

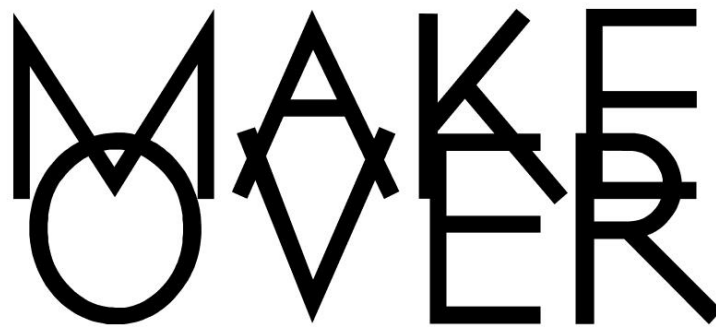
## CHAPTER I

### INTRODUCTION

#### 1.1 Overview of Research Object

##### 1.1.1 Company Profile

Makeover is a cosmetic product. MakeOver is also an international cosmetic company that is often equated with overseas. MakeOver was founded by an Indonesian cosmetic entrepreneur through PT. Paragon Technology and Innovation which has been produced domestically since 2003. Makeover was also formed in 2010. As quoted by IDN Times, MakeOver ranks third, behind MakeOver and Sensatia Botanicals products, in seven local cosmetic brands with quality comparable to foreign brands. (Prasasti, 2017).



**Figure 1.1. Company Logo Makeover 2022**

*Source:makeoverforall.com, 2022*

The quality of the product and the packaging used are premium high quality materials combined with white for the letters and black as the packaging base to make MakeOver look elegant, and the choice of color variations is different from other local brands. MakeOver not only focuses on product quality, but also actively participates and promotes

various domestic and international events. MakeOver participates in the 2018 Jakarta Fashion Week (JFW2018) fashion event as a make-up partner and supports foreign fashion shows for young Indonesian fashion designers. In 2013, MakeOver received an award from Women's Health Choice Indonesia as the cosmetic brand of choice for Indonesian women. (Economic F (Product Makeover, 2022)orum; 2021).

Along with the current development of makeovers, various beauty cosmetic products can be developed. With a first launch of makeover products by holding a fair Mall cosmetic exhibition event with the tagline "Beauty Beyond Rules". Can disseminate a makeover product in a big event such as fashion show held in Jakarta. Make Over Cosmetics is a professional cosmetics with complete range of colors, textures, and functions for each product categories. (makeoverforall.com).

Makeover Powerstay Transferproof Matte Lip Cream Limited Euphoria Edition. The Award Transferproof Matte Lip Cream is equipped with a transferproof formula that provides a smooth-finish that does not fade and lasts up to 14 hours. Powerstay Vibe matte lip cream, Triumph powerstay matte lip cream and Skye-H matte powerstay lip cream Formulated using 3D-Pigment Lock Technology to produce an intense lip cream color so that it can cover dark lip colors with just one swipe, smudge-resistant, non-transferring, and has a matte finish that remains lightweight and comfortable to wear. Makeover Powerstay Transferproof Matte Lip Cream Euphoria Edition comes in 4 limited edition colors with a special packaging design.



### **Figure1.2. Lip Cream Powestay Transferproof Matte**

*Source: makeoverforall.com, 2022*

The advantage of using powerstay matte lip cream is that Make Over Powerstay Transferproof Matte Lip Cream is made with a special formula that makes this lip cream stick to the lips quickly. it not only sticks but makes the lips more special, but also spreads well and doesn't feel sticky on the lips.(beautynesia.id).

This lip cream makeover product is great for lips because its matte finish fascinates people and makes our lips glow and can offer a light texture that can be worn continuously for up to 8 hours (makeoverforall.com).This lip cream has a nice texture, very creamy and this lip cream fits perfectly on the lips all day long.



