

CHAPTER I

INTRODUCTION

1.1 Research Background

Logo is one of the most important aspects in a business. It is an essential component of brand identification (Schechter, 1993). Customer can instantly tell what the business is all about by only looking at the logo, even though the name of the business is not written on it. A logo, as a symbol, plays an important role in the overall marketing activities of a company; specifically, it reminds customers of the brand and helps them identify it. A logo is an extension of the company and its values and a visual expression of what the company stands for (Grobert *et al.*, 2016)

Changing a company's logo is really critical. It can affect the customer behavior towards the brand. Many companies has changed its logo, some succeed and fail, which can cost them a really big amount of money and also losing their loyal customer. In 2010, GAP reverted to their original logo just after putting up their new logo for several days due to the negative reaction from the public. Kraft also done the same thing, they change their logo in 2009, then long story short in 2012, they go back to their original logo (with minor changes) after splitting into 2 company. Tropicana, a brand below PepsiCo try to rebrand their logo and packaging but end up decreasing their sales by 20% in a month, because the customer thinks that the brand has lost its identity. The stories mention above is only a few out of many logo rebranding failure.

However not every rebranding brings nightmare to the company, some did succeed in the changing process. Starbucks, the giant of coffee industry decided to change its logo and remove the word “Starbucks Coffee” from its logo and only using the green colored mermaid image in 2011. The reason behind this is because they started to sell many products other than coffee. They do succeed to change and the new logo were accepted by the public. In 2016, Instagram also change its logo from the old polaroid camera icon into a modern, new and colorful design. The largest search engine platform, Google do the same thing in 2015 and three weeks after its launch there is no resistance from users, they already get used to see Google logo changes in their webpage every day that matches with current news and event.

The most recent event is Gojek logo rebranding in July 2019. Gojek started as an online pick up service using a motorcycle in 2010. Then, they launched three other services which is GoRide, GoSend, and GoMart. Since then, it evolves into a multi-services application with more than 20 services until today.

Gojek decided to change their logo to match the company’s growth and changes from the past years. Their previous logo of Gojek is the combination between Ojek (Indonesian’s taxi that use motorcycle as its vehicle). It is a good symbol, but it only represent their services that use “Ojek”, However Gojek has a lot more feature that doesn’t use Ojek transportation or any kind of vehicles at all.



Figure 1.1 Gojek Old Logo (left) and New Logo (right)
(Source : underconstruction.com accessed on December 22, 2019)

The company has launched their new logo called “Solv” on 22 July 2019 with the principle of solving everyday challenges with technology. The company believe that with Gojek and continuous technological innovations, there is always a way to solve everyday problems and give a positive social impact.

Based on the problem background above, the author intent to analyze the perceived congruence of new logo with Gojek brand. This research will help to understand the factors that affect the logo perceived congruence after a company gone through the rebranding process.

1.2 Problem Identification

This research will examine the factors that affect the perceived congruence of Gojek new logo with Gojek brand. From the research background above, the problem identifications are:

1. Does brand familiarity significantly affect the perceived congruence of new logo with brand?
2. Does brand familiarity significantly affect the brand attachment ?

3. Does brand attachment significantly affect the perceived congruence of new logo with brand?
4. Does brand attachment mediate the relationship between brand familiarity and the perceived congruence of new logo with brand?
5. Does brand attachment significantly affect the surprise of change ?
6. Does brand familiarity significantly affect the surprise of change?
7. Does surprise of change significantly affect the perceived congruence of new logo with brand?
8. Does surprise of change mediate the relationship between brand familiarity and the perceived congruence of new logo with brand?

1.3 Research Limitation

The author would like to avoid the things that are not suitable for the research by limiting purpose that will only matter in this research:

- a. Author only use subject and respondent that have download and make a transaction in Gojek application since (minimum) 2018.

