CHAPTER I

INTRODUCTION

1.1 Background of the Research

Today's developments show that business competition conditions, especially in the personal care business, are experiencing quite tight competition. This intense competition occurs because the need for personal care is getting higher and has become one of the essential needs for humans. Seeing a high demand for personal care, the manufacturers of the personal care industry are competing to present product innovations that can answer the community's needs. Not only international producers but local producers also enliven the market and are here to compete. "Results of the Katadata Insight Center (KIC) survey related to consumer behavior in shopping during the pandemic, consumer preferences for using local brand products are superior by 87.2%, and preference for foreign products is only 12.8%. In addition, during the KIC survey, the results also showed that the community had fairly high trust in local products 93%, while trust in foreign products was 71.5%" (Ekarina, 2022).

The local personal care industry that often competes in the market is enlivened with products specifically for women. Almost all products are aimed at women and minimally at men. Women are indeed unique in their habit of taking care of themselves compared to men, but after going through some time, now the taboo stigma about men who don't have to use personal care has faded. According to Putranto (2021), not only aimed at women, but skincare products also build discipline in men's bodies through metrosexual representations of clean and bright skin. Currently, men receive treatment identical to women, resulting in a redefinition of masculinity in men. Men have the same opportunities as women to take care of themselves. "Men's care products are one of the items men consider when shopping and are a men's purchase priority" (Sanny et al., 2020).

According to Lee et al. (2019), market research indicates that the global skincare industry is anticipated to grow at a CAGR of 4.7 percent from 2016 to 2022, reaching $179 billion. According to statistics based on Eng et al. (2015), 64.5 percent of males take the best possible care of their skin. Due to the fact that there is a growing demand from males for men's grooming products, this circumstance presents a significant opportunity for skin care industry providers. The ratio in developed nations is high and rising quickly in western nations (Khan , et al., 2017). In addition, the problems that exist during the pandemic are changes in consumer behavior after the Covid-19 outbreak, which has become more religious. According to Aisyah (2017), as a country with one of the largest numbers of Muslims in the world, Indonesia has great potential in the market category for consumable materials in the form of halal cosmetics and personal care products.

According to Rasid (2016), the roughly two billion Muslims who make up the world's population are becoming more and more aware that some cosmetics contain components with animal origins, raising questions about whether or not they are halal. According to Aisyah (2017), Indonesian consumers' desire for local halal brands of cosmetics like Wardah and Sari Ayu is growing, as are their purchases of several other products from abroad that have received halal certification. The 2015 MarkPlus Insight Women Survey indicated that Wardah, which bills itself as a Muslim-friendly halal cosmetics brand, is the most well-liked cosmetic brand among women, reflecting the growing popularity of halal cosmetics and personal care products in Indonesia. An original Indonesian halal cosmetics company, Wardah, was established in 1995 under PT. Paragon Technology and Innovation (About WIM, 2022). Thus making the company PT. Paragon Technology Innovation wants to create a personal care brand that targets the male segment, with positioning as a halal and modern personal care brand for the needs of today's men (Hendriani, 2020).
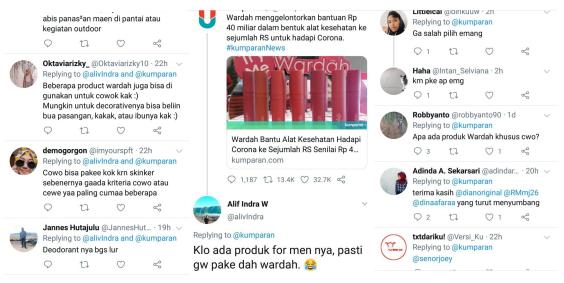
Figure 1. 1 Consumer seek for men's skin product

Source: Twitter Thread (2022)

Figure 1.1 shows the replies of tweets between the audience on the Twitter platform regarding the audience's expectations of personal care, specifically for men, especially from the Wardah brand. So, PT Paragon Technology and Innovation, as a company that developed the Wardah brand, responded to the community's needs by presenting the Kahf brand.