### **Figure1.3. Make Over Intense Matte Lip Cream**

*Source: makeoverforall.com, 2022*

This lip cream has many benefits, namely it can be enriched with vitamin E and vitamin C to care for our lips. This lip cream has many color choices that can be chosen depending on the desired variant. If we want to appear bright lip cream using lip cream lavish used when we travel but according to people's tastes. If we want to appear nude, use vanity and secret lip cream. The price of this lip cream is around IDR 110,000. The weakness of using lip cream is that the lip cream cannot be removed on the lips.The product is very soft on the lips and this lip cream can be used all day long. This matte lip cream with Deep Hydrating Activities is designed to provide hydration and is able to disguise and smooth the appearance of dry lips.



**Figure1.4. Make over Hydrastay Smooth Lip Whip**

*Source: makeoverforall.com, 2022*

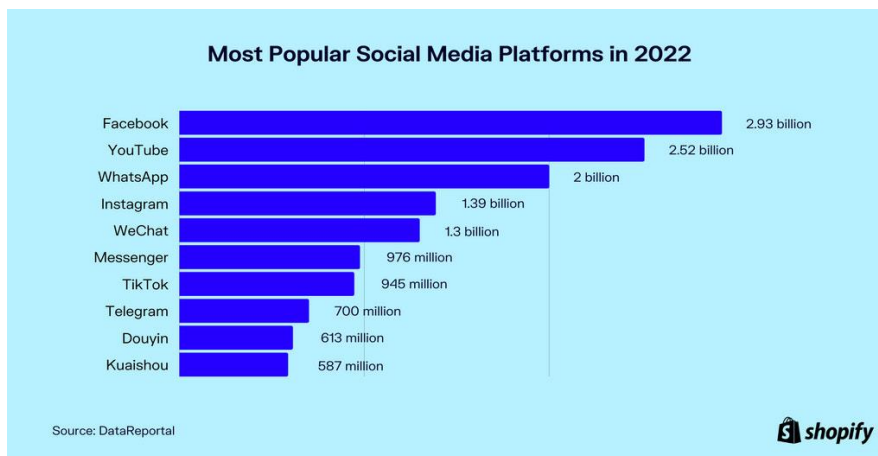
This lip cream has a velvet texture that can give a matte and smooth finish even on chapped lips, feels soft when applied, and is light on the lips. It consists of 12 intense colors which are suitable for various skintones (According to makeoverforall.com). When using this lip cream, the lips feel very soft and this lip cream is very attached to the lips. This lip cream costs around 105,000 thousand. The advantages of this lip cream do not fade and remain sticks to the lips even though it is used while we eat or drink.

## **1.2 Research Background**

In this digital era, information and communication facilities are growing rapidly and many digital-based (online) information and communication media have emerged in society. Basically, information and communication media are used by the public to get news or current or past events. In addition, communication media is used to connect with each other between individuals or groups of individuals. With developments in the field of information and communication facilities, people are starting to use this media not only to get information about an event and to communicate, but for many other uses such as promotional media, collaborative media, learning media, and others.

Along with the development of digital media in society, the use of this media is increasingly complex. Social media is a group of internet-based applications that are built on web 2.0 technology, support the creation and exchange of user-generated content, also

allow users to participate, share in communications and are packaged in various forms such as blogs, social networks, forums, wikis, the world virtual and others (Kaplan & Haenlein, in Tungka et al., 2020). Especially the use of digital media as an arena or place to run a business, especially as a means to promote goods or services offered by producers (sellers) to consumers (buyers). This is of course based on the reality that exists in the digital world (online). It can be seen that by utilizing digital media (online), especially Social Media. Producers (sellers) can easily get the attention of consumers when offering their products on Social Media at a relatively lower cost compared to using conventional promotional media. And on the other word it can also simultaneously reduce the burden or operational costs of the company.



