

CHAPTER I

INTRODUCTION

1.1 Object Overview

1.1.1. Skintific

The logo for Skintific, featuring the word "SKINTIFIC" in a large, bold, black, sans-serif font.

Figure 1.1: Skintific Logo

Source: www.skintificcanada.com (2023)

Skintific is a cosmetics brand that has recently entered the Indonesian market after growing and evolving in Canada. The Skin and Scientific brand was founded in 1957 by Kristen Tveit and Ann-Kristin Stokke, and it was the first to be established in Oslo, Norway. Skintific is known as a brand that focuses on cosmetic products designed to improve the skin barrier or skin structure.

According to their claims, Skintific's skincare products are formulated using natural ingredients such as ceramides and other active components that are safe and effective for all skin types, including sensitive skin (Hudiyono & Ismail, 2023a). Skintific's embarked on its journey with a group of visionary scientists, dermatologists, and beauty experts who shared a common goal: to revolutionize skincare. The initial days were marked by intensive research, countless experiments, and an unrelenting passion to push boundaries. This dedication led to the creation of Skintific's first breakthrough product a serum that harnessed the power of nanotechnology to deliver essential nutrients deep within the skin. This innovation, which marked the inception of Skintific's rise, garnered attention not only for its efficacy but also for its embodiment of the brand's ethos merging science with beauty (Mastery, 2023).

The owner of the Skintific brand aims to create smart skincare products intelligently formulated by scientists from Canada using TTE, or Trilogy Triangle

Effect technology. Kristen Tveit and Ann-Kristin Stokke have managed to generate substantial profits from this business as they continued to develop formulations for skincare products over the years. Both of them achieved a turnover of EUR 13 million or Rp. 216 billion. With such capabilities, the second owner of Skintific feels compelled to expand the business to other countries, including Indonesia. Skintific first debuted in Indonesia in August 2021 (Hudiyono & Ismail, 2023a).

Skintific's impact goes beyond the confines of its product offerings. The brand's foray into community-driven initiatives has garnered praise for its commitment to social responsibility. Skintific's "SkinSolutions" outreach program, for instance, partners with local shelters to provide skincare education and products to underserved communities. By focusing on skin health, Skintific not only addresses a vital aspect of well-being but also empowers individuals with the confidence that comes from healthy, radiant skin (Mastery, 2023).

Skintific began in Indonesia with only 32 products, including facial toner, face cleanser, moisturizer, facial mask, and serum. However, as the Indonesian public's interest in Skintific products continues to grow, the range of products available from the brand is becoming more diverse. Despite the fact that the prices of each Skintific product have risen compared to the prices of local products in Indonesia, ranging from Rp. 80,000 to Rp. 300,000, the brand's followers continue to grow due to the benefits provided by the brand. The benefits of Skintific products that consumers can obtain, based on claims and recommendations from Skintific users on the internet, include the ability to treat skin problems by improving and protecting the skin barrier on the face. Some of the products also have the ability to reduce wrinkles and improve the texture of the skin (Hudiyono & Ismail, 2023a).

Skintific's product line spans a wide spectrum, from targeted serums to comprehensive skincare regimens. Each product is a testament to the brand's obsession with quality and innovation. The "RadiantGlow" serum, for instance, has become a cult favorite, owing to its ability to enhance skin luminosity using a proprietary blend of rare botanical extracts and advanced peptide technology.

Similarly, the “AgeReversal” cream has captured the imagination of skincare enthusiasts by demonstrating remarkable results in reducing the visible signs of aging, courtesy of its unique formulation that triggers collagen regeneration at a cellular level (Mastery, 2023).

Skintific’s commitment to research, education, and innovation extends beyond its immediate commercial interests. The brand actively invests in scholarship programs, grants, and research fellowships dedicated to advancing the understanding of skin health. By fostering the next generation of skincare scientists, Skintific is ensuring that its legacy of innovation will continue to evolve and flourish well into the future (Mastery, 2023).

1.2. Research Background

In the current digital era, economic growth has become very dependent on technology. Almost all areas of human life are influenced by technology which changes the lifestyle of a more modern society. One aspect that influences is communication media and information systems, including business and marketing developments. Utilizing information technology by utilizing the increasingly developing internet media is one way for a business to be able to compete in the era of globalization. The existence of Internet technology makes it easier for users to search for information, carry out communication activities, and expand business activities (Yunita et al., 2019).

