

# CHAPTER I

## INTRODUCTION

### 1.1 Object Overview



Figure 1.1 Gojek's Logo

Source: (Gojek, 2022)

Gojek is Southeast Asia's leading on-demand multi-service technology platform, providing access to a wide range of services including transportation, payments, grocery delivery, logistics, and more. Founded in 2010 to provide a solution to Jakarta's long-standing traffic problem, Gojek started as a call center with just 20 motorcycle taxi (ojek) drivers.

Based on the principle of using technology to improve users' lives, the Gojek app was launched for Indonesian users in January 2015, offering motorcycle ridesharing (GoRide), delivery (GoSend), and shopping (GoMart) service. Today, Gojek has become a "super app". A one-stop platform with more than 20 services that connects users to more than 2 million registered riders, and 500,000 GoFood retailers totaling over 170 million downloads across the region. Gojek has helped create more value for society, improve efficiency and productivity, and promote financial inclusion by providing access to products and services across sectors.

Gojek has officially announced its international expansion in Vietnam, Singapore, and Thailand. The group is also present in five Southeast Asian countries

with a total of 207 cities. Gojek is dedicated to making a positive socio-economic impact and expanding its ecosystem of users, driver-partners, business, and micro-enterprise partners, and service providers (Gojek, 2022).

Gojek offers various types of social media to enable them to interact with their consumers and provide information about their various services. The lists of social media such as Instagram, Facebook, Twitter, YouTube, and TikTok are provided by Gojek to consumers and people searching for information related to the brand.

## **1.2 Background**

Every year online transportation is growing rapidly in Indonesia. The growth of this online transportation service started when Gojek launched its application in 2015 (Damaini et al., 2018). The ease of use not only provides transportation services but also provides many services, making it not only an online transportation service but also a digital platform service that simplifies daily activities making it popular nowadays.

Every company wants to be the brand that the consumer chooses, to achieve that first the consumer must have knowledge of the brand. According to Keller (2013), two components of brand knowledge could be considered: brand awareness and brand image. Brand awareness is the ability of consumers to identify or memorize a brand under many conditions (Keller, 2013). According to Alamsyah et al. (2014), brand awareness that as a condition of a brand being recognized by the potential customer and can identify a particular product of a brand. A brand is therefore a product or service with a dimension that distinguishes it from other products or services intended to meet the same need. These differences may be functional, rational, or tangible, and relate to the brand's product performance (Kotler & Keller, 2012).

Another consideration is brand image, which is another important variable in marketing. Brand image is how consumers see the brand in their memory. Consumers will decide whether the brands meet their needs through their experience with the brand

and the brand's marketing program. It will simplify product decision-making (Keller, 2013).

Being the first application platform that provides online transportation services in Indonesia, giving the consumer the brand knowledge of their services. Thus, the consumer is aware of the brand being the first to offer online transportation services. Also, known as a pioneer of ride-hailing platforms, Gojek has built a strong brand image.

The image of Gojek is very strong because the name itself has giving a strong impression to the customer of the easy to remember. There was 'ojek' as a transportation using a motorcycle in Indonesia and then Gojek appear as an online platform for ride-hailing, therefore the name has given an impression and is familiar to many people (Tyo, 2020).

The look of Gojek's logo is also has given a strong impression is many people. Many people have familiar with the green color that associates with Gojek's color. Also, the Gojek's driver has has to wear Gojek's attribute when they are working. The attributes including a helmet and jacket in green color with printed Gojek's logo, therefore wherever we go on the streets people are familiar with the green helmet and jacket with Gojek's logo on it. Therefore, it is very easy for people to recognize Gojek by looking at Gojek's drivers that use Gojek's attributes on the street.

Figure 1.2 shows the Gojek’s attribute for Gojek’s driver including two types of jackets and a helmet.



Figure 1.2 Gojek's driver attribute

Source: (ojolakademi, 2023)

Based on the survey done by Alvara Research, Gojek has won in terms of awareness compared to its major competitor Grab (Musyaffa, 2019). According to Musyaffa (2019), Gojek wins the users' perceptions as its application is easy to use, faster, and cheapest application. The popularity of Gojek is not in doubt. In 2022, Gojek has become the most popular on-demand application on Google Play Store with more than 100 million downloads and reached 4.8 reviews with 4.6 ratings (Aulia, 2022).

