

CHAPTER I

INTRODUCTION

1.1 Research Overview

1.1.1 Company Profile

Barenbliss, also known as bnb, is a beauty product (cosmetic) brand from South Korea which was launched on the Indonesian market on August 25, 2021. Initiated by Kim Jina, BNB developed the B+N+B beauty philosophy and redefined facial care product formulas. Officially launched on August 25, 2021, barenbliss presents four product variants for the Indonesian market, Berry Makes Comfort Lip Matte, The Fortune Cookie Eyeshadow, Spark-tacular Party Blush On, and Rich Girl in Area Highlighter. The makeup and skincare products are claimed to be alcohol-free.



Figure 1.1

Logo of Barenbliss

(Source: Google.com)

The brand's own philosophy, Bare Essential Plus, No Harm Plus, and Bliss Moment, served as the foundation for the creation of every product. BNB asserted that it solely utilized natural components. BNB believes that scientific-based formulas have the power to make facial skin healthier. All BNB products contain natural ingredients that can improve skin health. Products launched by Barenbliss consist of three categories,

namely make up, skincare (skin and facial care products), as well as tools or equipment such as cotton pads, facial brushes, and small bags called smilebags.



Figure 1.2

Barenbliss Product

(Source: Google.com)

Barenbliss premieres in August 2021 through the official digital store on the Shopee platform. At the online event of 9.9 Shopee Festival, one of the products that has been launched, became the second best-selling beauty product category, that is Berry Makes Comfort Lip matte. BNB Peach Makes Perfect Lip tint also received the title of Favourite Korean Lip Tint by beautynesian at the end of 2021, this title was not the first to be obtained by BNB Lip Tint, in November 2021, at the beginning of its appearance BNB Peach Makes Perfect Lip tint also won the No.1 Lip Tint title of choice by Shopee consumers.

1.2 Research Background

One of the most important industries in Indonesia was the cosmetics sector. The industry is growing and changing at an ever-increasing rate. The rise of the goods and services business is the evidence of this. The rapid progress of the industrial sector creates a level of intense business competition.

Technology, social media, and digital platform developments have increased the variety and affordability of cosmetics for domestic consumers. Typically, consumers research the cosmetic products they wish to purchase using a variety of resources, including social media, the internet, reviews from previous customers and others. In fact, people now believe more in cosmetic product reviews. After that, they will get a decision to make a purchase or not. Customers who are satisfied with the cosmetic products purchased will be happy to recommend them and talk about these products to people around them and to people via social media.