Currently, the number of Internet users in Indonesia has been increasing every year over the years, and the Internet is a place where people and companies can communicate, and various companies promote their products and services to expand their market share. The advent of the internet has changed the way people communicate. With the availability of a more sophisticated and better internet network for society, all Internet users will find it easier to communicate via one computer unit connected to the Internet network (Chaffey & Fiona, 2019).

Based on survey results from the Indonesian Internet Service Providers Association (APJII), internet users in Indonesia reached 215.63 million people in the 2022-2023 period. This number increased by 2.67% compared to the previous

period which was 210.03 million users. The number of internet users is equivalent to 78.19% of Indonesia's total population of 275.77 million people. When compared with the previous survey period, Indonesia's internet penetration rate this year has increased by 1.17 percent compared to 2021-2022 which was 77.02%.



Figure 1.2: Results of Survey of Internet Users in Indonesia

Source: Hootsuite-We are Social (2023)

Based on available survey data, several trends and patterns in the adoption and use of connections and services in a population can be identified. The population reached 276.4 million people, with more than half living in urban areas (58.2%). Where, internet use is quite high, reaching 212.9 million people or around 77.0% of the total population. This number is up from the previous year, where in 2022, We Are Social said the number of internet users in Indonesia was around 202 million. This means that the number of internet users in Indonesia increased by around 10 million users or 5% from the previous year. In the same data, Indonesia's total population is said to have reached 276.4 million people as of January 2023, an increase of 1.8 million from the total population as of 2022. In other words, internet penetration in Indonesia currently reaches 77% (212.9 million people).

Marketing activities in business are starting to shift from initially carrying out marketing conventionally or offline but now have shifted to digital marketing techniques where marketing activities are carried out online using internet technology. One strategy in digital marketing is to use social media (Liao et al.,

2022). According to an internet user survey conducted by AJ Marketing, Indonesia has 167 million social media users, equivalent to 60.4% of the total population. The number of active social media users in January 2023 decreased by 12.57% compared to the previous year which was 191 million people.



Figure 1.3: Number of Internet Users in Indonesia

Source: We Are Social (2023)

Data on active social media users in Indonesia provides an overview of the evolution of digital platform use in recent years. From January 2019 to January 2023, a significant growth trend was seen, reaching a peak in early 2022 with 191 million users. However, in January 2023, there was a decline to 167 million active users. The strong growth trend over the first three years reflects the high enthusiasm for social media in Indonesia, with annual percentage growth reaching 207%. However, a decline of 12.6% in the following year indicates a significant change in user preferences or behavior.

In the context of business and digital marketing, a decrease in the number of active social media users can impact the effectiveness of campaigns and brand interactions with audiences. Therefore, companies must adopt a responsive

approach to changing trends, by regularly monitoring data and adjusting marketing strategies. In line with this, social media is part of digital marketing which has an understanding of marketing activities that use an interactive online system that connects sellers and consumers (Putri & Hermawan, 2021). As for social media itself, it is a media created with Web 2.0 technology and allows the creation and exchange of internet-based user-generated content (Arianto, 2020). In the realm of social media marketing, the goal is to increase brand value and expand customer reach through content uploaded on these dynamic online platforms.

Based on previous research, the appropriate use of social media greatly influences a brand, especially when it is closely related to the relationship between organizations and consumers, and purchasing intentions. Therefore, many brands out there create advertisements on social media. Advertising is important because advertising is one of the marketing communications that companies use to introduce their products to the market. Advertising is a very important promotional instrument, especially for companies that produce goods or services aimed at the wider community.

Based on Statista data in 2023 Indonesia is ranked second in the world for trust in social media advertising, with 72%. Additionally, a 2021 survey revealed that 94% of social media users in Indonesia bought a product or service after seeing an ad on social media (Kharisma, 2022). Furthermore, according to a survey of the main drivers of social media use conducted by OOSGA, the results show that social media is ranked 4th as a place to find information or products to buy. This makes social media a key element in the consumer journey when making purchasing decisions.

