

CHAPTER I

INTRODUCTION

1.1 Background of the Researcher

Public interest in Beauty-care has increased recently. It is undeniable that this is due to the existence of social media which makes access to information very easy to obtain and also disseminate.

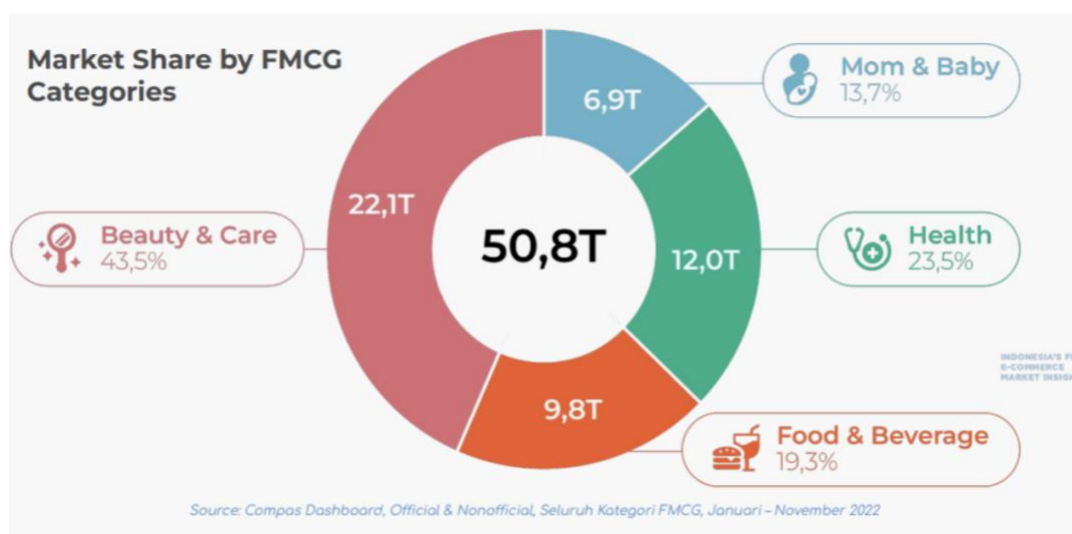


Figure 1.1 All MCG category Data, January-November 2022

Source: Kompas Dashboard, DailySocial Article

Figure 1.1 based on *Indonesia FMCG E-Commerce Report 2022* data Shopee is one of the top favorite marketplaces for Indonesians. As of November 2022, and according to data from the article, Beauty & Care is the most dominating category compared to other categories such as Mom & Baby, Health, and Food & Beverage. This is certainly inseparable from the marketing communication activities carried out by Beauty Brand (DailySocial Kompas, 2022). Electric Word of Mouth (E-WOM) is one form of marketing communication that is become a trend nowadays.

In this digital era, many business people see social media marketing as an opportunity to market their business products. Seen to be able to produce maximum marketing results without requiring a large budget and having a high impact because the spread of information is very fast, that is what makes social media marketing

considered effective and efficient as a marketing method. Social media marketing activities tend to increase and become a trend in the business world (Chang Bi & Zhang, 2022; Dayoh et al., 2022; Zhang et al., 2019). We can all easily access actual information through social media. The advance of new technologies has allowed consumers to share product-related information through the Internet, they can share things such as their experience using the product and leave reviews after they have tried the product directly. Direct both positive and negative reviews.