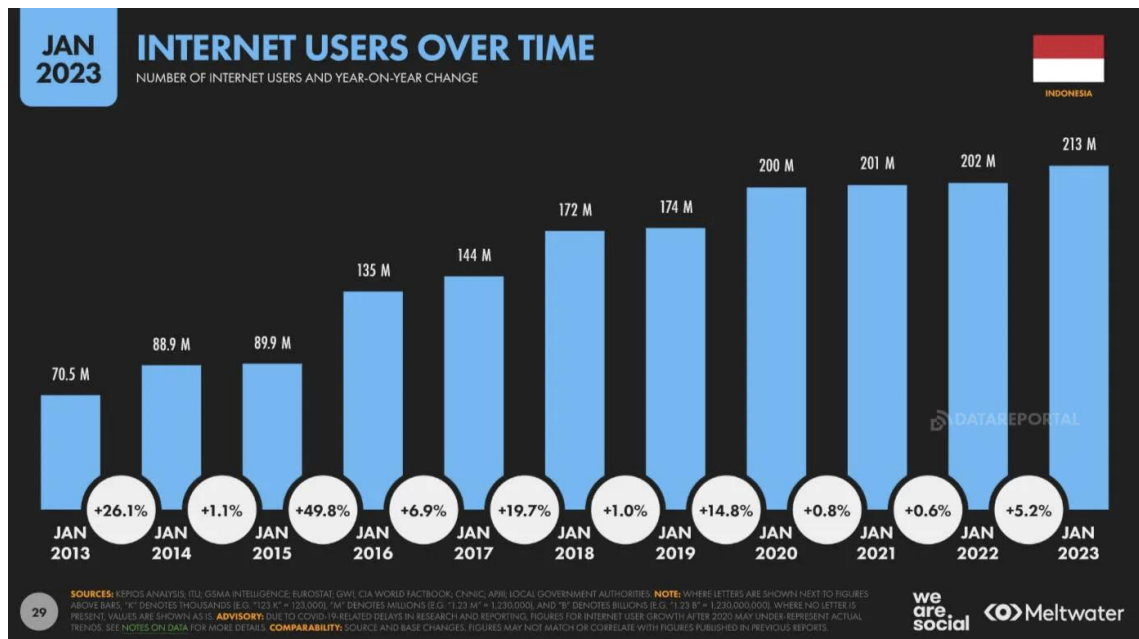


Figure 1.3

Numbers of Internet Users in Indonesia

(Source: meltwater.com)

One of the nations having the highest percentage of internet users worldwide is Indonesia. In January 2023, there will be 213 million internet users in the nation, according to the Meltwater research. In comparison to the prior year, that percentage increased somewhat to 5,2%. There were 202 million internet users in Indonesia as of January 2022.

Over the past five years, Indonesia has seen a steady rise in the number of internet users. There were 276.4 million people residing in Indonesia as of January 2023. The data from 2022 and 2023 show that Indonesia saw a 1.8 million (+0.6%) increase in population.

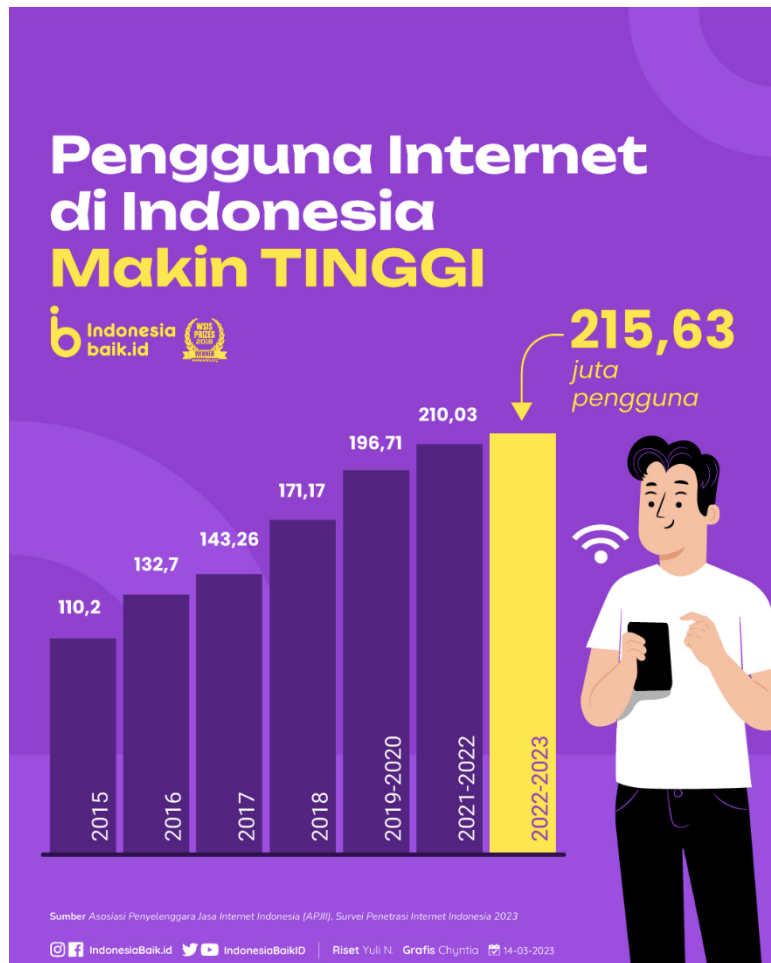


Figure 1.4

Numbers of Social Media Users in Indonesia

(Source: indonesiabaik.id)

Indonesia had 215.63 million internet users in 2022-2023, according to survey data from Indonesia Internet Service Providers Association (APJII). Compared to the preceding period, when there were 210.03 million users, this number climbed by

2.67%. The percentage of internet users in Indonesia is equal to 78.19% of the country's 275.77 million inhabitants.