Although social media advertising is a type of internet ad, because they are Web 2.0, customers may have distinct views and experiences when dealing with them. This is partly due to the nature of social media ads, which allow customers to participate in customized advertising by liking, re-sharing, commenting, posting, and learning (Tuten & Tracy L, 2023). Social media advertising has one of three purposes: branding, response or even both (Bateman, 2023). Meanwhile, the three basic functions are: to promote the brand of the business, to promote the

presence of the business' social media, and to serve as a bridge for consumers to visit the business' website (Bateman, 2023). Figure 1.4 is the data source of brand discovery in Indonesia:

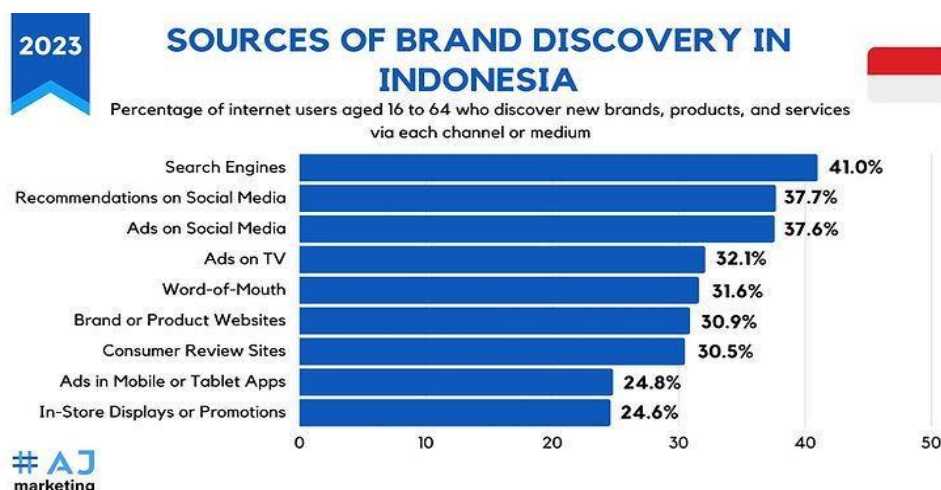


Figure 1.4: Source of Brand Discovery in Indonesia

Source: AJ Marketing (2023)

Based on the latest data regarding social media use in Indonesia, the need to search for activities or products to do or buy is ranked fourth with a percentage of 50.4% (WeAreSocial, 2023). This data shows that social media users are active in searching for information related to activities or products that interest them. Apart from that, in the context of brand discovery in Indonesia, advertising on social media stands out as the main source with a third rank and a percentage of 37.6%. This shows that advertising on social media platforms has a significant impact on helping users discover and get to know new brands.

Therefore, social media users not only use the platform as a means of searching for activities or products but also as a main source of discovering new brands through advertising. Thus, an optimized marketing strategy for advertising on social media can be the key to increasing brand presence and influencing consumer preferences in Indonesia.

One product category that is widely sold through social media in marketing is skin care products. According to data from Katadata Insight Center (KIC) and Siclo, the products most frequently purchased by respondents via social media are

beauty products at 43% in 2022 and this shows an increase in market share in the beauty industry in Indonesia. The beauty and personal care market is a consumer market with very fast growth and is most dominantly driven by the cosmetics and skincare segments. This strong growth is based on a generational shift with younger consumers entering the market and this change is amplified by social media, internationality, and e-commerce which have long-term effects on beauty product purchases. Trends from around the world are spreading and changing daily beauty and care routines. In Indonesia, the Skincare market is projected to generate a revenue of US\$2.65bn in 2023. This market segment is expected to grow annually by 4.10% (CAGR 2023-2028) (Statista, 2023). Trading in the cosmetics industry has become much more convenient. One of the most significant impacts of digitalization is the ease of discovering new brands and products via social media platforms.

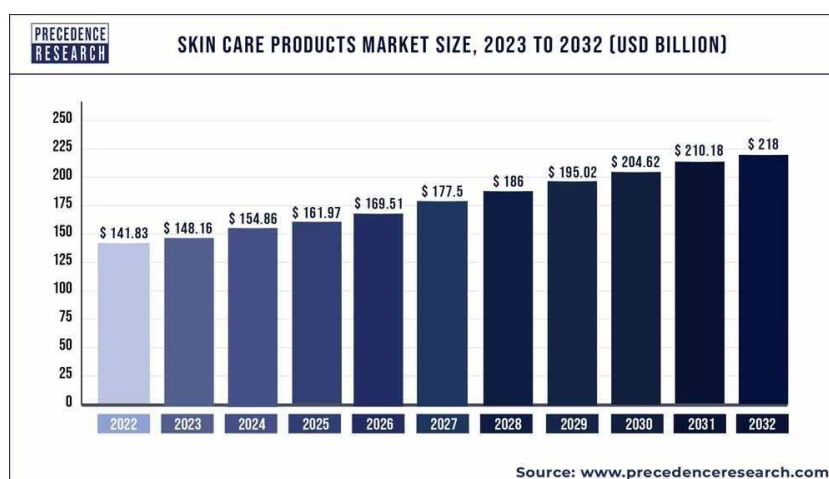


Figure 1.5: Skincare Product Market Size

Source: Precedence Statistics (2023)