Kahf is one of the brands formed by PT. Paragon Innovation Technology and established in 2020 (About Brands , 2022). Kahf is present as one of the local brands that can answer public concerns and present a variety of personal skin care products specifically for men inspired by nature, halal, and dermatologically tested ingredients. Kahf was present because of public trust in the products produced by PT. Paragon and the presence of consumers looking for halal products specifically for men's grooming. Present during the pandemic in 2020, Kahf departed from the background of the rise of men's care in the global market. By presenting halal values in all of its products, Kahf wants to establish a brand image as a halal brand specifically for men that represents modern, curios, broad-minder, and cultured Muslim universalists in a way showed by Rasulullah and Al-Quran in nowadays setting (About Brands , 2022). PT Paragon adds spiritual values/benefits to the value proposition on Kahf to create a

spiritual connection with consumers. From Figure 1.2, it shows the logo of the Kahf brand along with its personas and some of the products presented by the Kahf brand.

Figure 1.2 Kahf Brand

Source: Google (2022)

There are quite various brands in Indonesia that focus on their product category of men's grooming, such as Nivea Men, Garnier Men, MS Glow Men. However, what differentiates Kahf from other men's grooming brands is the use of a specific technology, natural ingredients contained in the product, and a halal claim so that it is safe and suitable for all men's skin types. Khyra (2020) stated that all Kahf product range uses a technology called Hydro balance. Hydro balance has the function of purely cleansing, which is to clean the skin thoroughly down to the pores; balanced hydrated, which is to maintain the skin's natural moisture balance; nourish and care, which is to care for and nourish the body; exquisite natural scent, which contains scents inspired by nature. Table 1.1 shows the comparison of Kahf and other competitors.

Table 1. 1 Competitor Comparison with STP

No.	Brand	Segmenting	Targeting	Positioning
1.	Nivea Men	**Geographic:** mostly used in urban and rural areas	Adult men and women who need easy and practical skin	Male grooming with affordable and good value for money.

		Behaviour: Men who at that age have more activities in their daily lives and are exposed to more sunlight **Demographic:** Teenagers, adults, older adults. **Psychographic:** Lifestyle-looking and feeling-good people	care. It can be consumed by the lower, middle, or upper class because the products are available in various sizes and at different prices according to size.	
2.	Garnier Men	**Geographic:** used by people who lived in urban and rural areas **Behaviour:** Men who at that age have more activities in their daily lives which can cause acne and oily faces **Demographic:** Men, 17-35 years old **Psychographic:**	Men are aged 17-35 years, and men generally have a transitional period of maturity symptoms, so their faces are easily acne-prone and oily. Also, It can be consumed by the lower, middle, or upper class	Male grooming products that easily eliminate various problems on men's faces that are oily and acne prone.

		A man who has a face with an oily face type.	because it has cheap price	
3.	MS Glow Men	**Geographic:** used by people who live in urban areas. **Behaviour:** Men who at that age have more activities in their daily lives and are exposed to more sunlight **Demographic:** Men 17-35 years old **Psychographic:** Men with more concern about their face skin (dull skin).	Men are aged 17-35 years, and men have active activity outdoors and more problems with their skin condition. Also, It is usually consumed by the middle or upper class.	Male grooming with a focus on men's face cleaner and brightener.
5.	Kahf	**Geographic:** Used by people who lived in urban and rural areas **Behaviour:** Men who at that age has active activity and are concerning	Where men have active activities outdoors or indoors and are more concerned with their self-appearance. Also, It can be	Male grooming product that uses natural ingredients and has Halal claim, with a focus on solving body and facial skin

| | | with their face and self-appearance **Demographic:** Men 17-25 years old. **Psychographic:** Religious Men and like Continuous Learners, Modest, composed, considerate universalists and well-being Seeker | consumed by the lower, middle, or upper class because it has various price ranges. | problems for men. |

Source: Author's Processed Data (2022)

Table 1.1 shows the Kahf competitor analysis using the STP approach. Compared Kahf with other competing men's grooming brands, Kahf can compete in terms of price and the variety of products offered to solve men's facial and body skin problems. Besides that, Kahf comes with a different image from other men's grooming brands, which use chemical formulas and strong scents. Kahf has a different positioning, namely a halal men's grooming using natural ingredients. By looking at this phenomenon, the authors make Kahf as the object of research.

