

CHAPTER I

INTRODUCTION

1.1 Research Background

Nowadays, internet users for various purposes have penetrated all industrial sectors and individual users who come from all age groups and professions. The demand will be higher once access internet becomes easier and cheaper. Internet penetration in Indonesian society is currently around 40% or 100 million people out of a population of about 260 milion (Kompas.id, 2017).

There were more than 200 million Indonesians who had access to the internet through their smartphome (Kompas,2021). Hootsuite and We Are Social released the report of internet users globally including Indonesia where 73.7% of the total Indonesian population or 202.6 million had used the internet and 96,4% of it got access through smartphome either by provider cellular connection or WiFi (We Are Social,2021). The average age of internet users is 16-64 years old who spend about5 hours per day. Based on the Picture 1.1 explains about Internet and Social Media Users Data in Indonesia 2021.

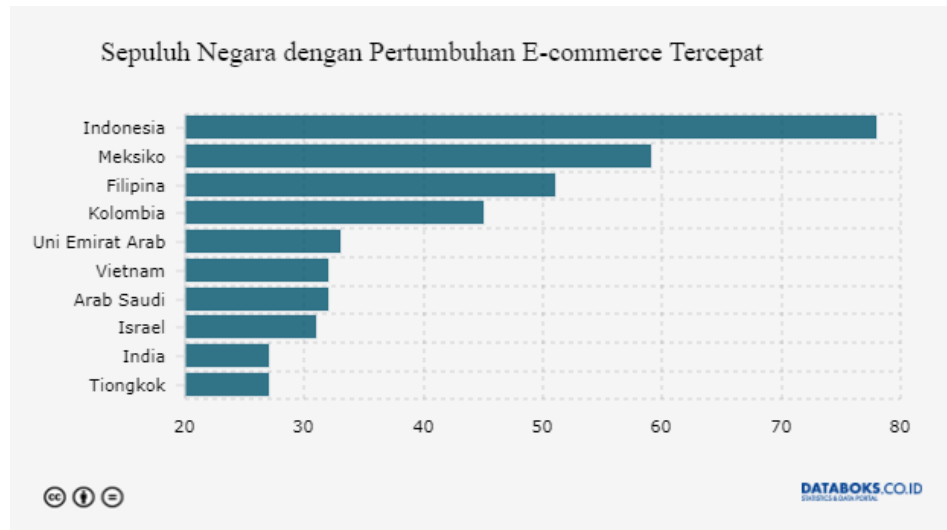


Picture 1.1 Internet and Social Media Users Data inIndonesia in 2021

Source: We Are Social, accessed on November 30, 2021, 10:43 WIB

Having a larger number of internet users means a bigger potential market for

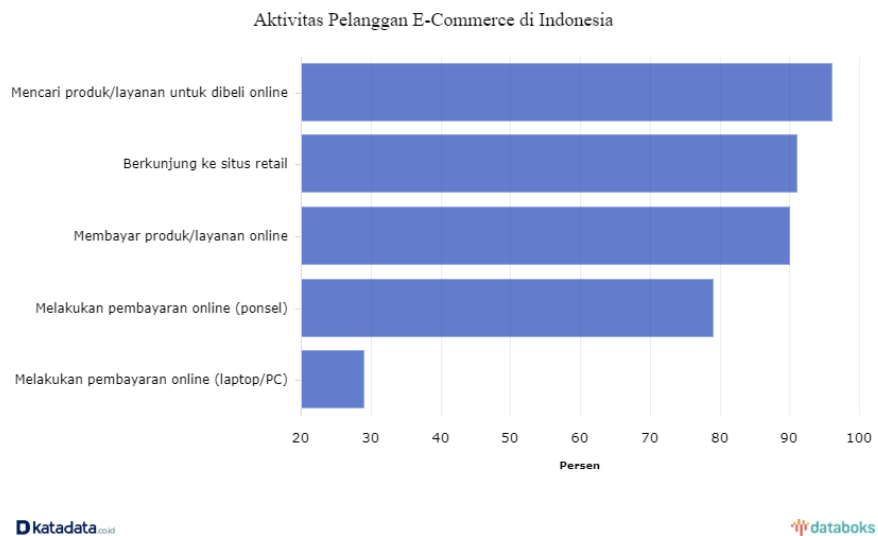
businesses especially those dealing with technology and digitalization like Tokopedia. New technologies such as IoT dan Big Data become the fresh air for the development of e-commerce. Furthermore, it is not only supported by the advance of technology but also the economy towards digitalization (Limbongan, 2020). Katadata.co.id (2021) stated that Indonesia was on the 5th rank as the fastest on e-commerce growth in the world. Based on the picture 1.2 explain The Growth of e-commerce in Indonesia.