Indonesia's internet penetration rate increased by 1.17 percent this year compared to 77.02% in 2021-2022, the previous survey period. For information, Indonesia is seeing an annual increase in the percentage of its population using the internet. The country's internet penetration rate was 64.8% in 2018 and increased to 73.7 in 2019 – 2020.

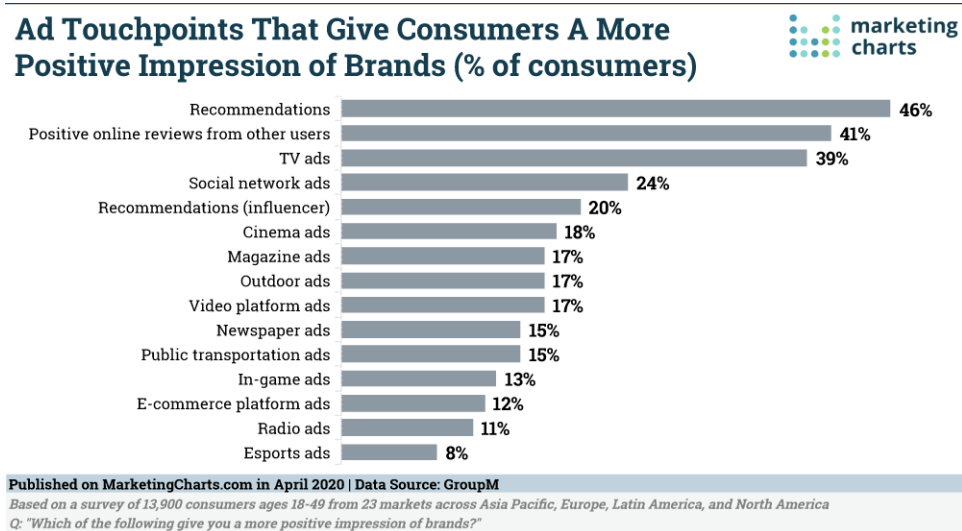


Figure 1.5

Ad Touchpoints That Give Consumers a More Positive Impression of Brands.

(Source: marketingcharts.com)

Marketing Charts conducted a global poll of consumers between the ages of 18 and 49, and found that 46% of respondents who had a good perception of a brand are most likely to recommend it. However, 41% of shoppers consider positive online users on the internet as the second most important factor. 24% of customers believe that social network or social media advertisements offer them a positive view of brands.

These statistics demonstrate the significant influence social media has on Indonesians' day-to-day life. Relying on the data, social media can be used as a strategic opportunity for business people to promote products and services. In addition,

social media is media that can be accessed by many people so that business people can take advantage of this to make social media a marketing strategy. Currently, businesses in the beauty industry are a promising opportunity because skin care and make up products are in great demand.

The beauty care sector in Indonesia has a lot of potential. Cosmetics, which are a part of the chemical, pharmaceutical, and traditional medicine manufacturing sector, rose by 9.61% in 2021, according to the Indonesian Central Statistics Agency (BPS). According to data from the Indonesia Ministry of Industry, exports to the manufacturing sector reached US 317 million in the first half of 2020, up 15.2% from the same period the previous year. This indicates that the manufacturing sector may also make a substantial contribution. The country's growing digital economy is primarily to blame for these positive outcomes.

Unlike other industries, cosmetics sales in Indonesia remained stable during the COVID-19 pandemic. This is because a sizable portion of the 270 million people that live in the world's fourth-largest nation—the millennial generation and generation Z—are young, digital natives who were born or are growing up in the current technological era. Strong web marketing has played a major role in the continued high level of public awareness of care and appearance. During the pandemic, Indonesia ranked among the top countries in the world for e-commerce adoption. With percentage value of 36%, Indonesia rises to the fifth position among nations with the highest growth in e-commerce globally. (Prasetio et al., 2024)

Sociolla is a beauty and skin care-focused social media platform and e-commerce business. This website offers a number of features that facilitate the purchase of popular cosmetic and skin care items by users. One of the most reliable and comprehensive e-commerce platforms in Indonesia's beauty industry is PT. Social Bella, also referred to as Sociolla. It specializes in selling cosmetics as well as skincare and personal care items. With their headquarters situated in Kembangan, West Jakarta, Christopher Madiam, Chrisanti Indiana, and John Marco Rasjid formally launched Sociolla in 2015.