1.4 Research Objectives

The purposes of this research are:

1. To analyze whether brand familiarity significantly affect the perceived congruence of new logo with brand.
2. To analyze whether brand familiarity significantly affect the brand attachment.
3. To analyze whether brand attachment significantly affect the perceived congruence of new logo with brand.

4. To analyze whether brand attachment mediate the relationship between brand familiarity and the perceived congruence of new logo with brand.
5. To analyze whether brand attachment significantly affect the surprise of logo changes.
6. To analyze whether brand familiarity significantly affect the surprise of change.
7. To analyze whether surprise of change significantly affect the perceived congruence of new logo with brand.
8. To analyze whether surprise of change mediate the relationship between brand familiarity and the perceived congruence of Gojek new logo with Gojek brand.

1.5 Research Benefit

1. For Company

This research helps company by giving the analysis of the perceived congruence from their new logo which can used to give a better understanding of how the rebranding process actually affect the costumer.

2. For Author

This research will give an excellent experience for the author of implementing and using the knowledge that had been studied by author in Universitas Atma Jaya Yogyakarta.

1.6 Writing Structure

This research is divided into five chapters:

CHAPTER I: INTRODUCTION

This chapter will describe the contents such as: background, problem identification, and research study.

CHAPTER II: LITERATURE REVIEW

This chapter will describe about the theories that related with the title of the research.

CHAPTER III: RESEARCH METHODOLOGY

This chapter will describe the things such as: research location, data collection method, variable, and data analysis method.

CHAPTER IV: DATA ANALYSIS

This chapter will reveal the result from data analysis and the interpretation of it using chosen analytical tools.

CHAPTER V: CONCLUSION AND MANAGERIAL IMPLICATIONS

This chapter will include conclusion, research limitations, managerial implications and future research.

CHAPTER II

LITERATURE REVIEW

2.1 Introduction

This chapter will describe the theoretical background of this research. The author will elaborate the explanation about brand attachment, brand familiarity, surprise, and perceived congruence of new logo with Gojek brand. After that, this chapter will explain about the previous study, research hypothesis, and conceptual framework of this research.

2.2 Theoretical Background

2.2.1 Brand Attachment

Brand attachment represents the bond that is form between an individual and the brand (Park et al., 2010). Attachment leads to a strong commitment and may influence love and passion when the bonds are very strong. It makes customers truly loyal and passionate with the brand (Loureiro et al., 2012). Brand attachment represents the fact that he or she likes the brand (Van Riel and Fombrun, 2007).

Attachment to a brand is a result from the relationships between the brand and its customers (Lacœuilhe and Belaïd, 2007). Customers can be attached to a brand in a way that the brand confers strong feelings to its customers, like being part of his daily life. Brand attachment is characterized by strong linkage or connectedness between the brand and the self (Schultz, Kleine, & Kernan, 1989).

2.2.2 Brand Familiarity

Familiarity reflects the knowledge that people have about a brand. Brand familiarity captures consumers' brand knowledge structures, the brand associations that exist within a consumer's memory (Campbell and Keller, 2003). People more familiar with a brand seem to engage in more confirmation-based processing of information compared with non-familiar people (Keller, 1991). Familiar brands include many positive associations that lead consumers to judge that the product or firm is trustworthy (Aaker 1991; Keller 1993)

2.2.3 Surprise of Change

According to Teixeira *et al* (2012) Surprise is a sudden event that arises when “outcomes are unexpected”. Valenzuela *et al* (2010) stated that “surprise is the astonishment, wonder, or amazement that grows with the unexpectedness and importance of an event.” Surprise seems to represent a complex emotion, sometimes good and sometimes bad, depending on whether the cause of the surprise itself is positive or negative (Grobert *et al.*, 2016). However, surprise is only happen for a short amount of time, the experiences of surprise may be confused with the emotions that follow it. As such, people feel first surprised, and then this emotion is transformed into another one that can be positive (e.g. after an unexpected gift) or negative (e.g. after an unexpected tax), depending on the outcomes of the event (Grobert *et al.*, 2016).