In running a business and wanting to build a brand image as a men's personal care brand that uses halal claims as a unique selling point and continuously strives to introduce a better trend following Islamic values, Kahf runs several forms of promotional activities. First, Kahf makes promotional activities to instil a good impression so that consumers can instil the brand image that Kahf wants to build from the start. The impression obtained by consumers spreads to become a new source of

information for other potential consumers. Indirectly, consumers who carry out these activities carry out marketing communication activities by recommending a product.

With this rapid technological advancement, marketing communication activities are carried out online or through digital platforms, specifically social media. According to Sanny et al., (2020), in this era, social media has become one of the most popular channels companies use for their marketing activities in terms of communication. "The use of social media in companies is considered one of the most attractive marketing tools. They can carry out two-way communication, provide reviews, post campaigns, and other relevant content, communicate, attract, strengthen relationships, and for customers to create value" (Tatar & Eren-Erdoğmuş, 2016). One of Kahf's marketing communication strategies to build a brand image is to create an electronic word-of-mouth (eWOM) campaign called #JumatberKahf on social media. According to Hennig Thurau et al., (2004) in (Kala & Chaubey, 2018), "eWOM is a positive or negative statement made by consumers (potential, actual, or former) about a product or company that is made to be seen by many people and companies via the internet". For example, campaign #JumatBerkahf means that when men are advised to attend Friday prayers on Fridays, they are encouraged to clean themselves and prepare themselves best. The #JumatberKahf campaign also managed to stick in consumers' minds, and consumers automatically participated and even disseminated the campaign.

Positive or unfavourable online discussions about a product are called "eWOM". Setting up an eWOM plan has become standard practice for businesses when carrying out their marketing communication efforts, especially in the current digital era, claims Wulandari (2020). In comparison to WOM, Bickart and Schindler (2000) in Kala & Chaubey (2018) said that eWOM may have more trust, understanding, and relevance to customers than commercial online information sources produced by marketers. The dimensions that separate WOM from eWOM include spoken word against written word, face-to-face engagement versus indirect interaction, identification versus anonymity, and local reach versus broad reach.

To support the power of the message contained in #JumatberKahf and form a strong brand image, Kahf uses Key Opinion Leaders (KOL) in spreading his campaign. KOL whom Kahf appointed because he had a persona image that matched Kahf's was public figure Dimas Seto. Dimas Setowardana or Dimas Seto is an Indonesian film and soap opera actor and entrepreneur born in 1979 (Sidiq, 2021). Dimas Seto is known as an actor who has migrated and uses social media to spread Islam's teachings (Rich, 2018). Dimas Seto has approximately 1 Million followers on his Instagram account, and according to Lianovanda (2022), persons with more than 1 Million followers is classified as a Mega Influencer. Therefore, Kahf assesses Dimas Seto as having the appropriate persona to build a favourable brand image value in customers' perceptions. Therefore, Dimas Seto has been selected by Kahf as an opinion leader for the delivery of the #JumatBerkahf campaign on Instagram.

Figure 1. 3Dimas Seto as KOL using #JumatberKahf

Source: Dimas Seto's Instagram Story (2022)

Figure 1.3 shows the Instagram story of Dimas Seto during the #JumatBerkahf campaign as a form of marketing communication run by Kahf. Winoto (2015), a person will be more persuasive when the communicator or person who conveys the message shows himself as a credible person. In other words, a communication source with high credibility will be more effective in changing someone's opinion compared to communication sources with low credibility sources, which can change a person's opinion and behavior. Therefore, it is very important to find the right opinion leaders for a brand so that the message conveyed or built is perfect in the minds of consumers.

Kahf made a marketing strategy by spreading eWOM through the #JumatBerkahf campaign with KOL Dimas Seto to build its brand image. With eWOM in a religious theme, namely #JumatBerkahf, Kahf wanted to convey that in Islam, Friday means a good day to increase worship and kindness. So the products from the Kahf brand that have a halal claim are suitable for perfecting Friday as a good day. Using the #JumatBerkahf campaign to instil an image in the minds of consumers as halal men personal care in Indonesia. The #JumatBerkahf campaign is an amplified eWOM created by the Kahf brand. Kulmala et al., (2013), amplified eWOM is a message in the form of a campaign launched by marketers to get other people to talk about the product and the company. For the campaign to work, the marketer needs a strong character to convey the message, and the impact of the amplified eWOM is in the hands of the eWOM creator.