It can be seen that the graph shows a fairly stable increase. The global skin care products market plays around the discovery, manufacturing, sale, and marketing of various facial, body care, lip care, and other personal care products. People have adopted a skincare routine that is quick, easily adaptable, and easy to argue for extended periods. The global skincare products market is growing as people focus on physical appearance. The sudden growth of the skincare products

market is attributed to the rapid changes in lifestyle and the easy availability of skincare products everywhere. More individuals are aware and conscious of skin care products as a result of the growing working population, rising public knowledge, and growing disposable income. Moreover, innovative promos and marketing are fueling customer demand. Consumer purchasing power has increased as a result of growing urbanization and a trend of skin care products.

Skincare has become a must for most women, especially in Indonesia over the years. However, local cosmetic companies face a tough challenge due to intense competition in the industry. To stay in the game, they must consistently strive to be more innovative and creative in developing products to compete effectively, particularly with well-established local skincare brands such as Ms Glow, Scarlett, Somethnic, Wardah, and others. People have a lot of options to choose from, so local brands have to keep thinking of cool and new stuff to stand out. They need to pay attention to what people like and stay updated with the latest trends in skincare to succeed in Indonesia's competitive market.

Skintific is one skincare brand that has effectively used social commerce to grow income in Indonesia. This Canadian brand arrived in Indonesia in August 2021 and has swiftly become one of the most sought-after skincare brands in the country. Skintific has used some marketing techniques since entering Indonesia's cosmetic and beauty business in late 2021, one of which is the optimal use of social media. Skintific then wins the hearts of Indonesian consumers, earning a considerable amount of cash with its 5x Ceramide Barrier Repair Moisture Gel product. (Hudiyono & Ismail, 2023b). Due to the rapid growth of Skintific as a new player in the local skincare industry and the achievements they've gained, this research has chosen Skintific as the subject for further investigation into their marketing strategy on social media, particularly focusing on their social media advertising. The following is a graph of visits overtime on the Skintific website globally:



Figure 1.6: Visits Over Time on the Skintific website Globally

Source: Similar web (2023)

Based on the data above, during the last three months of 2023, Skintific's visit data shows striking fluctuations. In August, the number of visits reached 17,500, indicating a stable level of attendance. However, September was a particularly profitable period with a significant jump to around 31,500 visits. This increase can be attributed to several factors, such as successful marketing campaigns, new product launches, or effective promotional strategies. However, October showed another decline with the number of visits dropping to 24,500. Seasonal factors, changes in consumer trends, or reduced promotional intensity may have played a role in this decline.

Digital campaigns, featuring social media, influencer marketing, and an optimized website, are central to Skintific's strategy, where their content focuses on educating consumers about their products, presenting them as smart solutions backed by the latest research and technology. This consistent message effectively conveys their brand values. Furthermore, Skintific's marketing campaign is characterized by a fresh, modern, and intriguing style, using eye-catching design elements to stand out. They stay relevant by incorporating current trends and topics, maintaining their brand's appeal.