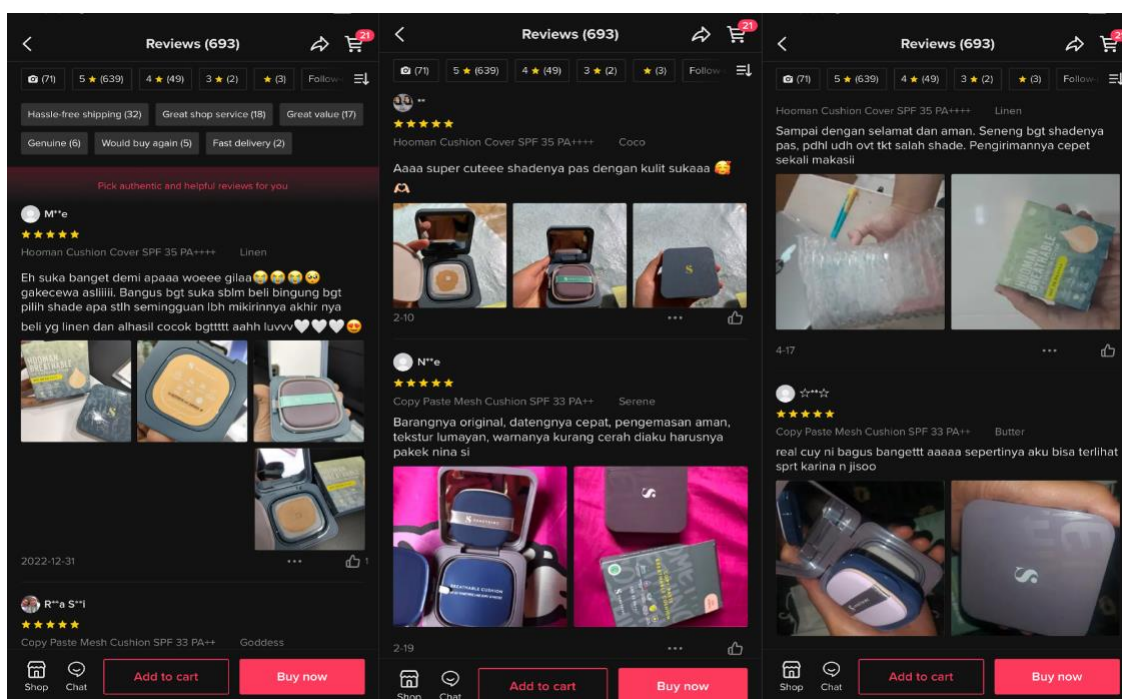


Figure 1.2 Consumer Review on Somethinc TikTokshop Official

Source: Author's Processed Data 2023

Figure 1.2 These consumer review on Somethinc TikTokshop Official on are the example of E-WOM Usually reviews like this are more trusted and taken into consideration in choosing a product, because it is considered an honest review and this is called E-WOM. This is in line related with Park and Lee (2007) who say online customer reviews are one type of electronic word of mouth.

Electronic Word-of-Mouth (E-WOM) refers to any favorable or unfavorable comment expressed by potential, current, or past customers regarding a product or a company. These comments are accessible to a wide audience and various entities through the Internet, as outlined by Thureau et al. in their 2004 study. According to the Word Of Mouth Marketing Association (WOMMA) we can categorize E-WOM into two categories namely **organic** and **amplified**. According to the journal IESE Business

School University Navarra (October Edition, 2014) Organic Word of Mouth can be understood as a natural occurrence, for example when customers feel satisfied and also enthusiastic about a product and then share positive reviews voluntarily, and Amplified Word of Mouth is what happens planned by the company, for example, a campaign created by the company, then endorsements and so on.

Recently, quite a lot of new local beauty brands have emerged that release beauty products with a variety of uses and benefits offered by their products. Based on the information from (PelakuBisnis article, 2023) the Ministry of Industry noted, in 2017, So far, around 760 more cosmetic companies in Indonesia show one of the most competitive and promising markets that are currently projected to have high tension is the beauty products market which will increase its growth by about 10% to 20% per year.



Figure 1.3 Brand Logo

Source: Somethinc Official Website

Figure 1.3 is logo official logo of Somethinc brand. According to (kumparanWoman Article, 2022) somethinc is one of the well-known Indie beauty brands among beauty enthusiasts today. Somethinc is under the auspices of Beauty Haul Indonesia. There are many skin problems that cannot be solved with just one serum and each skin has a different type and uniqueness, making Irene Ursula, founder of BeautyHaul, Somethinc & Glowinc Potion create the beauty brand Somethinc. The creation of the brand, which was founded in 2019, was inspired by the energetic lifestyle of millennials and the desire to have healthy skin, but still be careful in choosing safe product ingredients. Not only millennials, Some of products are also safe for use by teenagers from the age of 11, including facial wash, moisturizer and sunscreen products (Dwi Wulandari, 2023). In addition, the Somethinc brand also offers halal guaranteed products with good quality (Judith Aura, 2022) and also environmentally friendly with #waste4change campaigns.