Table 1.1 On-Demand Application Rating

Company	Rating
Gojek	4.6
Grab	4.9
Maxim	4.9
InDrive	4.9

Source: App Store (2023)

Despite being the most popular on-demand application, its ratings don’t stack up favorably when compared to its competitor. Considering the application ratings on the App Store, Gojek has the lowest rating, receiving only a 4.6 rating, whereas the

others receive a 4.9 rating. To address negative perceptions effectively, Gojek should bolster and strengthen its brand image, as a strong branding identity holds the potential to overturn unfavorable perceptions (Lien, 2017).

Figure 1.2 shows the percentage of online transportation services that were most used from August until September 2022.

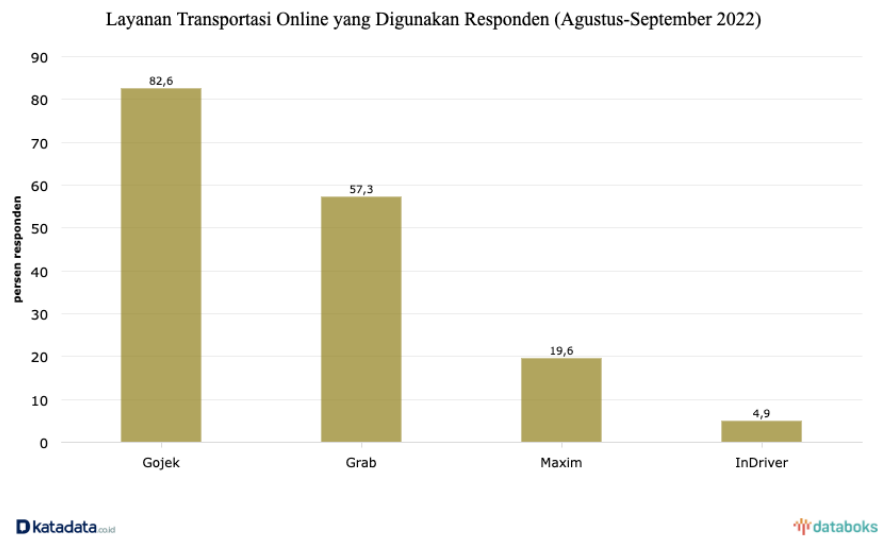


Figure 1.3 Online Transportation Services

Source: (databoks, 2022)

According to Figure 1.2, Gojek is the highest service chosen among other brands. However, nowadays many competitors join a similar business industry as Gojek. Many businesses that become Gojek competitors such as Grab, Maxim, inDriver, and many more.

Table 1.2 The growth number of users

Company	Users	
	2018	2019
Gojek	125.000.000 (December)	142.000.000 (March)
Grab	49.400.000	160.000.000
Maxim	10.000	500.000

Source: DMR (2023); Hastuti (2019); Maxim (2020) and Wardani (2019)

Gojek's growth rate over a three-month period stands at approximately 13.3%. As of December 2018, the Gojek app had been installed by over 125 million users (Wardani, 2019). By March 2019, the Gojek app had garnered over 142 million downloads and boasted a network of over 2 million driver partners, indicating that a substantial portion of Indonesia's population had transitioned into active internet users and used Gojek's services (Hastuti, 2019). The growth number of Maxim users throughout the year experienced a remarkable thirty-onefold increase, with an average monthly growth rate of approximately 160% (Maxim, 2020).

Many competitors join the business that tries to be the best brand in consumer perception. The rise of competition among companies creates new threats to the brand awareness and brand image of Gojek.

Effectiveness and efficiency are crucial in tight competition among companies. To win the competition among companies and to aim for the consumer, Gojek has to endeavor to attract consumers with a positive perspective to acquire a positive image that will also strengthen the brand awareness of Gojek (Wahid and Puspita, 2017).

Figure 1.3 shows the percentage of the top brand index between Gojek and Grab between 2019 and 2023. The Top Brand Award is bestowed upon exceptional brands that have displayed remarkable achievements in the Indonesian market, granted based on the Top Brand Index, an official survey conducted independently by Frontier

Research, which serves as a reference for the award (Top Brand Award, 2023). Frontier Group, through its market research division, has assessed brand advantage by considering three key factors: mind share, market share, and commitment share which will form the basis for creating the top brand index (Wahid, 2020). Aaker (1991) outlines four levels within the awareness pyramid: Unaware of Brand, Brand Recognition, Brand Recall, and Top-of-Mind. According to Hsieh et al. (2004), a successful brand image enables consumers to recognize their requirements and distinguishes the brand from its rivals, thereby enhancing the likelihood of consumers choosing to buy the brand.