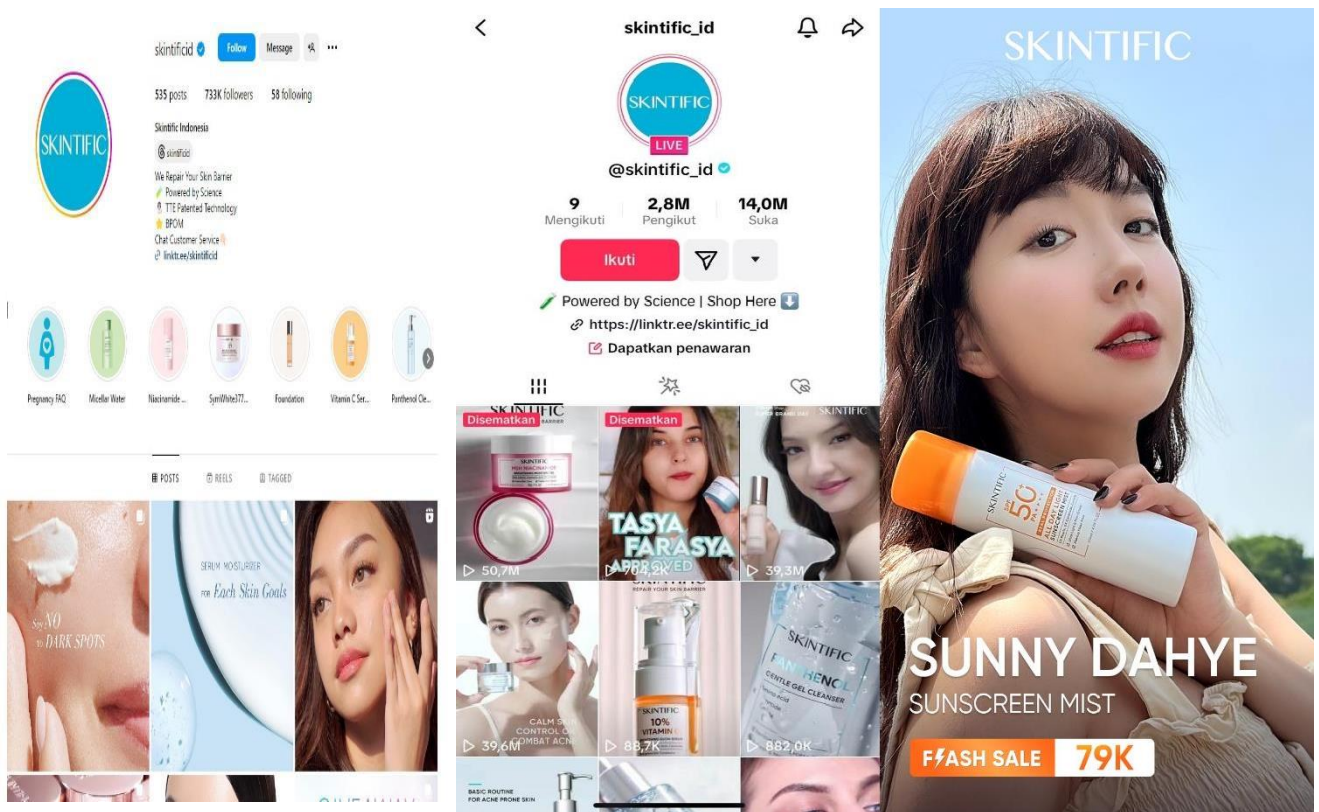


Figure 1.7: Skintific's Social Media Advertisements

Source: Source: Tiktok, Instagram (2023)

Skintific's is closely tied to its strategic use of digital campaigns, leveraging social media, influencer marketing, and a well-optimized website. Through these channels, the brand prioritizes educating consumers about its products, positioning them as intelligent solutions rooted in the latest research and technology. This consistent messaging effectively communicates the brand's values. Additionally, Skintific's marketing campaign stands out with its fresh, modern, and intriguing style, utilizing eye-catching design elements. By staying intune with current trends and relevant topics, Skintific maintains its brand appeal and relevance in the dynamic skincare market.



Figure 1.8: Top 5 Local Skincare Brand on E-Commerce in 2022

Source: Kompas (2022)

Business accounts, like those of beauty product companies, straightforwardly create content to attract new customers through social media. One common method is to promote their products or services using social media advertising. With 733k Instagram followers, 119.3k Tiktok followers, and 13k Facebook followers. Skintific plays social media optimally as its main marketing strategy. Skintific uses social media as the main mediator in its promotions, to increase consumer intentions along with its product selling. Through Skintific's official accounts on social media, this brand often performs live-streaming shows while promoting limited promos. Consumers then can purchase the product through the yellow cart immediately. Besides, its accounts also provide informative videos about its products.