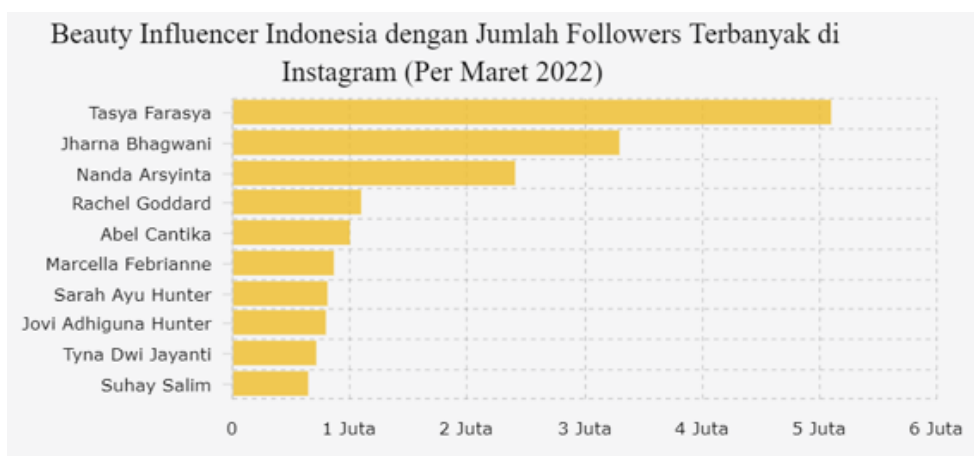
**Figure1.5. Most Popular Social Media Platforms in 2022**

*Source: www.shopify.com, 2022*

From the data above, it can be seen that the community has many media choices that can be used to access online-based information and communication. The most popular social media is Facebook with 2.93 billion users. Followed by YouTube with 2.52 billion users. Then followed by WhatsApp and Instagram with the number of users respectively 2 billion and 1.39 billion. And below it WeChat with 1.3 billion users. And followed by Messenger, Tiktok, Telegram, Douyin, and Kuaishou with < 1 billion users each. Based on this number, it can be seen that Instagram is one of the social media that is very widely used by the public at this time. Instagram is a photo sharing application that allows users to take photos, videos and apply several features. And Indonesia is ranked fourth with the most Instagram users in the world, the number of Instagram users in Indonesia is 60 million active Instagram users. The most Instagram users come from the age of 18-24 years for men and women.

Instagram itself has succeeded in becoming one of the applications that is in great demand by the public, not just for finding information and sharing personal experiences, Instagram is also used as a business opportunity for its users. Digital marketing trends have emerged which have brought new types of marketing and made several new companies switch from direct marketing to digital or online marketing which is considered easier and more attractive. Instagram itself is the most widely used digital marketing medium with marketing activities through endorsements.

Endorsement is one of the marketing communication strategies by using well-known figures such as artists/actors, celebrities and others as supporting and supporting figures to attract public attention with the products offered on social media that are used. Endorsements in social media are different from endorsements in direct marketing media, because in Instagram media anyone can become an endorser or what is commonly called Celebgram (Instagram Celebrity) as long as they have the appeal to create a high level of consumer confidence to buy products being marketed. Whereas in direct marketing media (Conventional) Endorsements are always aimed at those who are known by many people, such as artists or actors. 4 The use of endorsements as a way of promoting products or services indirectly affects followers on Instagram so that they can form brand awareness. Endorsement systems are chosen by many business actors as a means of promotion because it is easier to do advertising and is able to reach many people quickly. This form of cooperation with the exchange of goods and services carried out between brands and Instagram celebrities holds an important control in conveying consumer interest in wanting to buy products that have been advertised.