2.2.4 Perceived Logo Congruence

Hagtvedt (2011) shows that logos have the potential to convey meaning on their own such that an incomplete (complete) logo leads to lower (higher) perceptions of trustworthiness and higher (lower) perceptions of innovativeness. Thus, the importance of a logo is much more than a mere visual signature because it serves as a vehicle for capturing attention and conveying meaning (Janiszewski and Meyvis, 2001). As the main goal of a logo is to enhance awareness and to build a beneficial image (Hem and Iversen, 2004)

Weeks, Cornwell and Drennan (2008) recently defined congruence as a “logical” relationship between a sponsor and the sponsored entity. Congruence is a symmetrical relationship between two elements that may in fact be different in terms of category. Typicality allows a product and a brand to be linked according to their representative characteristics, or a brand and product categories according to the brand territory. (Maille, 2011). In English, these terms have given congruence, congruence, congruity, congruent and congruous which, in everyday language, refer to the fact, for two objects, of matching, agreeing, being appropriate to and being consistent with each other (Robert and Collins Senior, 2000; The Concise Oxford Dictionary, 1985; Harrap’s Chambers, 1997).

2.3 Previous Studies

Table 2.1

Previous Study

No.	Title	Variable	Method	Findings
1.	Surprise! We Changed The Logo (Julien Grobert Caroline Cuny Marianela Fornerino,2016)	Logo Congruence, Brand Familiarity, Brand Attachment, Surprise	This research use questionnaire to collect the data. Anova Analysis is conducted to see the diferrence	The result of the research is surprise has an impact on the perception of congruence between the brand and the new logo in the case of a major logo change.
2.	The Influence of Brand Trust, Brand Familiarity and Brand Experience on Brand Attachment: A Case of Consumers in the Gauteng Province of South Africa (Chonoman <i>et al</i> , 2017)	Brand Trust, Brand Familiarity, Brand Experience, Brand Attachment	Questionnaire was designed to collect this study data then SEM technique using SPSS and PLS was used to run the statistical analysis.	This research found that brand trust is affecting brand attachment, brand familiarity will affect brand attachment, brand experience significantly affect brand attachment.
3.	The Effect of Incoungruity, Surprise, and Positive Moderators on Perceived Humor. (Alden <i>et al</i> ,2013)	Degree of Incongruity, Schema Familiarity, Surprise, Playfulness, Warmth, Ease of Resolution, Perceived Humor.	A two-step process was used to collect the random data. Three-point scales were used for coder measurement (low-medium-high). An ANOVA analysis is used to analyze one of the hypothesis. Then regression analysis was used to test 3 of the hypothesis, and the last hypothesis is mediation, the researcher used	When viewer familiarity is high, incongruity is significantly producing a stronger level of surprise than when familiarity was low. Also, level of playfulness and threat affect surprise and perceived humor/fear.

			Baron Kennt four step procedure.	
4.	Exploring the attractiveness of manufacturer brands and retailer own-brands in supermarket context. (Sandra Maria Correia Loureiro, 2017)	Brand Credibility, Brand Image, Brand Familiarity, Brand Attachment, Brand Attitude	A face-to-face personal interviewing method in low-, medium- and high-peak shopping days is conducted in this research. PLS is used to test the hypothesis of this study.	Brand familiarity influence brand attitude. Brand credibility influence brand attachment, brand image influence brand attitude, brand image influence brand attachment, brand familiarity influence brand attachment. Also, product category and type of brand moderate the effect of brand credibility, brand image, brand familiarity on brand attitude and brand attachment.
5.	Cognitive and Emotional Brand Logo Changes (Mark Peterson, Saleh AlShebil, Melissa Bishop, 2015)	Familiarity with old logo, Perceived degree of logo change, Brand Involvement, Interest Curiosity, Deprivation Curiosity, Attitude toward new logo, Anxiety about core offering, Difference in Ab after logo change.	This research use questionnaire to respondents whom had not actually seen a new logo of the company. Structural equation modeling is used (using AMOS ver 19) due to the multi-step nature of the model the construct.	Changing a brand's logo is a primary way to signal to consumers that the core offering of a brand has been changed. However, as this study highlights, both interest and doubt will be responses of consumers about any such change.
6.	Pleasantly Surprising Clients: A Tactic in Relationship Marketing for Building Competitive Advantage in the Financial Services	Antecedants of Surprise, Level of Surprise, Consequences of Surprise	Face-to-face interview is conducted to four clients / financial advisor. After the data was gathered, the researcher conduct SEM analysis to test the	The study identified that, the antecedants of surprise are customer orientation, knowledge of the client, ability to secure client's