Figure 1.4 Top Brand Index Gojek – Grab

Source: (Top Brand Award, 2023)

According to Figure 1.3, from 2019 until 2022 Gojek’s brand index has been higher than its major competitor which is Grab. The gap in 2019 between Gojek and Grab is very close which only a 1.3% difference. And from 2020 until 2022 the gap is increasing as the Gojek index keeps increasing.

As seen in Figure 1.3, Gojek is still categorized as the top brand as an online transportation service app leads over its utmost competitor. Gojek has done its best to

become a brand that keeps its brand index level high compared to its competitors over the past few years.

Several factors can make Gojek the top brand in consumer view, one of them is brand engagement which can strengthen the brand awareness and brand image of Gojek. According to Prasetio et al. (2022), the customer will participate in a conversation about a brand if they have knowledge about the brand by being aware of the brand they will interest in the conversation.

To succeed in the competition, Gojek has to deliver the information to the consumer by building engagement with the consumer to strengthen the consumer brand knowledge among its competitors. Actual brand engagement is the activity consumers are currently engaging with a brand and can be measured by macro measures and micro measures. While the focus of the macro measure is the types of resources spend, the micro measure is on brand-related activities such as collecting information about the brand, participating in brand marketing activities, or interacting with the community (Keller, 2013).

In the industry, engagement has been operationally defined as some kind of multi-faceted, multi-step process led by management. Many researchers view brand engagement as a person's psychological state associated with physical, emotional, and positive experiences with brands (Kozinets, 2014). To engage with its consumer, a company needs a channel to market its brand to attract, communicate, and shares information about its brand. Many media can be used for communication options, it can be traditional advertisements or using digital media. However, the rapid environmental changes make the company consider the best to attract its consumers. According to Arinni and Sharif (2022), the research study on Esteh Indonesia shows that content created on TikTok, a social media communication affects the emotions of social media users towards the communication brand. This shows the content made by a brand might effect to the users.

To increase brand awareness and brand image, a company must engage with its consumer to deliver its information effectively. One of the strategies that can be used



is to keep up with changes. Therefore, Gojek has to do its marketing by using the media that its consumer wants.

In the technology and digitalization era, internet use is exceptionally important. The use of the internet has been attached to people’s lives as it cannot be separated from our everyday life. The usage of the internet also will be growing rapidly each year.

Figure 1.4 describe the number of internet users in Indonesia from January 2012 until January 2022.

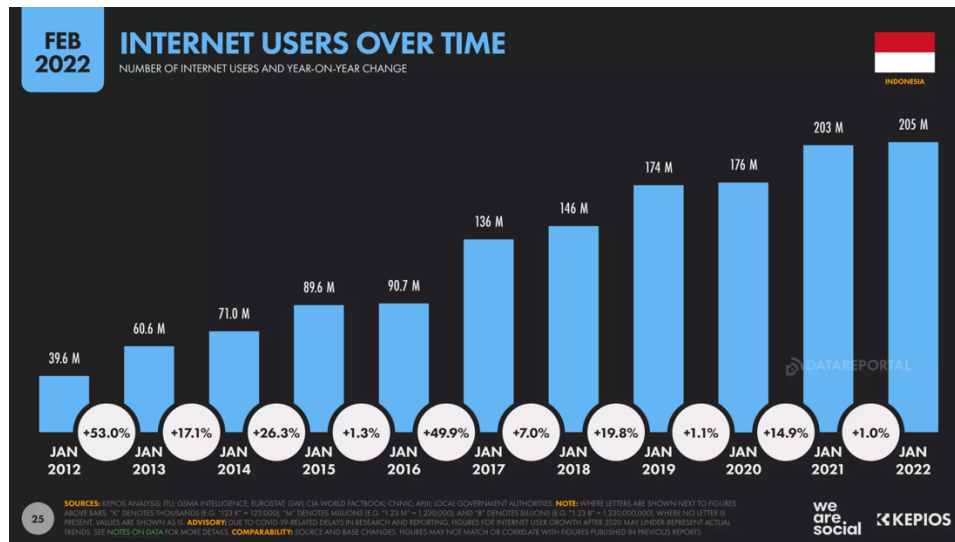


Figure 1.5 Internet Users Over Time in Indonesia

Source: (Digital, 2022)

According to the data in Figure 1.2, the number of internet users in Indonesia overtime from January 2012 until January 2022 it is increasing rapidly where in January 2012 it is only 39.6 million users until January 2022 it reached 205 million users, where it has been increasing approximately 165.4 million users within 10 years.