Picture 1.2 The Growth of E-Commerce in Indonesia

Source: Databoks.katadata.co.id, accessed on March 29, 2021, 13:10 WIB

Based on the picture 1.3 explain the activities of e-commerce users in Indonesia, internet users who have experienced onlineshopping increased rapidly from 90% to 96% of total internet users katadata.co.id (2021). According to (Pusparisa, 2019). to The main factors are the rise of smartphone users and the internet innovation).



Picture 1.3 The Activities of E-Commerce Users in Indonesia

Source: Databoks.katadata.co.id, accessed on November, 30, 2021, 11:29 WIB

Tokopedia is the biggest e-commerce in Indonesia that was founded by Indonesian. Its website becomes the most visited in South East Asia for 900 million visits in 2019 and is able to compete with the others such as Shopee and Lazada. In 2019, Tokopedia's visitor had increased by 40% compared to Q3 in the same year with only 60 million visitors. The iprice report showed the visitor of Tokopedia had reached 84 million or increased by 25% since the beginning of 2020 which means Tokopedia could focus for doing innovation in order to dominate Indonesian market (Devita, 2020).

Tokopedia is e-commerce that was established on August, 17th 2009 by William Tanuwijaya dan Leontinus Alpha Edison with the vision to support economic equality through a digital system. Tokopedia gives an opportunity for Small Medium Enterprises (SMEs) to do business through a marketplace platform (tokopedia.com, 2021). Moreover, it offers the other features that help the customer in their daily life such as balance top-up, travel ticket, and accommodation. Based on the Picture 1.4 the logo Tokopedia explain about the green color chosen by Tokopedia means earth, symbolizing humility and peace. Tokopedia will always try to see it from the point of view, even from the point of view of Tokopedia users. Tokopedia has not been able to develop until now (tokopedia, 2018).



Picture 1.4 Tokopedia's Logo

Source: academia tokopedia.com, accessed on March, 29, 2021, 9:20 WIB

The vision of Tokopedia is to build an ecosystem where anyone can start and discover anything. Tokopedia wants to support millions of merchants and users across their marketplace, logistics, payments, and financial technology businesses. The mission of Tokopedia is to democratize commerce through technology. Since 2009, Tokopedia has been a pioneer of digital transformation in Indonesia, (tokopedia, 2020).

January, 25th 2021, Tokopedia announced to point Blackpink, the most popular South Korean girl band as the brand ambassador. Blackpink is a girl group that was formed by YG Entertainment on August, 8th 2016 that consists of four members namely Jisoo, Jennie, Rose, and Lisa (tokopedia.com, 2021). Their debut songs, Boombayah and Whistle, were booming when it was released and even become the top charts in some music events. The philosophy of Blackpink is the pretty women with many talents. Based on picture 1.5 explain about poster Tokopedia x Blackpink.



Picture 1.5 Poster Tokopedia x Blackpink

Source: tokopedia.com, accessed on, January, 21, 2021, 12:28 WIB



Picture 1.6 The Photo of Blackpink's Members

Source: tokopedia.com, accessed on, December, 7, 2021, 14:38 WIB

Blackpink used to be a brand ambassador for Shopee in 2019, the main competitor of Tokopedia. As a result, Shopee became the 1st e-commerce in Indonesia during that year beating the others such as Tokopedia, Bukalapak, and Lazada (Setyowati, 2020). Unfortunately, Blackpink did not extend its contract with Shopee in the following year but became a brand ambassador for its main competitor, Tokopedia. Kevin Mintraga as the President Director of Tokopedia welcomed this great collaboration with the expectation that it will realize Tokopedia's vision to fulfill the customer's needs especially during the pandemic covid-19 (tokopedia.com, 2021). Then, the same result was achieved by Tokopedia where Tokopedia dominated the e-commerce market in Indonesia in 2021 followed by Shopee and Bukalapak (Jayani, 2021). It proved the marketing strategy by using Blackpink as a brand ambassador can increase the number of e-commerce users. This idea was supported by Febriana, et al. (2017) where the brand ambassador had a significant influence on brand switching.