Somehinc always develops their products, so they produce the best beauty products in their class and are BPOM certified at prices that can be considered quite affordable. Somehinc is also known as one of the pioneers of local beauty brands that use active ingredients in their product ingredients with various variants and different functions (Atifa Adlina, 2023).

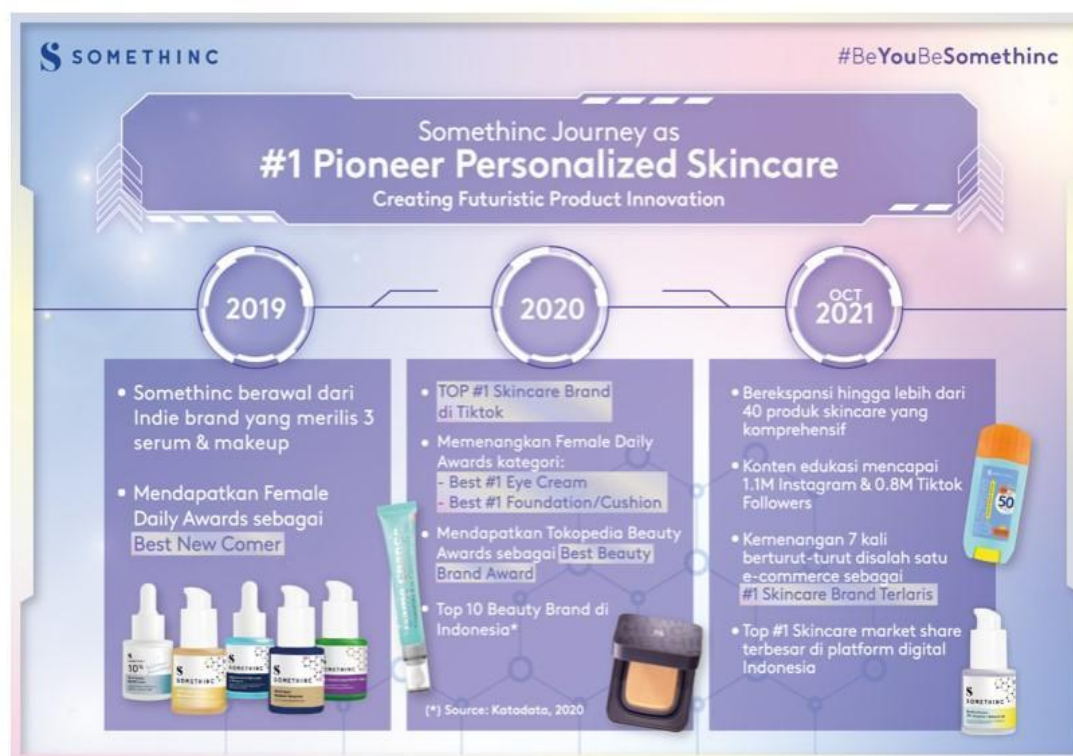


Figure 1.4 Somehinc As The Pioneer of Local Skincare Brand

Source: Clozzete Indonesia, accessed 15 May 2023

Figure 1.4 These are some of evidents that the Somehinc brand become one of the beauty brand that dominates the local skincare market currently. Since April 2021, Somehinc Brand has won 7 times in a row as the TOP 1 Best Seller Skincare Brand in one of Indonesia's e-commerce sites. In terms of quality, the ingredients and also the selected active ingredients used in skincare brands are the best quality ingredients in their class and have been named the No. 1 pioneer of local skincare.

Somehinc brand is one of the brands of beauty products that are widely used by the people of Indonesia. A series of products that can be adapted to various types and skin needs of Indonesians living in tropical climates. In addition, Somehinc also collaborates with 12 beauty doctors who are certainly trusted to provide information and education about credible facial treatments to the public on social media. Somehinc brand itself realizes the importance of understanding the market better and is a bridge for Somehinc brand to approach the brand and consumers. Until now, Somehinc

already has a lot of beauty and skin care products. The product is always increasing because people's demands are always changing. Now, there are already 140 products registered with BPOM and halal certified (Gifari Zakawali, 2022). Not just a skincare they also launched their makeup products such as *cushion*, *liptint*, *eye makeup*, *body-care* and so on.