Figure 1.7 is the result Search for skincare brands on Google Trends:

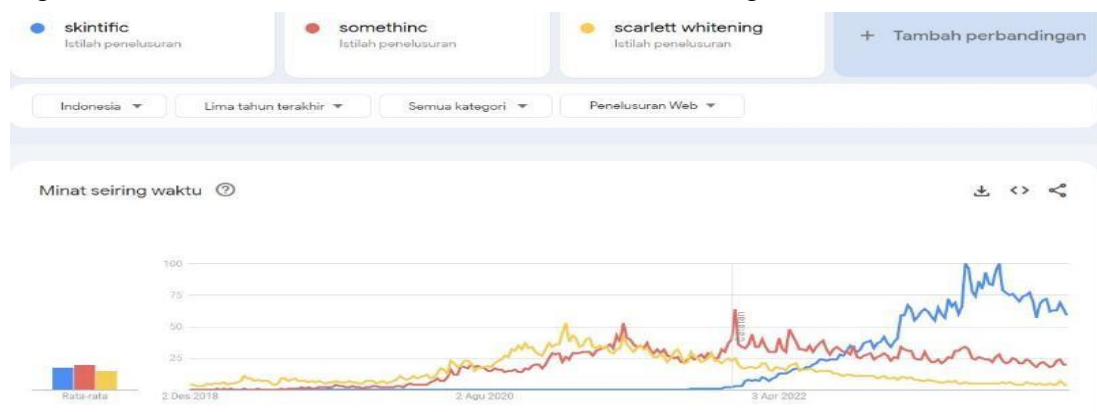


Figure 1.9: Skincare Brand Search Results on Google Trends

Source: Google Trends (2023)

Based on the analysis in the graph above, it is clearly illustrated that the search frequency for the keyword Skintific on the Google Trends platform has increased significantly when compared to similar products such as Somehinc and Scarlett. This phenomenon attracts attention, considering the high search interest, but the fact that Skintific is a new product introduced in 2021, shows that consumer interest in Skintific products is increasing online. Before making a purchasing decision, consumers tend to search for information online about the product or service they are considering. Therefore, the growth in online searches for Skintific indicates that consumers are more interested and actively researching the product, which can influence their online purchasing intentions.

The popularity of Skintific products among people is increasing due to the influence of Fear of Missing Out (FoMO), which causes consumers to be excessively worried and afraid of falling behind on the latest trends. This leads to purchasing decisions for Skintific products. This is used to aid marketing by utilizing factors that cause customers to make quick purchasing decisions. Because if they don't buy something, they will run out and miss the trend. Fear of Missing Out (FoMO) behavior in a person is usually caused by a combination of factors, such as how Skintific products are advertised on social media, consumer reviews found online, and endorsements from celebrities that influence their purchasing intentions.

In conjunction with the escalating online interest in Skintific, the impact of this heightened search activity becomes even more pronounced when considering the power of word-of-mouth (WOM) in shaping consumer choices. Verbal communication plays a pivotal role in influencing customer purchasing decisions. The increased search frequency for Skintific reflects not only a surge in curiosity but also a notable shift in consumer behavior, where online information-seeking becomes a crucial precursor to the decision-making process.

Verbal communication can influence customer purchasing intentions, making word of mouth (WOM) an important component of marketing research. According to Stein and Ramaseshan (2016), word of mouth refers to messages about company products or services, or about the company itself, such as

suggestions about product functionality, ease of use, honesty, speed of service, and other things that you feel, and that someone has experienced, and who has passed it on to others. Electronic word of mouth (eWOM) has become a major phenomenon via various online media such as Facebook, Twitter, blogs, and so on (Pour & Lotfiyan, 2020). According to Sulthana and Vasantha (2019), eWOM is a positive or negative statement about a company's product or service made by a consumer and shared with other consumers via online media. The existence of eWOM helps consumers avoid difficulties in finding information about products, especially Skintific skincare branded products.

E-WOM has become a key aspect in people's purchasing intentions (Elseidi & El-Baz, 2016; Hussain, Ahmed, Jafar, & Rabnawaz, 2017). Social media has frequently influenced brand reputations, both positively and negatively, and we discover customer online reviews as one of the major factors determining brand success (Taylor, 2018). Customer online reviews have been extensively researched to determine their influences on determining business performance, customer tendency to recommend brands or products, forecasting customer purchase intention (Goyette, Richard, Bergeron, & Marticotte, 2010), product sales and marketing plans, and customer decision making (Chen, Fay, & Wang, 2011).