	Sector (Jasmin Bergeron, Roy Jasmin, Jean Mathieu Fallu, 2008)		hypothesis.	participation, expertise, and sense of humor. Moreover, advisors whom pleasantly surprised clients positively predict trust, satisfaction, purchase intentions, and favorable word of mouth of the client.
7.	Do Logo Redesigns Help or Hurt Your Brand ? (Michael F. Walsh, Karen Page Winterich, Vikas Mittal, 2010)	Brand Commitment, Logo Evaluation, Logo Shape Redesign, Brand Commitment, Brand Attitude.	An ANCOVA was conducted with brand attitude toward the post-redesigned logo as the dependent variable. The independent variables included brand commitment, degree of change, and their interaction. The covariates were brand, prior brand ownership, gender, age, and pre-exposure brand attitude.	The study shows that brand commitment and brand attitude, while closely related, are separate constructs measuring different phenomena.
8.	Novelty or Surprise? (Andrew Barto, Marco Mirolli, Gianluca Baldassarre, 2013)	Novelty, Surprise	The method used is by dividing the typical features that distinguish novelty or surprise behavior.	Surprise features are expectations and prediction, novelty features are memory recall and formation of new representation and links.
9.	Birds of a Feather Flock Together, Definition, Role, and Measure of Congruence: An Application to Sponsorship (Nathalie D. Fleck, Pascale Quester, 2007)	Congruence, Expected, Relevant.	Questionnaire were spreaded, a total representative sample of 780 customers aged between 18 to 70 years old, the data was checked for normality and	Congruence is derived from two distinct sources, expectancy and relevancy.

			some evidence of skewness and Kurtosis, then justifying the use of the asymptotically distribution free (ADF) function in AMOS 5.	
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2.3.1 Hypothesis Development

Individuals with high brand familiarity reflects that they already have knowledge of the brand really well, which means that they already spend some time to learn about the brand and engage a long-term relationship, Thus brand familiarity might affect customer perception when the brand change their logo (Grobert *et al.*, 2016). Campbell and Keller (2003) explain that when a brand wants to use a new advertising campaign, familiar (vs. unfamiliar) consumers will react more negatively. It goes the same with logo changes, highly familiar individuals will process this new information less easily (Henderson and Cote, 1998), the more familiar they are with the brand, the less congruent they will evaluate the new logo with the brand. Based on that discussion, the hypothesis is:

H1: Brand Familiarity will significantly affect the perceived congruence of new logo with brand.

However, brand attachment represents, for an individual, the fact whether he or she likes the brand (Van Riel and Fombrun, 2007). It's the result from the relationships between the brand and its customers (Lacœuilhe and Belaïd, 2007). Thus, when a customer gather the

information and build brand familiarity with the brand they will gradually build an attachment. So, the hypothesis is:

H2 : Brand familiarity will significantly affect the brand attachment.

Brand attachment may also play a part when a brand change its logo. It can effect whether or not customers accept this change (Abdulaziz Alshebil, 2007). Higher brand attachment leads to higher perceived congruence between the brand and its current logo, as a result of repeated interactions with the brand. (Grobert *et al.*, 2016). Based on the elaboration, the hypothesis is:

H3 : Brand attachment will significantly affect the perceived congruence of new logo with brand.