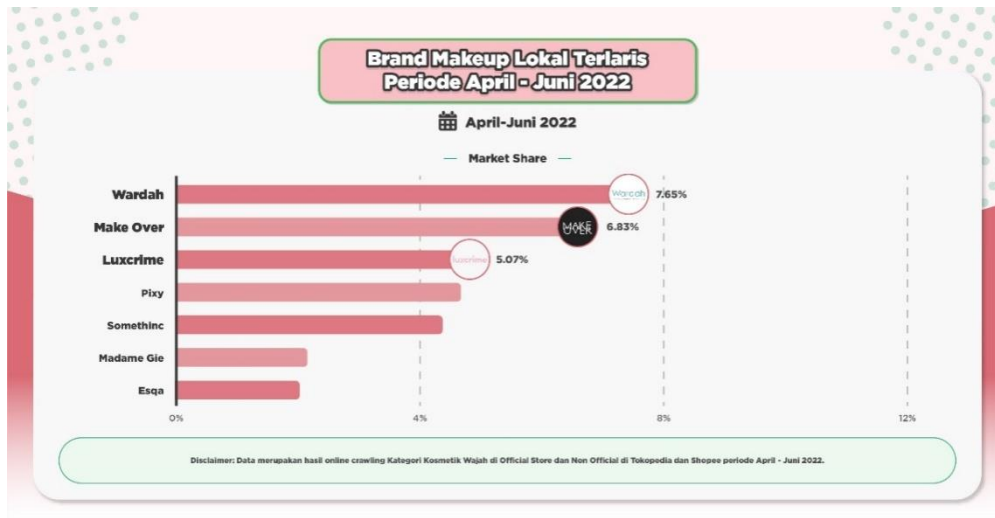


**Figure1.6. Beauty Influencer with the most followers in Indonesia**

*Source: databoks.co.id, 2022*

From these data it can be concluded that not everyone can become an influencer (endorsement). One of the important requirements for an influencer is to have a lot of attention from the public. From this case the attention is in the form of followers. On social media followers are an important part that describes how influential or famous that person is in society. Therefore, brands choose an endorsement, usually based on the number of their followers. The more followers an endorsement has, the more public attention will be towards the product (brand) being promoted. The company will look at many perspectives for good feedback, starting from the number of followers, popularity and ability of influencers to deliver advertising communications to the media. As it is known that the cost of doing an endorsement varies quite a lot depending on the image that is owned by the Instagram celebrity itself, the more famous and has a good image in society, the more expensive the cost of endorsement is. The ease of promotion using endorsements is of course also a concern where the impact is generated from the endorsement itself, whether the marketing strategy through this endorsement can have a positive impact on products (brands) that have advertised through celebgram or even not have a significant effect.

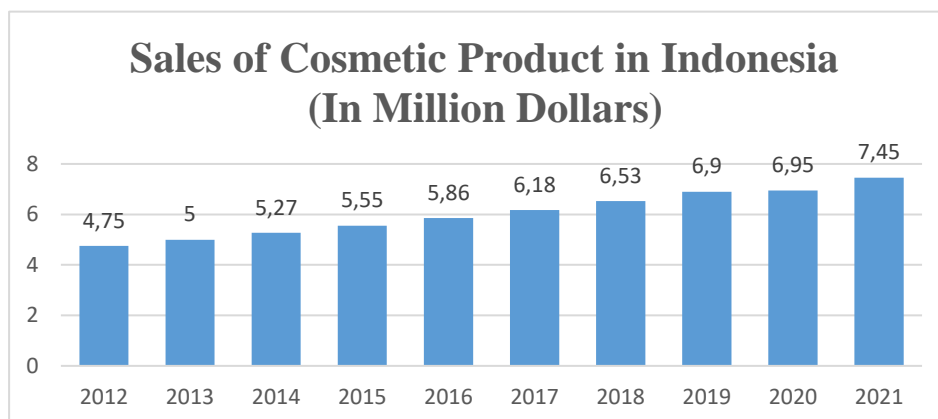
One of the cosmetic products that is in great demand by teenagers today is the Make Over product, one of the products from PT. Paragon Technology and Innovation which is a local cosmetics company in Indonesia. Make Over itself is a product that has premium quality according to the Indonesian people and is guaranteed to be halal. Quoted from Kompas, MakeOver ranks second after Wardah's products in 7 local cosmetic brands that are not inferior in quality to foreign product brands. Apart from that, MakeOver also won many awards, starting from the Women's Health Choice and Jakarta Fashion Week awards, making MakeOver the cosmetic brand of choice for Indonesian women.