Consumer attitudes toward eWOM must be examined to better understand consumers' behavioral intentions (Gvili & Levy, 2015). It is also critical to monitor how consumers' attitudes toward its products may change as a result of eWOM. Marketers must understand how consumers' attitudes toward brands or products can be influenced positively or negatively by their influence (Schiffman & Wisenblit, 2015). According to a marketing chart survey 'recommendations' are ranked first, making sentiment analysis important for brand selection. The data shows that delivering personalized experience through smart technologies scored 43% out of the 11 categories listed. While 95% of customers read online reviews before buying a product, positive reviews can increase customer spending by 31% (Marketing Chart, 2020). On the other hand, as shown in the previous data regarding the source of brand discovery in Indonesia, 'recommendation on social media' holds the second position with a significant 37.7% share.

This suggests a growing influence of social media recommendations on consumer brand exploration and underscores the evolving landscape of brand discovery in the Indonesian market.

Businesses can use social media to stay in touch with their target markets, learn about their customers' needs and opinions, and interact with them directly and in a personalized manner (Constantinides and Fountain, 2008). Additionally, the advent of electronic word-of-mouth (eWOM) through platforms in social media further amplifies the potential for businesses to harness online interactions for brand and reputation management.

Prior research attempted to determine the antecedents of consumers' perceptions of online advertising, and it was discovered that an increase in consumer perception is associated with an increase in online advertising (Nasir et al., 2021). This indicated a strong and positive relationship between consumer perception and online advertising. Furthermore, it was discovered that all sub-dimensions of consumer perception positively and significantly influenced online advertising and its dimensions (Haur et al., 2017). Advertising is a persuasion art. To create an effective ad, it is necessary to understand the factors of an ad that can successfully persuade a user on social media (Ahmad et al., 2019).

This issue is consistent with Sriram (2021) research, which found that elements such as attention-grabbing details, celebrity endorsement, and emotional appeal have a considerable impact on customer purchase intention. A sufficient emphasis on the aforementioned traits would aid in the development of effective social media marketing and increase consumer buying intent. Similar research was also conducted by Raunaq D & Piyushkant, (2020), where Instagram is the object of their research and they found that there was an influence from consumer response to advertisements on Instagram social media. Looking at the respondents' Responses, the statement with the highest index value is on the 'Like' dimension regarding the statement, "Advertising design is one of the things that makes me interested in products advertised on Instagram." Design choices such as the right images or videos can make consumers interested in an advertisement thus, that it can have a good influence or impact on a brand.

According to research into the use and utility of social media ads, there is a strong link between social media advertising and advertising product purchasing intention (Kamboj et al., 2018). Prior research, such as Shareef et al. (2019), has conceptualized advertising value and consumer attitudes toward advertising, with the authors revealing a positive influence of the source of advertisements on credibility perception. Ge et al. (2021) investigate the positive impact of social media advertising in the context of brief video advertisements on product sales.

Then, Kudeshia & Kumar (2017) and Hassan & Sohail (2021) found that e-WOM affects purchase intention, Tien (2019) and Büyükdağ (2021) found that e-WOM affects purchasing decisions. However, Tjhin & Aini (2019) found that e-WOM does not affect purchasing decisions. Based on the phenomena and inconsistencies of previous research, the urgency of this research is to find out how effective the use of social media advertising and e-WOM is in increasing consumer buying interest in Skintific products. Collaboration with advertising media and e-WOM support not only increases marketing success but also helps build and strengthen purchase intentions. The success of purchasing intensity in purchasing a product can be attributed to the effective synergy between social media advertisement and e-WOM, which work together to increase consumer perception and increase the attractiveness of the product particularly focusing on Skintific products. Therefore, the study titled "**THE INFLUENCE OF SOCIAL MEDIA ADVERTISEMENTS AND E-WOM TOWARDS CONSUMER PURCHASE INTENTION ON SKINTIFIC PRODUCTS**".

1.3. Problem Formulation

Building upon the escalating online interest in Skintific, the impact of this heightened search activity becomes even more pronounced when considering the power of word-of-mouth (WOM) in shaping consumer choices. Verbal communication plays a pivotal role in influencing customer purchasing decisions. The increased search frequency for Skintific reflects not only a surge in curiosity but also a notable shift in consumer behavior, where online information-seeking becomes a crucial precursor to the decision-making process. Furthermore, this trend is intricately linked to the growing popularity of Skintific products, fueled by the Fear of Missing Out (FoMO) phenomenon, which triggers consumer concerns about

falling behind on the latest trends and significantly influences their purchasing decisions.