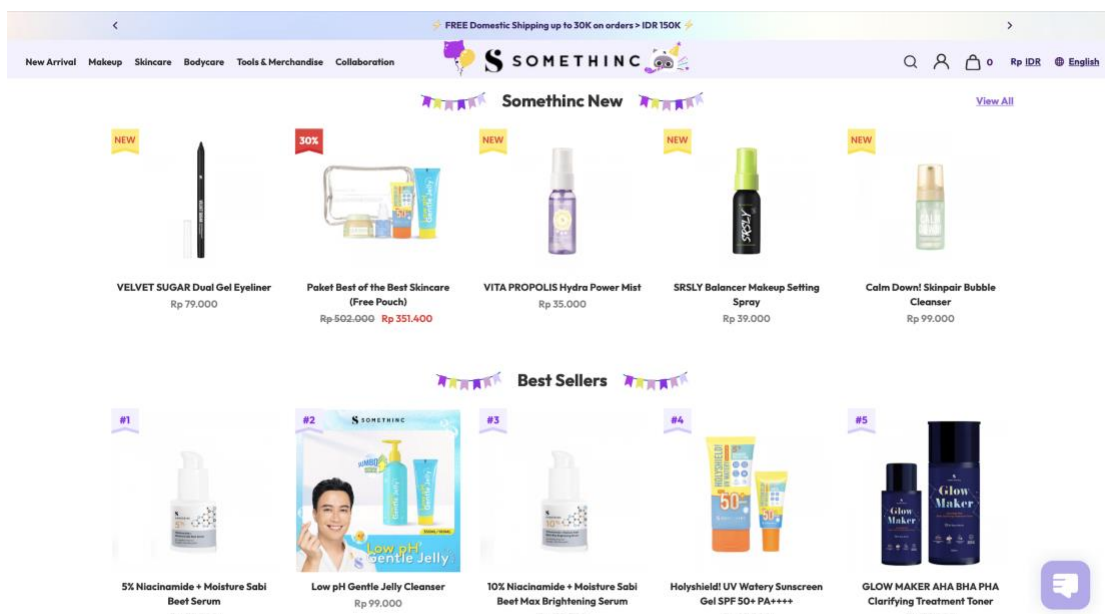


Figure 1.5 Various Beauty Products on Somethinc Official Website

Source: somethinc.com

Figure 1.5 These are various beauty products on Somethinc official website. Their cushion was going viral on social media. Almost everyone from beginner to makeup enthusiast they have this product or at least know this product, even there's a hashtag on tiktok named #cushionviral & #yourperfectmatch for this product because of it's viral. They also have their own hashtag campaign named #PakaiSomethinc and it's really affect to the Somethinc customer perception that see Somethinc as a trusted beauty local brand.

The use of the Hashtag #PakaiSomethinc is one of the marketing campaigns of the Somethinc brand. The influencers, both micro, macro and mega, provide reviews of various Somethinc products through videos on social media TikTok. Based on the data from the TikTok application, the hashtag #PakaiSomethinc has been watched 674.3 million views. The number of views shows the high level of public interest and impressions as well as the success of the marketing campaign in increasing Somethinc's brand awareness, which can also support the customer perception of Somethinc as one of the best and pioneer of Local Beauty Brand. If seen from the explanation above, the

campaign made by Somethinc is included in amplified WOM because starting from the strategy to the plan, the company has determined and designed it in such a way as to achieve the goals of the company, which will also be the focus for this research.