**Figure1.7. Most Popular Makeup Brand in Indonesia 2022**

*Source: www.compas.co.id, 2022*

From the data above it can be seen that the Wardah brand has the most enthusiasts with 7.65% users. Then in second place followed by MakeOver with 6.83% users. Then the third position is occupied by Luxcrime with 5.07% users. And for the brands Pixy, Something, Madame Gie, and Esqa each have <5% users. So it can be concluded that the Wardah and MakeOver brands have the least difference in the number of users and most likely these two brands are beauty brands which are currently still competing fiercely to attract people's buying interest. Especially for MakeOver products, it must further improve its marketing strategy because compared to last year the MakeOver brand still occupies the first position as the most popular beauty brand in Indonesia with 10.3% users (a decrease of 3.47% this year).

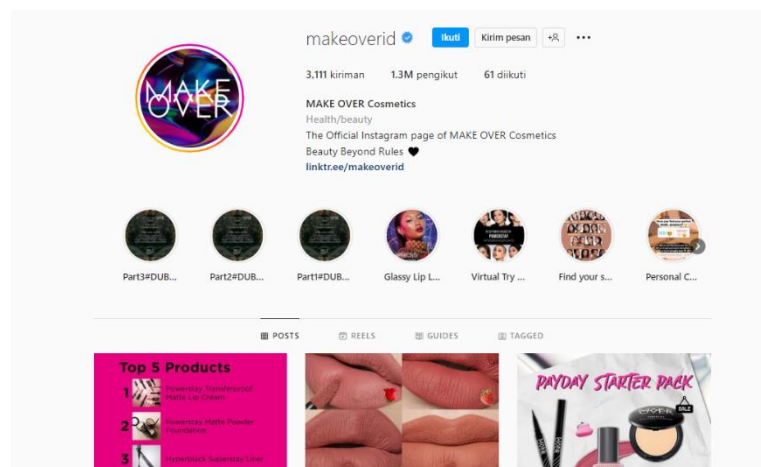


**Figure1.8. Sales of Cosmetic Product in Indonesia**

*Source: PPAK Indonesia, 2021*



Indonesia is one of the biggest markets for cosmetic products. Many products from cosmetic brands in Indonesia, ranging from local brands and international brands. From the data above it can be seen that sales of cosmetic products in Indonesia continue to increase every year. Based on the latest sales data, it increased by US\$ 500 thousand from US\$ 6.95 million in the previous year to US\$ 7.45 million. And it is predicted that it will continue to increase this year (PPAK Indonesia).



**Figure1.9. Instagram of makeover**

*Source: <https://www.instagram.com/makeoverid>*

Instagram brand MakeOver (@makeoverid) has a total following of 1.3 million followers. This amount is quite a lot for a makeup brand. From this number it can also be concluded that public attention to the MakeOver brand is quite high. For the brand itself, it is an advantage to expand their market. In other words, social media Instagram can be used as a promotional tool for MakeOver brands to promote their products. And to attract more consumers' attention, brands must also collaborate in the form of endorsements with public figures who are popular among the public. MakeOver itself has collaborated with several popular artists and Instagrammers in Indonesia, including Paula Verhoeven, Indah Nada Puspita, Tasya Farasya, and others. Endorsements are usually in the form of photos and videos (Instagram reels and Instastories) where payment is calculated based on the number of viewers and likes of each post. The average number of followers of each artist and instagrammer who endorses MakeOver ranges from 300 thousand followers to 5 million followers. And the number of viewers and likes ranges from 100 thousand to 1.5 million viewers and likes. This amount is quite high and very good for marketing a brand

or product. And when compared to conventional advertising costs on television or magazines, these costs will be far more expensive than collaborating (endorsing) with artists and Instagrammers.



