

Chapter 1

Introduction

1.1 Background

In the very competitive fast-moving consumer goods (FMCG) market of today, brands face challenges not only to grab consumers' attention but also to create significant, long-lasting relationships with them (Kumaresan et al., 2023). Strategic use of brand icons, visual or character-based representations that personify the identity, values, and emotional appeal of the brand, is one efficient approach to do this (Shao, 2023). Regarding Royco, a top seasoning brand in Indonesia (Kantar, 2024), the addition of Ayam Roy, a new brand icon, fundamentally alters its marketing approach. This program is meant to improve brand involvement, increase emotional resonance, and finally affect consumer buying behavior.

Different consumer behavior and branding theories have helped to justify the usage of brand icons in marketing (Liang et al., 2024). Keller's Customer-Based Brand Equity (CBBE) model (1993) holds that consumer loyalty and brand equity are much enhanced by great brand images and connections. A well-designed brand emblem can be a strong associative signal that enhances brand recall and generates both purchase intention and brand loyalty (Rafiq et al., 2020).

Digital content techniques, especially on social media where visual storytelling and character-driven marketing can greatly impact consumer impressions (Mandung, 2024), have helped Royco's rebranding through Ayam Roy to be promoted. Though brand icons are extensively utilized in marketing, empirical studies looking at their direct impact on purchase intention and brand loyalty, particularly in relation to Indonesian consumers, are relatively few (Japutra et al., 2015). With an especially eye toward digital marketing content shared on social media platforms, this study aims to investigate the effect of the brand icon Ayam Roy on customers' purchase intention and brand loyalty.

This study intends to offer insightful analysis of how symbolic branding tactics could be maximized for improved marketing performance by looking at the relationships among Ayam Roy as

a brand icon, customer purchase intention, and brand loyalty. Future strategic decisions inside Royco and related companies hoping to establish closer consumer-brand interactions in the digital era should be informed by the outcomes of this research.

1.2 Project Question

To guide this research and ensure a focused exploration of the relationship between the brand icon Ayam Roy, purchase intention, and brand loyalty, several project questions have been formulated. These questions aim to uncover how the presence of a brand icon influences consumer behaviour and contributes to long-term brand engagement (Solem, 2016) within the context of Royco's marketing strategy.

1. How is the brand icon Ayam Roy perceived by Royco consumers in terms of likability and relevance?
2. What is the impact of Ayam Roy as a brand icon on consumers' purchase intention toward Royco products?
3. What is the relationship between purchase intention and brand loyalty in the context of Royco consumers?
4. Does purchase intention mediate the effect of Ayam Roy on brand loyalty?

1.3 Project Objectives

To achieve a deeper understanding of how the brand icon Ayam Roy influences consumer behaviour, this business project sets out the following objectives:

1. To analyze consumer perceptions of Ayam Roy as a brand icon for Royco
2. To examine the influence of Ayam Roy on consumers' purchase intention toward Royco products.
3. To assess the relationship between purchase intention and brand loyalty among Royco consumers.

4. To determine whether purchase intention mediates the relationship between Ayam Roy and brand loyalty.

1.4 Significance of the Project

This project holds strategic importance for both Royco and the broader marketing industry. By successfully amplifying Ayam Roy's presence, Royco can strengthen its brand equity, foster deeper connections with consumers, and ultimately drive sales. Additionally, the findings from this project can serve as a case study for brands seeking to enhance their digital brand icons that drives the purchase intentions and brand loyalty of consumers.

1.5 Project Scope

To ensure a focused and manageable research, this business project is conducted within a defined scope. The following statements outline the boundaries of the project:

1. The analysis of consumer perceptions, purchase intention, and brand loyalty within the context of a new brand icon of Royco.
2. Quantitative methods using survey instruments (Google Form) to gather primary data.

1.6 Project Limitations

While this research aims to provide meaningful insights into the influence of brand icons on consumer behavior, it is subject to several limitations:

1. The findings are based on self-reported survey data, which may be subject to response bias or limited recall accuracy.
2. The sample is limited to Royco consumers who are active on digital platforms and may not fully represent the broader population of Royco users across different demographics or offline markets.

3. The analysis focuses only on the current digital campaign featuring Ayam Roy, and does not account for other marketing variables (e.g., pricing, distribution, competitor activity) that may also influence purchase intention or loyalty.