tool to promote brands using an interactive way that enables social messenger user to have better chatting experience. By using BES, users can communicate with other users more interactively and communicatively. This new brand promotion tool is subtly embedded and classified as friendly advertising since social messenger users are facilitated by BES compared to traditional annoying advertising such as skip-able video ads and banner ads. However, there is a limited study in Indonesia which investigates the effectiveness of BES. Therefore, we examine the effect of BES usage on brand attitudes and brand purchase intentions in social capital perspective.

Consistent with prior studies (Lee, 2017; Wang et al, 2012), brands are the antecedents of brands purchase intentions. Once users have positive brand attitudes, they are more likely to purchase the product from that brand. Contrary with Lee’s (2017) finding, brand attitudes do not mediate the effect of BES usage intensity on brand purchase intentions. BES usage intensity has a greater direct effect on brand purchase intentions. This finding is consistent with the prior study by Wang and Stefanone (2013). The fact that usage intensity has a direct positive effect on brand purchase intentions can be caused by the ad repetition. The more users send or receive BES, the more they exposed by brand attributed and benefits that subtly embedded in BES design. Blackwell et al (2005) explain this as the value of repetition which facilitates learning and memory. Users become more familiar with the brand and memorize the benefits offered. Therefore, it leads to user purchase intentions.

Referent ties have no significant effect on brand attitudes but have a positive significant effect on brand purchase intentions. These findings are inconsistent with the prior study (Lee, 2017) which document a positive effect of referent ties on brand attitudes and brand purchase intentions. According to Solomon (2013), there is a social pressure in the social relationship. Social pressure can alter someone’s decision in order to fulfill the expectation of others. Those who want to keep the bonding social capital will alter their behavioral action to comply the expectations of people who have strong ties with them (Putnam, 2000). Recalling Fishbein and
Ajzen’s Theory of Reasoned Action (1975), there is a subjective norm from normative beliefs stating that we may form an intention or behavior based on what other people want us to do. Therefore, regardless having a negative attitude toward the brand, people may still purchase certain brand to meet the expectations of their social referents. For that reason, it is important for marketers to identify the social referents of their target market. It can be their family, friends, or girlfriend/boyfriend who has social power in altering their purchase decision. By knowing who the social referents, marketers can approach them or simply put marketing messages which address that if customers use the brand they may get closer to their social referents.

Furthermore, we found that majority ties have significant positive effect on brand attitudes but have no significant effect on brand purchase intentions. It can be concluded that majority ties, which have no significant social pressure, cannot influence someone’s purchase intentions.

However, social messenger users may develop a positive attitude toward the brand since there are an increasing number of users who use BES in their daily chatting. People can use BES to be the part of the mainstream of people so they will not be left alone in conversation (Lee, 2017). This kind of motivations may lead them to develop favorable brand attitudes. The more people use the brand, the more positive brand attitudes developed.

Sociability has a significant effect on brand attitudes and BES usage intensity. These findings are in line with the prior study conducted by Lee (2017). According to Chu (2013) and Lee (2011), it happens because sociability enables users to build a relationship with others, to obtain support, and to find a place to belong. Besides, self-disclosure does not have a significant effect on brand attitudes although it has a significant effect on BES usage intensity. We expect that social messenger users often use BES in their conversation because they like the design of BES and the design represents what they want to disclose. In other words, they have a positive attitude towards the BES design although it does not affect their evaluation about the brand. However, high intensity of BES usage play important role in customers learning and memory which may lead to purchase intentions (Blackwell et al, 2005).

As expected, there is a positive effect of self-presentation on brand attitudes and BES usage intensity. If users believe they can make a good impression on others by using BES, they will increase the intensity of using BES and develop positive brand attitudes (Lee, 2017). Featured character-brand fit has significant positive effect on brand attitudes. Relevancy between BES featured character and brands may enhance positive brand attitudes because the featured character communicates brand attributes and benefit (DeAndrea, 2011; Gibbs et al, 2006). Besides, featured character-brand fit does not have a significant effect on brand purchase intentions since there are many other variables which affect someone’s purchase decision other than the relevancy between brand and its featured character.

Since self-disclosure, self-presentation, and sociability play important role in affecting BES usage intensity, LINE should develop other types of BES such as animated BES, talking BES or BES with sound, and Pop-Up BES. For those companies which promote their brands, they should design BES which represents daily emotions and daily routines of users to increase the number of BES they share. Increasing BES usage intensity will benefit the company because it has a positive effect on brand attitudes and brand purchase intentions. In addition, featured character-brand fit has a positive effect on brand attitudes. Thus, companies should consider the character that best represent their brands or character that has high similarity in associations with the brand.
6. Conclusion

This study provides empirical evidence about the effectiveness of Branded E-Stickers (BES) usage in influencing customers’ evaluations about the brand and their purchase intentions. In addition, this study explores the effect of BES usage in the perspective of social capital theory. The result of this study shows that social capital plays important role in influencing customers’ behavioral intentions, especially in usage intensity, brand attitudes, and brand purchase intentions. For future research, it might be useful to explore and add attitude toward BES as additional variable. Also, it might be interesting to explore the difference of BES effect based on generation or age groups.

References