In order to improve national online beauty buying, Sociolla was first established in response to the beauty craze in Indonesia. In Indonesia, Sociolla works directly with official brand owners and national distributors. It has over 150 registered beauty brands and 5,000+ product options. Ensuring that each product sold is 100% authentic and certified by *BPOM (Badan Pengawas Obat dan Makanan)* is the aim. Following an infusion of capital from international investors, the business operating under the name PT Social Bella Indonesia is also growing abroad, including into Vietnam and India. Sociolla's success can be attributed in part to its innovative use of all forms of technology and integration with the beauty business. One of the beauty brands that use Sociolla is Barenbliss.

On August 25, 2021, the South Korean beauty product (cosmetic) brand Barenbliss, also referred to as bnb, made its debut on the Indonesian market. BNB, founded by Kim Jina, rewrote the formulas for facial care products and created the B+N+B beauty philosophy. Barenbliss, which had its official debut on August 25, 2021, offers four product variations for the Indonesian market: Rich Girl in Area Highlighter, Berry Makes Comfort Lip Matte, The Fortune Cookie Eyeshadow, and Spark-tacular Party Blush On. It is stated that the skincare and beauty items are alcohol-free.

Free of harsh substances and cruelty, BNB's award-winning products showcase the qualities that have made Korean-inspired beauty popular throughout the world. Since their introduction, the company's products have received widespread recognition and the industry's seal of approval.

Jina is aware that wearing makeup is a way of life and that, when applied consistently, cosmetics shouldn't be bad for your skin or health. The term "Bare Essentials" describes the company's philosophy of utilizing only natural ingredients and cutting-edge technology in its products to ensure that they are not only safe but also good for the skin. The goal of every product is to maintain the pH balance of the skin's surface. They are also a great source of other minerals, vitamins, and antioxidants. Others shouldn't suffer for the sake of beauty.

In keeping with the No Harm concept, BNB has prohibited over 100 ingredients that are known to be harsh on skin and does not support or engage in unethical or cruel manufacturing procedures. With BNB, beauty finally transcends the limits of the skin. These goods' amazing textures, mouthwatering scents, and well-thought-out designs generate cheerful, positive Bliss Moments that awaken beauty from inside.

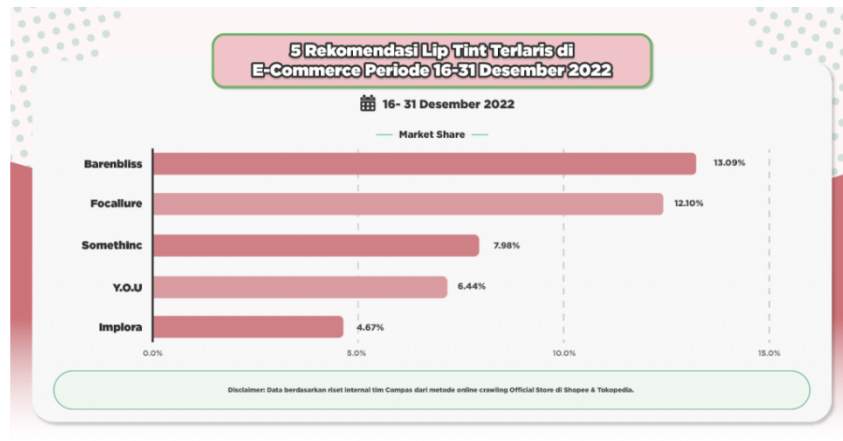


Figure 1.6

Numbers of Brands Revenue in 16 – 31 December 2022

(Source: compas.co.id)

Based on Kompas dashboard data, the total revenue of Barenbliss is IDR 793.5 million at the end of 2022, precisely in the period 16-31 December 2022. 9969 units of lip tint sold well on e-commerce, which is the shopping channel of choice for Indonesian consumers. At least, in the national cosmetics market, Barenbliss managed to achieve a market share of 0.5%. Not only that, Barenbliss Indonesia's contribution compared to other countries—such as Malaysia, the Philippines, Thailand and Korea—is still the highest, reaching 35%.