**Figure 2.0. MakeOver product endorsements in Instagram**

*Source: [https://www.instagram.com/paula\\_verhoeven](https://www.instagram.com/paula_verhoeven)*

(Kotler & Keller, 2012)The above is an example of an endorsement made by Paula Verhopen for the MakeOver product and it can be seen that the post received 108,233 likes and 504 comments. That is quite a number for a brand to promote their product and increase their product sales. Therefore, endorsement through social media is an option for a brand in promoting their product and besides that this method also has a lower cost than using conventional advertising. The use of endorsers in business communication forms a process that will occur between producers and consumers, with output so that the business communication process gets great attention besides being very easy for consumers to remember. The role of the endorser is important for building brand recognition and helping consumers to understand the functions and characteristics of a product or service

Purchase intention is a part that arises in consumers towards a product as the impact of a process of viewing and observing consumers towards a product. To decide in choosing a product, consumers will plan and describe in advance the products or services they will buy in the future. (Simamora 2011) explains that buying interest in a product arises

because there is a basis of trust in a product accompanied by the ability to buy the product. Buying interest can also arise if there is influence from other people. As well as from the information obtained about a product. According to (Maghfiroh et al. 2016) buying interest is a psychological aspect that has a considerable influence on attitudes and behavior. From this explanation it can be interpreted that buying interest is a behavior that occurs in consumers before deciding to buy a product that gets encouragement from external to the product. External encouragement can come from other people where currently many people are interested in buying after seeing a celebrity promote or use a product.

After seeing in the phenomenon and collect the necessary data, therefore this research is entitled "THE INFLUENCE OF ENDORSEMENT ON SOCIAL MEDIA INSTAGRAM ON PURCHASE INTEREST FOR PRODUCT LIP CREAM MAKEOVER".

### **1.3 Formulation of Problem**

Based on the background of the problems described above, the formulation of the problem in this research is:

1. What is the influence of endorsement through Instagram social media for product lip cream makeover?
2. What is the influence of Instagram social media on purchase interest product lip cream makeover?
3. What is the influence of endorsement through Instagram social media toward on purchase interest for product lip cream makeover?

### **1.4 Research Objectives**

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

1. To find out the influence of endorsement through Instagram social media for product lip cream makeover.
2. To find out the influence of Instagram social media on purchase interest for product lip cream makeover.

3. To find out the influence of endorsement through Instagram social media toward on purchase interest for products lip cream makeover.

## **1.5 Benefit of Research**

### **1.5.1 Practical Use**

The practical use of this research can provide an input to companies and advertise cosmetic products on social media.

### **1.5.2 Theoretical Use**

The results of theoretical research can increase knowledge in the future, this research can develop in the future and research can also add insight. In this research, how do consumers get interested in these cosmetic products on social media .

## **1.6 Final Project Writing System**

To make it easier to understand this research, below is a systematics final project writing:

### **a. CHAPTER I: INTRODUCTION**

This chapter explains the overview of the research object, research background, problem formulation, research purposes, research benefits, and writing systematics.

### **b. CHAPTER II: LITERATURE REVIEW**

This chapter contains theories from general to specific, accompanied by previous research, followed by a research framework that ends with a hypothesis if necessary.

### **c. CHAPTER III: RESEARCH METHODS**

This chapter outlines the approaches, methods, and techniques used to collect and analyse findings that answer research problems. This chapter includes descriptions of Types of Research, Operational Variables, Population and Sample (for quantitative) /Social Situation (for qualitative), Data Collection, Validity and Reliability Testing, and Data Analysis Techniques.

### **d. CHAPTER IV: RESEARCH RESULTS AND DISCUSSION**

This chapter describes the results of research and discussion, which the researcher must be described systematically according to the determination of the problem and the research objectives.

## **e. CHAPTER V: CONCLUSION**

This chapter contains conclusions from the research results and suggestions or input to business people, decision-makers, and suggestions to readers and subsequent researchers.