As for the amplified eWOM to work well, the campaign must also be carried out by someone with a strong figure. Therefore, Kahf appointed Dimas Seto as KOL to represent the #JumatBerkahf campaign because he is considered a public figure with a good image and follows Kahf's brand image. With the combination of eWOM #JumatBerkahf and Dimas Seto. Kahf seeks to convince consumers that there is a halal personal care brand for men that employs natural ingredients, so that it is safe to use daily and is available to all men as a way to enhance their day.

The findings of Kartika and Piranti (2015) study indicate that e-WOM has an effect on the brand image of a company. In other words, the better the intensity of e-

WOM written by consumers in social media will increase the positive brand image of other consumers. According to Kala et al., (2018), a higher degree of confidence is likely to increase the brand by eliciting positive recommendations from reputable third parties. In marketing communications, the existence of e-WOM, which can affect the brand image, must also be supported by the selection of credible sources. This statement is supported by the findings of Pujiastuti et al., (2019), which indicate that the source credibility variable is significant when receiving information about the image of a brand, since the greater the level of public trust in the source or sender, the more positively the product image will be evaluated. "The credibility of individuals who generate eWOM has been explored regarding their followers, views, likes, and shares and has been shown to influence consumer attitudes toward the brands" (Kim et al.. ,2018). These two things, e-WOM and Source credibility contribute to forming a brand image.

By collecting data from previous studies, the research designed by the researcher differs from previous studies because there are still rare studies that combine eWOM and source credibility variables to examine brand image. There is a correlation between eWOM messages and the proper use of source credibility. According to Ismagilova et al., (2019), consumers can face a high volume of eWOM communications when searching for information about products and services online. Source credibility is one of the factors that readers can use to navigate this eWOM communication.

From the explanation above, it can be concluded that a company can create or improve its brand image through e-WOM. However, the role of someone credible in spreading the message must also be considered because it can affect the company's brand image. Therefore, the existence of a link between e-WOM and Source credibility and the absence of research that describes the relationship between these two things in forming a brand image becomes a renewal and urgency in this research to complement previous research. So, based on this explanation, this research is entitled "The Influence

of #JumatBerkahf Electronic Word Of Mouth and Dimas Seto as Source Credibility On Kahf Brand Image."

1.2 Problem Identification

Based on the background that has been described, there are several research focuses, namely:

1. How much influence does the campaign #JumatBerkahf as eWOM has towards Kahf's brand image?
2. How much influence does source credibility of Dimas Seto has towards Kahf's brand image?
3. How much influence does the campaign #JumatBerkahf as eWOM and source credibility of Dimas Seto has towards Kahf's brand image?

1.3 Research Objectives

Based on the identification of the problem above, the objectives of this study are:

1. To measure the influence of word of mouth (eWOM) on Kahf's brand image.
2. To measure the influence of source credibility on Kahf's brand image.
3. To measure the influence of electronic word of mouth (eWOM) and source credibility on Kahf's brand image.

1.4 Research Uses

1. Theoretical Uses

This research is expected to provide insight and contribution to communication science, especially the concentration on marketing communication related to eWOM, source credibility, and brand image. It is also hoped that this research can become another reference for future research.

2. Practical Use

With the presence of this research, it is hoped that this research can be a guide for Kahf to see if the eWOM and source credibility used may alter the brand image in customers' perceptions.

1.5 Research Time and Period

The researcher describes the stages of the research in tabular form, along with the type of activity and a description of the month, in the time and research period sub-chapter. The table below depicts the flow of research activities from April 2022 to January 2023 in the research process.

Table 1. 2 Table of research time and period

No.	Type of Activities	Month									
		April	May	June	July	Aug	Sept	Oct	Nov	Des	Jan
1	Preliminary Research	■	■	■							
2	Proposal Preparation				■	■	■	■			
3	Proposal Seminar								■		
4	Data Collection								■	■	
5	Data Processing and Analysis								■	■	
6	Thesis Examination										■

Source: Author's preparation (2022)

1.6 Research Systematic

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