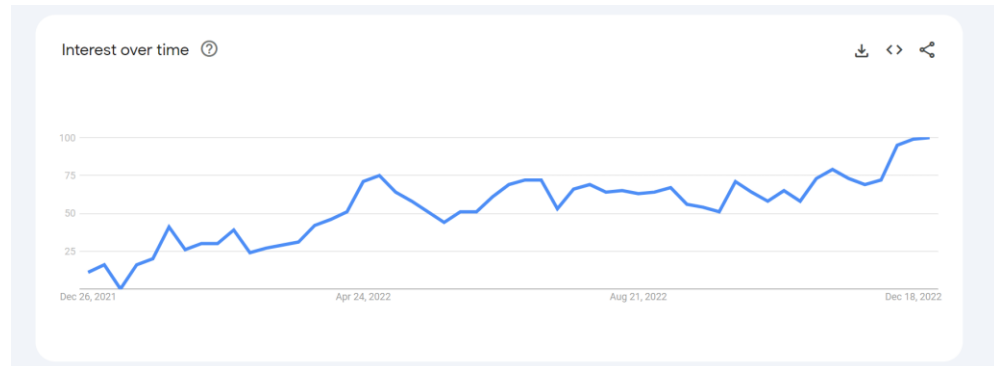


Figure 1.7

Google Trends about Barenbliss in 2022

(Source: trends.google.com)

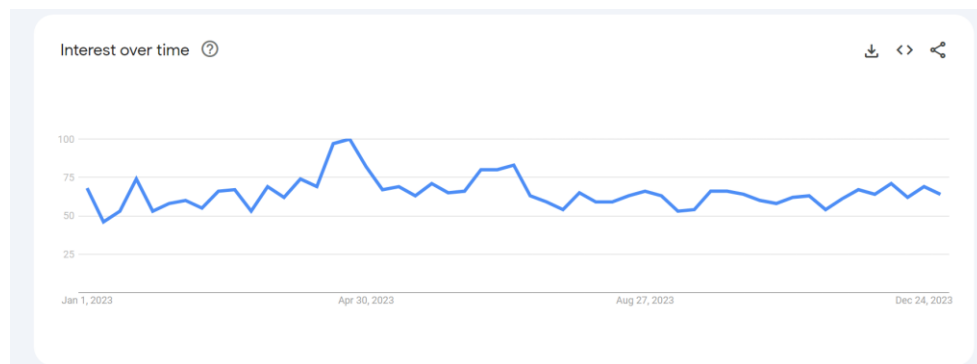


Figure 1.8

Google Trends about Barenbliss in 2023

(Source: trends.google.com)

Barenbliss searches in 2022 and 2023 are estimated to be 2850, and 3495 respectively, based on figures 1.7 and 1.8 (which may continue to rise). These online searches can be explained by consumers looking at their possibilities with an inquiry intent.

Sociolla is beginning to be used by beauty brands as a marketing tool. In order to have a competitive edge, it's critical to develop original and imaginative marketing

plans. In order to influence customers, marketers need to be able to capitalize on the e-WOM phenomenon through product reviews and suggestions.

The presentation format, quantity, and persistence of electronic word of mouth communications have made them more observable. E-WOM information available online is far more prolific in quantity compared to information obtained from traditional contacts in the offline world. In the online world there are various ways in which consumers can exchange information. Internet users can conduct electronic word of mouth through various online channels, including blogs, e-mail, consumer review sites, forums, virtual consumer communities, and social networking sites.

Digital platforms are used by users to spread favorable or bad statements about a product or service to other consumers, a phenomenon known as eWOM (Electronic World of Mouth) (Sulthana & Vasantha, 2019).