Grobert *et al.*, (2016) has proved that brand attachment partly mediate the relationship between brand familiarity and customers' perceived congruence between the logo and the brand in term of major logo changes in his research. The following hypothesis is formulated based on the discussion above:

H4 : Brand attachment will mediate the relationship between brand familiarity and perceived congruence with the new logo with brand.

More familiar individuals may encounter more intense surprise when a brand change its logo (Alden et al., 2000), and whether the surprise is negative or positive may also be crucial. Also, strong committed consumers presented a more negative attitude than weak committed consumers, because they expected to be explicitly warned about the

change beforehand (Walsh et al., 2010). Based on the discussion, the hypotheses are:

H5: Brand attachment will significantly affect surprise of change.

H6: Brand familiarity will significantly affect surprise of change.

Surprise is felt in a short amount of time, the outcome of surprise is the emotion that is followed after it. According to Grobert *et al.*, (2016) the effect can be positive (e.g. after an unexpected gift) or negative (e.g. after an unexpected tax). In term of radical logo changes, the experience of surprise emerge because they need to breakdown the previous coherent representation, resulting in an urgent representational updating process (Maguire,2011, p. 177). In another word the emotion (outcome of surprise) will determine how the customer perceived the logo changes. So, the hypothesis is:

H7: Surprise of change will significantly affect the perceived congruence of new logo with brand.

More or less familiar customers could evaluate the new representation less or more congruently with the brand, mediated by their experience of surprise created by the radical logo change. Below is the hypothesis that is built based on the discussion above:

H8: Surprise of change will mediate the relationship between brand familiarity and perceived congruence with the new logo with brand.

2.4 Conceptual Framework

The research framework below consist of four variables, which are brand familiarity as the independent variable, brand attachment & surprise as the mediating variables, and congruence of new logo as the dependent variable. This framework is adopted from Grobert *et al.*, (2016) research which show the relationship between brand familiarity, brand attachment, surprise, and congruence of new logo.

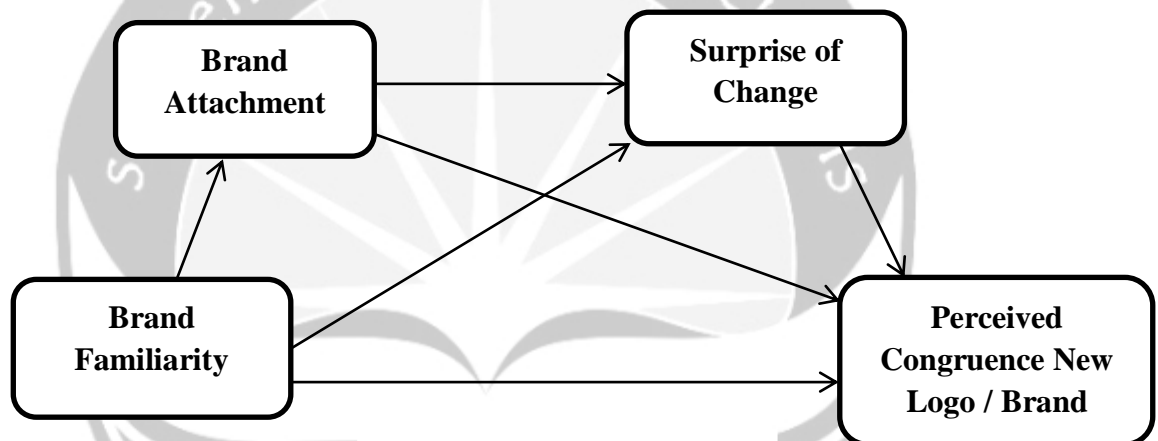


Figure 2.1 Conceptual Framework
Grobert *et al.* (2016)