As the internet grows rapidly, the use of social media is also increasing. The use of social media has been a daily consumption of people in Indonesia. Not only as a place to make connections with others, social media has been a place for us to share information, and communicate, and also a place to share personal interests. Today, the

internet is growing and can also be used as a place to do business where it can increase a company's sales and value.

As more consumers spend more time online, the use of online communication is determined to directly influence consumers at all stages of consumer decision-making (Keller, 2013). Social networks are taking up an increasing proportion of consumers' online time. That results in social media, including social network advertising and socially-attributed marketing communications, representing an increasing proportion of companies' marketing budgets (Lee, Hosanagar, & Nair, 2015).

Social media marketing can influence business effectiveness and performance. Social media is a great opportunity for the company to grow its business. Incorporating social media into the marketing plan can bring tremendous benefits to the business. It might be the most cost-effective way to find and reach out to the people who need to hear the company's message for the company's growth (Forbes, 2022). According to Tritama and Tarigan (2016), social media gives a significant influence on increasing the attractiveness of product marketing shared on social media and increasing brand awareness in the community. Many companies use social media as a platform to promote their brand and increase performance. There are many social media and it has many types of media in the form of text, pictures, and videos. Many businesses used different social media according to their purposes and other reasons.

Figure 1.5 shows the percentage of most-used social media platforms in Indonesia in 2022.

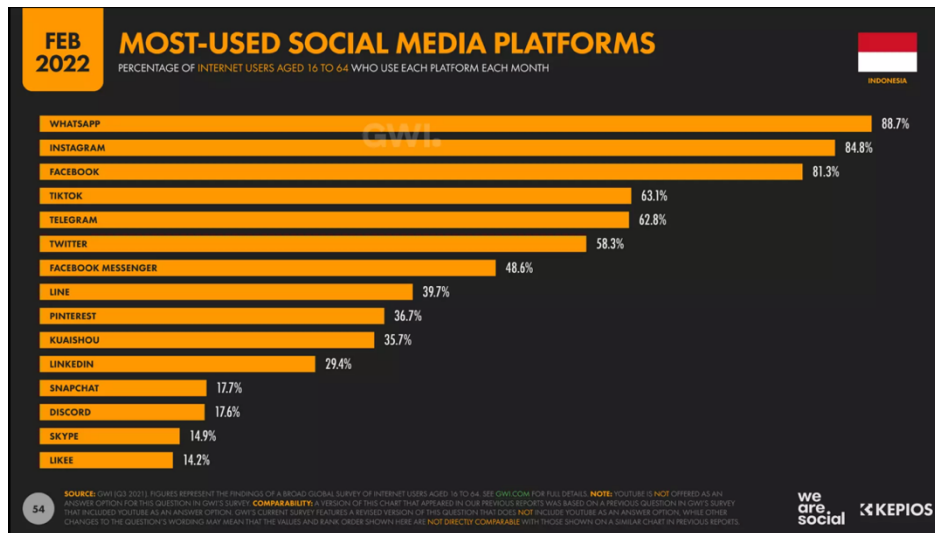


Figure 1.6 Most-Used Social Media Platforms in Indonesia

Source: (Digital, 2022)

Based on Figure 1.3, in 2022 there are the top five most-used social media platforms in Indonesia, which are Whatsapp, Instagram, Facebook, TikTok, and Telegram. Among those social media platforms, Instagram and TikTok are the platforms that Gojek used as one of its social media platforms. Considering that Instagram is one of the social media platforms with different types of media in the form of pictures, videos, and also text. Instagram social media will be the focus of this research.

The extensive social media usage in Indonesia has brought the opportunity for many businesses. Therefore, Gojek also has taken this opportunity to utilize social media to grow its business even more.

Gojek's Instagram (@gojekindonesia) until January 18 2023 has reached 1,2 Million followers. Gojek's Instagram account is shared many contents in the form of photos and videos. The content they shared such as information related to their services, many times they also held a giveaway for their followers, and Gojek also uses the highlights feature on Instagram to help users see important information easily.

Figure 1.6 shows the official social media account of Gojek on Instagram with the number of posts, followers, and following of the account.