Customers can use this review to learn how they feel about things they've bought on Sociolla. Because every customer has a unique opinion, both good and negative consumer reactions are inevitable. Reviews will be visible to other customers, boosting their confidence in other customers' decisions to purchase Barenbliss products. It is crucial to understand how customers react to this input as a result. Here is a summary of Electronic Word of Mouth from Sociolla product reviews for Barenbliss, including both good and negative comments:

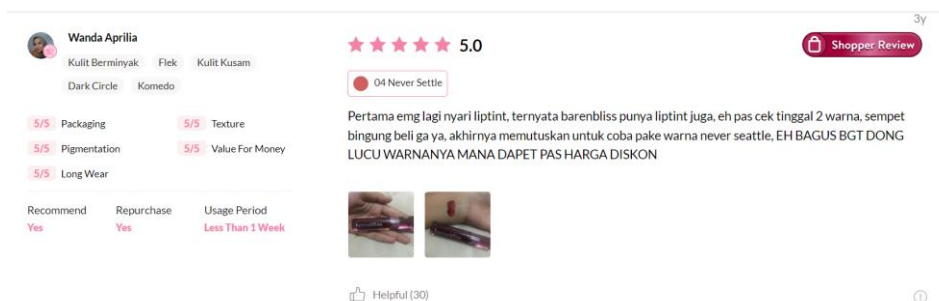


Figure 1.9

Positive Review about Barenbliss on Sociolla

(Source: sociolla.com)

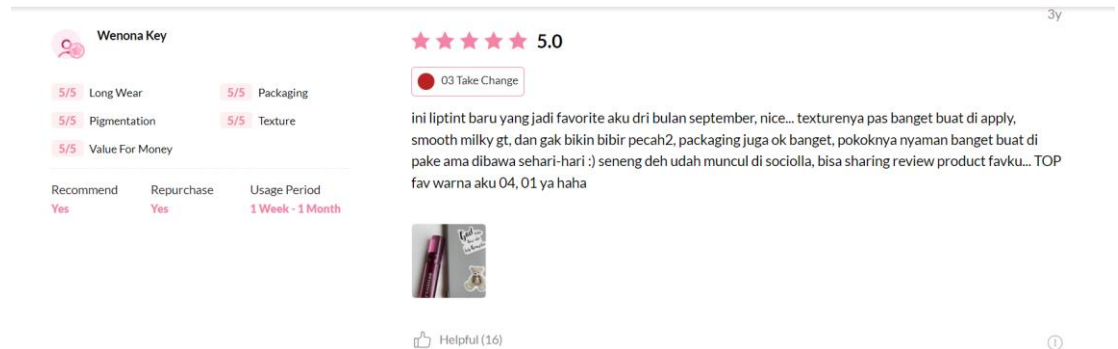


Figure 1.10

Positive Review about Barenbliss on Sociolla

(Source: sociolla.com)

Based on figure 1.9 and 1.10 buyers showed photos and also reviewed to Barenbliss product on Sociolla. After they buy the product according to what they ordered, they were satisfied with the packing, pigmentation, the texture and the product worth the money.

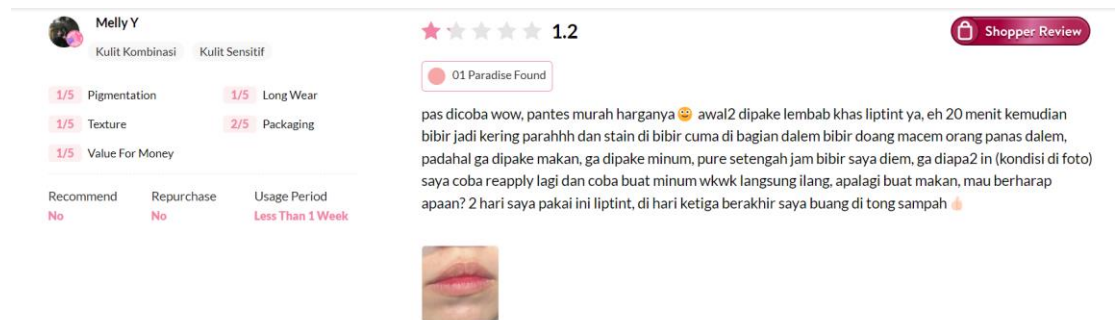


Figure 1.11

Negative Review about Barenbliss on Sociolla

(Source: sociolla.com)