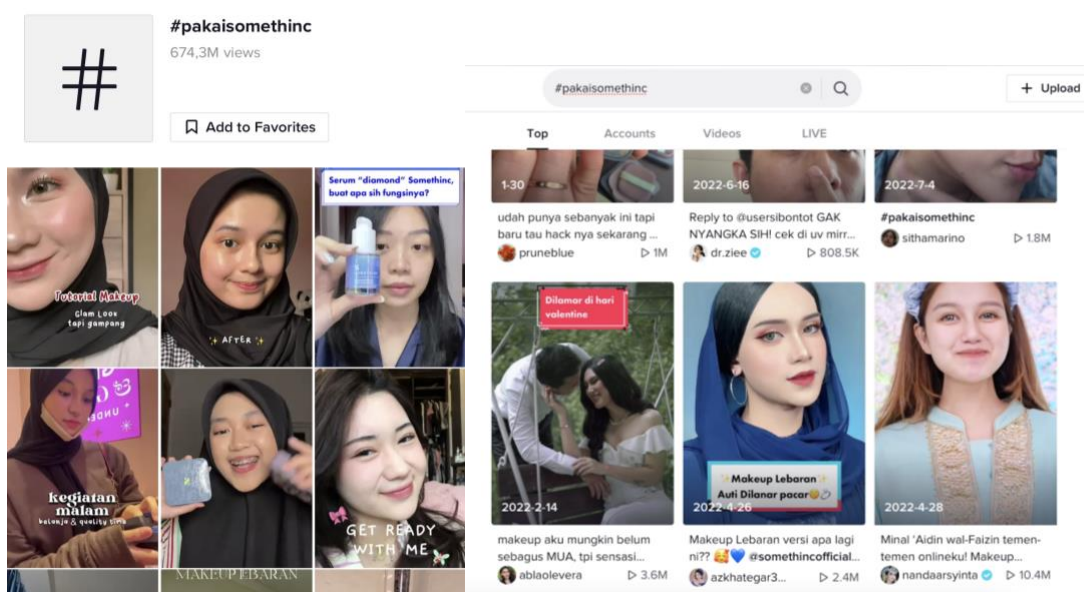


Figure 1.6 Somethinc Viral on TikTok

Source: Author's Processed Data (2023)

The high impact caused by E-WOM can greatly affect the image of a brand. This is corroborated by the existence of various studies which prove that E-WOM has a strong and positive influence on brand image (Jalilvand & Samiei, 2012); (Gozali & Ruslim, 2012); (Kala & Chaubey, 2018). *Figure 1.6* is a evident the effect of E-WOM somethinc was going viral and the hashtag was viewed 674,3M times. In addition, many customers believe more in the subjective reviews of the experiences of other fellow customers because they are considered honest and trustworthy as a customer consideration in choosing and viewing a brand and of course this greatly influences brand image, in line with (Aydin & Ozer, 2005) who argue that, brand image will be directly influenced by consumer perceptions of service quality because their image is formed from consumption experience and service quality received by consumers. Based on initial observations made before the study, which highlighted favorable feedback from the audience regarding this Campaign, researchers are keen on investigating its potential impact on consumer perceptions of Somethinc.

Consumer perception involves the sequential steps by which an individual chooses, arranges, and construes specific information to create distinct understandings about particular products or brands. This cognitive process encompasses various phases, namely Stimulus, Registration, and Interpretation. Previous studies have revealed a correlation

between Advertising and consumer perception, attributed to the persuasive intent inherent in Advertising (M. Yudha Prawira, Marisi Butarbutar, Sherly Sherly, 2019).

The findings of this study indicate that people's understanding and interpretation of the world around them is shaped by the information they receive through their senses, including visual, tactile, and auditory stimuli. TikTok content can be used as a marketing strategy to influence the mindset of potential customers. Marketing for products displayed on TikTok.

The existence of E-WOM has a great influence on the perception of consumers. Brand image is the perception of consumers in seeing how a brand subjectively makes an impression in the Top of Mind of consumers when looking at a brand. Having another name or also known as brand knowledge, Brand Image has an important role in a company because it can affect the long-term cash flow of the company and also the company's profits. Consumer perception also helps in achieving the company's targets in a more efficient way to reach the market.

In accordance with the above background, the researcher took a study entitled **"The Influence of E-WOM #PakaiSomethinc in TikTok towards Somethinc Customer Perception"**.