The dynamics of the skincare industry, particularly the sale of products through social media, take center stage, with an emphasis on the impact of digitization and local business marketing strategies. Skintific's marketing strategy, especially through social media, is a focal point, along with an analysis of visit fluctuations and user engagement over the past few months. Changes in consumer preferences and behavior toward social media advertising and e-WOM are crucial aspects, and the importance of being responsive to changing trends in marketing strategies is also emphasized.

The differences in previous research by Sriram (2021) and Tjhin & Aini (2019) serve as factors influencing the study on social media advertisement, electronic word of mouth (eWOM), and customer purchase intention for Skintific products. Based on the problem formulation outlined above, the author identifies the research questions as follows:

1. How much is the rate of Creative Characteristics, Celebrity Endorsement, Attention Grabbing Details, Emotional Appeal and e-wom of Skintific products based on respondents?
2. How much do respondents rate electronic word of mouth on of Skintific products based on respondents?
3. How big are the purchase intentions of respondents towards Skintific products?
4. Does Creative Characteristics in social media advertisements positively affect the consumer purchase intention of Skintific?
5. Does the inclusion of Celebrity Endorsement in social media advertisements positively affect the consumer purchase intention of Skintific?
6. Does the integration of Attention-Grabbing Details in social media advertisements positively impact the consumer purchase intention of Skintific products?
7. Does Emotional Appeal significantly influence the consumer purchase intention of Skintific products?

1.4. Research Objectives

Based on the problem formulation outlined, this study aims to address the following objectives:

1. To know the condition of Creative Characteristics, Celebrity Endorsement, Attention Grabbing Details, Emotional Appeal of Skintific products.
2. To know the condition of electronic word of mouth (e-WOM) of Skintific products.
3. To find out how much respondents assess purchase intention for Skintific products
4. To find out does the effectiveness of Creative Characteristics in social media advertisements positively affects the consumer purchase intention of Skintific products.
5. To find out does the condition of Celebrity Endorsement within social media advertisements and their influence on the consumer purchase intention of Skintific products.
6. To find out does Attention Grabbing Details is integrated into social media advertisements and its impact on positively influencing the consumer purchase intention of Skintific products.
7. To find out does Emotional Appeal significantly affect consumer purchase intentions on Skintific skincare products.

1.5. Research Benefits

The expected outcomes of this research include the following benefits:

1.5.1. Theoretical Benefits

The expected contribution of this study lies in enriching the knowledge of the influential role of social media advertising and eWOM in shaping the consumer purchase intention of Skintific products. Additionally, this study may inspire future research to explore similar dynamics in different industries and among various consumer segments, contributing to the ongoing discourse in the field of marketing and consumer behavior.

1.5.2. Practical Benefits

This research aims to improve marketing strategies for Skintific, a more relevant and engaging experience for Skintific users with a better understanding of how social media ads and eWOM influence their purchase intentions, and

valuable insights for other cosmetics companies looking in the digital marketing landscape, which can help them adapt their advertising efforts to target the consumer effectively, ultimately enhancing competition and benefiting consumers.

1.6. The Systematics of Mini-Thesis Writing

This writing section gives a comprehensive overview of how the mini-thesis will be structured. The systematic preparation of the mini-thesis writing consists of Chapters 1 through 5, with a description of the structure as follows:

a. CHAPTER 1: INTRODUCTION

This chapter provides a general, precise, and concise explanation of the research's contents. In this chapter, various aspects are covered including an overview of the research object, the background of the research, problem formulation, research objectives, research benefits, and the structure of the mini-thesis writing.

b. CHAPTER 2: LITERATURE REVIEW

This chapter describes the theoretical foundation from general to specific, covering the fundamental research with previous research and continuing with a research framework that concludes with a research hypothesis.

c. CHAPTER 3: RESEARCH METHODOLOGY

In this chapter, the focus is on exploring the approaches, methods, and techniques employed to collect and analyze data that can effectively address the research problems at hand.

d. CHAPTER 4: RESULT AND DISCUSSION

This chapter presents a comprehensive and structured account of the research, including the discussion of findings that align with the formulated problem and research objectives. This chapter contains research findings, as well as discussions and analyses.

e. CHAPTER 5: CONCLUSION

This chapter contains the overall research conclusions, which are the answers to the research problems and then become suggestions about the research's benefits.