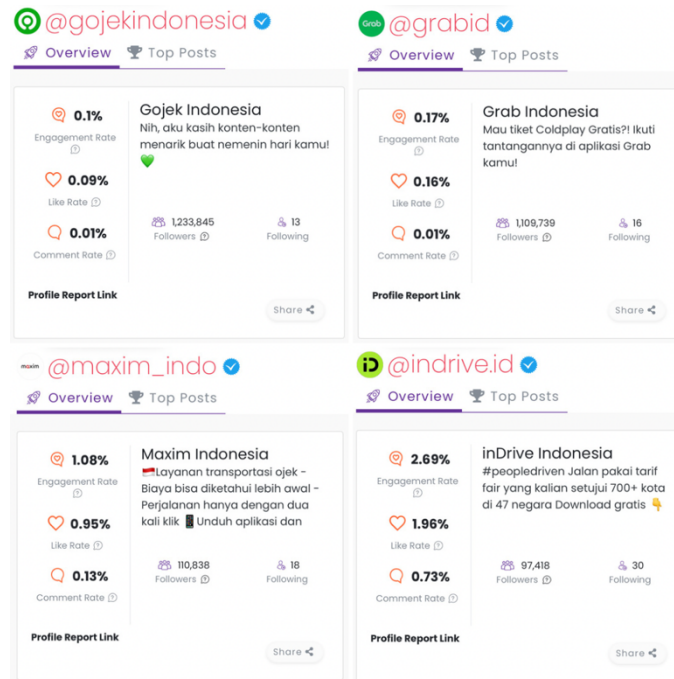


Figure 1.7 Engagement Rate

Source: (Instagram, 2023)

Among the activities on Instagram’s social media platform, Gojek experiences the least engagement rate in comparison to Grab, Maxim, and InDrive. This indicates that concerning customer engagement, Gojek still has room for improvement in its interactions with customers. In reference to Bowden (2009) earlier research, fostering connections with consumers has been associated with generating favorable word-of-mouth recommendations and establishing emotional attachments to the brand.

Several factors influence business performance on social media. Creating content with several topics of conversation is very influential in increasing the effectiveness of social media marketing. The friendliness of conversation or any social media responses that make consumers comfortable communicating can positively improve business performance on social media (Simangunsong & Handoko, 2020).

Figure 1.7 shows some of the content posted by the official account of Gojek on Instagram.

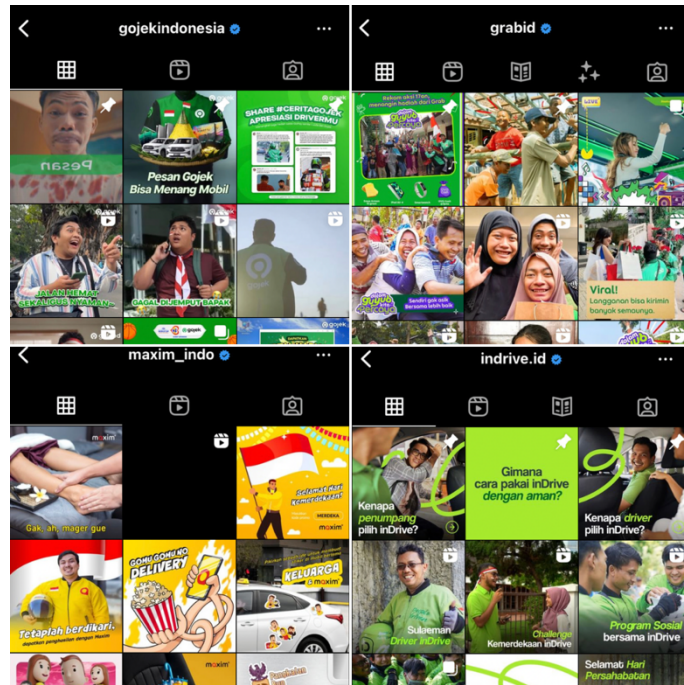


Figure 1.8 Instagram Content Comparison between Gojek and its Competitors

Source: (Instagram, 2023)

The content posted on Instagram by Gojek and Grab contains a higher proportion of entertainment-related material compared to the content shared by Maxim and InDrive. Maxim and InDrive primarily focus their Instagram content on their brand and general business activities with some story.

Gojek is sharing daily content that is related to current trending topics. Engagement is important for a brand to communicate with its consumers. Knowing the importance of the content they are sharing on social media to have good communication, Gojek invites their consumer or followers to the related content they are posting to have active communication and often to leave feedback when some consumers or followers ask in the comment section.