1.2 Problem Identification

Departing from the background that has been described, there are several research focuses that can be identified.:

How much influence does the campaign #PakaiSomethinc as eWOM towards Customer Perception?

1.3 Research Objectives

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

To measure the influence the #PakaiSomethinc campaign on consumer perceptions.

1.4 Research Uses

1. Theoretical Uses

From a theoretical point of view, this research is expected to contribute in the form of ideas and thoughts about the successful use of Communication Studies,

especially in the field of marketing communications, as well as consumer behavior in the context of social media marketing that influences customer perception.

2. Practical Users

This research is expected to provide practical benefits by becoming a reference for Somethinc brand. The results of this study can be a useful study and provide input to companies in improving their social media marketing implementation.

1.5 Research Time and Period

Table 1.1 Time Period of Research

No.	Research Stages	Year 2022							
		May	June	July	Aug	Sept	Oct	Nov	Dec
1.	Pre-Research								
2.	Submission and Topic Title								
3.	Arranging Chapter I-III								
4.	Collection Desk Evaluation								
5.	Desk Evaluation Revision								
6.	Research								
7.	Arranging Chapter IV-V								
8.	Thesis Defence								

(Source: Author's processed data 2022 - 2023)

1.6 Research Writing Systematics

To make it easier to read, in general this research will be divided into five chapters consisting of:

CHAPTER I INTRODUCTION

- 1.1 Background of the Researcher
- 1.2 Problem Identification
- 1.3 Research Objectives
- 1.4 Research Uses
- 1.5 Research Time and Period
- 1.6 Research Writing Systematics

CHAPTER II LITERATURE REVIEW

- 2.1 Theory Review
 - 2.1.1 Communication
 - 2.1.2 Marketing Communication
 - 2.1.3 Promotion Mix
 - 2.1.4 Consumer Perception
- 2.2 Previous Research
- 2.3 Research Framework
- 2.4 Research Hypothesis
- 2.5 Scope of Research

CHAPTER III RESEARCH METHODOLOGY

- 3.1 Research Methodology
- 3.2 Variable Operationalization and Measurement Scale
 - 3.2.1 Variable Operationalization
 - 3.2.2 Measurement Scale
- 3.3 Population and Sample
 - 3.3.1 Population
 - 3.3.2 Sample
- 3.4 Data Collection Technique
 - 3.4.1 Primary Data
 - 3.4.2 Secondary Data
- 3.5 Validity & Reability Test
 - 3.5.1 Validity Test
 - 3.5.2 Reliability Test

- 3.6 Data Analysis Technique
 - 3.6.1 Descriptive Analysis
 - 3.6.2 Successive Interval Method (MSI)
 - 3.6.3 Classical Assumption Test
 - 3.6.3.1 Normality Test
 - 3.6.3.2 Heteroscedasticity Test
 - 3.6.3.3 Correlation Coefficient
 - 3.6.3.4 Determination Coefficient
 - 3.6.3.5 Simple Linear Regression Analysis
 - 3.6.3.6 Hypothesis Testing Design (T-Test)

CHAPTER IV RESULT AND DISCUSSION

- 4.1 Characteristic Respondent
 - 4.1.1 Respondent Characteristic based on the Screening Question
 - 4.1.2 Characteristic of Respondents Based on Gender
 - 4.1.3 Characteristic of Respondents Based on the Age Category
- 4.2 Research Result
 - 4.2.1 Descriptive Analysis Results Variable Electric Word of Mouth (X)
 - 4.2.2 Descriptive Analysis Result Variable Consumer Perception (Y)
 - 4.2.3 Method of Successive Interval (MSI)
 - 4.2.4 Classic Assumption Test
 - 4.2.5 Coefficient of Correlation Test Result
 - 4.2.6 Coefficient of Determination Test Result
 - 4.2.7 Simple Linear Regression Test Result
 - 4.2.8 Hypothesis Test Result
- 4.3 Discussion of Research Result

CHAPTER V CONCLUSION AND SUGGESTION

- 5.1 Conclusion
- 5.2 Suggestions
 - 5.2.1 Theoretical Suggestion
 - 5.2.2 Practical Suggestion

REFERENCE

ATTACHMENTS