Based on this phenomenon, researchers are interested in researching brand switching because researchers see the phenomenon of Blackpink which has the power to attract customers' attention so that researchers assume Blackpink as Tokopedia's brand ambassador can cause brand switching. This is as stated by Pramesthi (2020) that if the use of brand ambassadors is considered appropriate in reaching the market, then behavior will be formed towards the brand, one of which is brand switching carried out by the target market that the company wants to reach, or what is called a

brand. switching. Khasanah dan Kuswati (2013) in Purnama, et al. (2021) defined brand switching as the consumer behavior to move from one brand to another due to particular reasons. Brand switching can be understood as the vulnerability of consumers to switch brands. It is a complex phenomenon that is generated from variety-seeking behavior. According to Kotler (2012), the customers tend to move to another because they want to feel something different and it happens for the sake of variation not unsatisfying feeling. According to Shukala (2004) in Sulastri and Sari (2020), there are four factors in the occurrence of brand switching, Perceived Quality, Attractiveness of the Product, Variety of Features, Commitment. That is why Blackpink in this case had the potential to be the factor for e-commerce users to do brand switching.

The purpose of Tokopedia to have collaboration with Blackpink as brand ambassador seems to be in line with the purpose of implementing the brand ambassador strategy. Lea-greenwood (2012) in (Kamariyah, 2021) stated the brand ambassador as a tool to communicate and make connection between brand and public to boost the sales. One of the purposes is to attract the customers on some brands or products promoted. Moreover, the selection of a public figure as a brand ambassador is based on a good image so that it can give a positive impact on the company (Juliana, et al., 2020). According to Kertamukti in (Lestari, 2021). marketing activities for celebrities users have been using Visibility, Credibility, Attraction, Power.

In this study, researchers used references from previous research conducted by (Pramesthi, 2020) with the title "Pengaruh BTS sebagai brand ambassador Tokopedia terhadap brand switching." The similarities in the independent and dependent variables in previous research is expected to assist researchers in analyzing and processing the topics to be studied. The results showed that BTS as brand ambassador Tokopedia (X) have a significant influence on brand switching 67,8%.

The researcher uses another reference from a previous study conducted by Siti (Kamariyah, 2021), "Pengaruh Brand Image, Variety Seeking dan Brand Ambassador Terhadap Perpindahan Merek (Brand Switching Dari Merek Shampo Lain Yang Beralih Ke Shampo Pantene." The similarities in the dependent variable in previous studies are expected to help facilitate research in analyzing and processing the topics to be studied. The results showed that brand image did not affect brand switching. Variety seeking and brand ambassadors have a positive and significant effect on brand switching. Based on the two previous studies, what distinguishes this research from

previous research is the research object. The research object chosen by the researcher is Blackpink and Tokopedia.

Based on the researchers observations at places of scientific publications, there are not many studies on the influence of brand ambassadors on brand switching on e-commerce that is popular in Indonesia. The reason for choosing this research is because, in previous research, namely the Effect of BTS as Tokopedia's Brand Ambassador on Brand Switching, there is an influence between BTS as Tokopedia's brand ambassador on brand switching by 67.8%, so researchers are interested in knowing the effect of Blackpink as Tokopedia's brand ambassador on brand switching. Based on the background above, the researcher interest to analyze “The Influence of Blackpink as Brand Ambassador of Tokopedia to Brand Switching”.

1.2 Problem Identification

Based on the explanation of the background, the problem identification of this research is as follows:

“Does Blackpink as brand ambassador Tokopedia influencing the brand switching?”

1.2 Research Objectives

Based on the description of the problem formulation above, this study aims to measure the influence of the Blackpink as brand ambassador towards Tokopedia brand switching.

1.3 Research Benefits

1. Theoretical Benefit

Theoretically, this research is to enrich and deepen knowledge academically about brand ambassadors and brand switching as one of the trending marketing strategies in this era.

2. Practical Benefit

This research is expected to be used to develop strategies for better marketing communications of Tokopedia in the future.

1.4 Stages and Research Plan

The preparation of the research was carried out and planned with six stages described in the table below.

Table 1.1 Research Time and Period

NO	STAGE AND PLANS	Tahun 2021/2022									
		OKT	NOV	DEC	JAN	FEB	MAR	APR	MEI	JUN	JUL
1	Finding & Determining Research Topics										
2	Processing Chapter I, Chapter II, Chapter III										
3	Desk Evaluation										
4	Data Collection & Processing										
5	Processing BAB IV, BAB V										
6	Thesis Defence										

Source: Author's Processed Data (2022)