The competition among digital service platforms in Indonesia makes the company need to choose the best strategy to gain many consumers. Gojek has been the top brand that its consumer chooses over the past years compared to its competitor. To gain consumer-brand engagement and brand knowledge the company should know

which factors in social media marketing that has a major influence the most. Therefore, based on the phenomenon that has been presented, the research study was conducted with the title **“The Influence of Social Media Marketing Instagram Towards Consumer-Brand Engagement and Brand Knowledge of Gojek.”**

### **1.3 Problem Formulation**

Based on the background that has been described, we can see that in recent years, Gojek has been the top leader in the brand index among its competitor. Although there are many new competitors have joined the business in the online transportation sector, it seems that Gojek keeps winning the consumer’s choice as the top brand. Furthermore, taking into account the application ratings on the App Store, Gojek obtains the lowest rating compared to its competitor, securing only a 4.6 rating. To effectively tackle these negative perceptions, Gojek should enhance its brand image (Lien, 2017).

The engagement with its consumer can be the factor that strengthens its brand awareness and brand image. However, the engagement rate of Gojek’s Instagram social media activity appears to be quite minimal, putting it at a disadvantage compared to its competitors. Gojek should evaluate and renew its social media activities and strategies to boost customer engagement. According to Bwden (2009), consumer experiences that are characterized by strong emotional connections with the company tend to wield greater influence compared to experiencing lacking emotional engagement.

To engage with its consumer, Gojek chooses social media as the channel to interact with its consumer. There are many channels for marketing its brand to consumers, and social media seems the best opportunity to deliver the information effectively and efficiently, one of which is Instagram.

In this research, the author wants to know how is the influence of social media marketing Instagram towards consumer-brand engagement and brand knowledge of Gojek.

According to the explanation of problem formulation above, the research questions of this study can be listed below are:

1. How does the entertainment of Gojek's social media content on Instagram influence consumer-brand engagement?
2. How does the interaction of Gojek's social media content on Instagram influence consumer-brand engagement?
3. How does the trendiness of Gojek's social media content on Instagram influence consumer-brand engagement?
4. How does the customization of Gojek's social media content on Instagram influence consumer-brand engagement?
5. How does the E-WOM of Gojek's social media content on Instagram influence consumer-brand engagement?
6. Does the consumer-brand engagement influence the brand awareness of Gojek?
7. Does consumer-brand engagement influence the brand image of Gojek?

#### **1.4 Research Objective**

According to the research question on the problem formulation, the objective of this study can be listed below are:

1. To analyze the influence of Gojek's social media content on Instagram's entertainment toward consumer-brand engagement.
2. To analyze the influence of Gojek's social media content on Instagram's interaction toward consumer-brand engagement.
3. To analyze the influence of Gojek's social media content on Instagram's trendiness toward consumer-brand engagement.
4. To analyze the influence of Gojek's social media content on Instagram's customization toward consumer-brand engagement.
5. To analyze the influence of Gojek's social media content on Instagram's E-WOM towards consumer-brand engagement.

6. To analyze the influence of consumer brand engagement toward Gojek's brand awareness.
7. To analyze the influence of consumer brand engagement toward Gojek's brand image.

### **1.5 Research Benefit**

This research is expected to provide benefits to the readers, both theoretically and practically can be listed as follows:

1. Theoretical Use

The results of this study are expected to enrich and complement the scientific treasures of digital marketing leveraging social media, especially Instagram, with a specific topic of the influence of the social media marketing of Gojek on consumer-brand engagement and brand knowledge. In addition, some of the findings disclosed in this research study are expected to be used as reference materials for future research in the same field.

2. Practical Use

This research is expected to be used as input by other brands to develop their digital marketing efforts to influence Consumer-Brand Engagement and Brand Knowledge more excellently.

### **1.6 Writing Systematics**

This research consists of five chapters and is elaborated by several sub-chapters. This study developed by systematics of writing as follows:

- a. **CHAPTER I INTRODUCTION**

This chapter confers the Background, Problem Statement, Research Purpose, Research Benefits, and Writing Systematics.

- b. **CHAPTER II LITERATURE REVIEW**

This chapter confers a review of Research Literature, Previous Research, Theoretical Framework, and Hypothesis.



**c. CHAPTER III RESEARCH METHOD**

This chapter Type of Research, Operationalization of Variables, Research Steps, Population and Sample, Data Collecting, Validity and Reliability, and Data Analyzing Technique.

**d. CHAPTER IV FINDINGS AND DISCUSSION**

This chapter confers the respondent Characteristics, Research Result, and Research Result Discussion.

**e. CHAPTER V CONCLUSION AND SUGGESTION**

This chapter confers the conclusion of the research analysis and the academic and practical recommendations for further research in this field.