Figure 1.12
 Negative Review about Barenbliss on Sociolla
 (Source: sociolla.com)

Figures 1.11 and 1.12 show that after using one of the Barenbliss products at Sociolla, customers left negative feedback. When the things arrive and do not match the items they originally saw on reviews, customers leave critical reviews. Negative Sociolla product reviews will be seen to a large number of additional customers. Customers who wish to purchase Barenbliss products on Sociolla can find both positive and negative reviews. This is because buyers must decide which reviews to believe when making their purchase decisions.

The purpose of this study is to determine the extent to which consumer reviews of Barenbliss items at Sociolla influence electronic word-of-mouth and purchase intentions for the brand. Researchers are eager to learn more about the influence between independent and dependent variables, and their findings may help businesses understand how consumers feel about employing e-word-of-mouth (eWOM) in marketing campaigns. Researcher choose the title "**THE EFFECT OF ELECTRONIC WORD OF MOUTH (E-WOM) ON ONLINE PURCHASE INTENTION: A CASE OF CONSUMER OF BARENBLISS**" based on the problem's background as we have explained.

1.3 Problem Statement

According to the Digital Reports of 2023, the younger and rapidly growing population of Indonesia is reflected in the age-based demographics of social media users nationwide. According to statistics, younger Indonesians make up most social media users. Of Indonesians using social media, 32% are between the ages of 18 and 24, and 30.6% are between the ages of 25 and 34. Three-quarters of Indonesia's social media users are under 35, based on the potential advertising reach across popular social media platforms.

We Are Social issued the Global Digital Report 2023, there are 213 million internet users in Indonesia, of which 167 million utilize social media. In Indonesia, e-commerce activities revealed that approximately 83% of internet users conducted product searches online, and 62% of users had ever made an online purchase. This data demonstrates how deeply ingrained internet shopping is in Indonesian culture and daily life. For businesses to compete in the market, social media marketing is essential, particularly for small and medium-sized businesses (SMEs) and online retailers.

Marketers undoubtedly desire accurate data to be more strategic in reaching their goals, budgeting, forecasting, and client acquisition efforts given the vast number of social media users. Businesses that use social media effectively can expand quickly because marketers can use these channels to spread the word about their products and services and increase interest from potential customers.

The cosmetics sector benefited immensely from this rapid embrace of e-commerce. John Rasjid, Christoper Madia, and Christanti Indiana established Sociolla in 2014. They are currently Indonesia's biggest beauty e-commerce platform, with the goal of providing every Indonesian woman with similar access to beauty items. During its Series E round of fundraising in July 2020, Temasek, Pavilion Capital, and Jungle Ventures contributed \$58 million to Sociolla. As of the first quarter of 2021, Sociolla has amassed over 2.8 million monthly visits, making it the most popular e-commerce site in Indonesia for cosmetics, according to Statista. The brand's distinctive perspective on the process of selecting things and buying is especially noteworthy.

Since Sociolla currently one of the biggest beauty e-commerce, customers determents whether the product is worth to buy from the review section in each of the product. According to Indrawati et al. (2023), eWOM significantly and favorably influences consumers' intentions to buy certain products. Product reviews, both good and bad, have been shown to have an impact on people's buy intentions, according to data on the annual increase in e-commerce users in Indonesia. Given the significant impact that the suggestions and e-WOM, have on customers, the author is interested in conducting research to determine how e-WOM on Sociolla influence towards the purchase intention of Barenbliss.

1.4 Research Question

- 1) What is the relationship between Information Usefulness and Information Quality among consumers of Barenbliss on Sociolla?
- 2) What is the relationship between the Information Quantity and Information Usefulness among consumers of Barenbliss on Sociolla?
- 3) What is the relationship between Information Credibility and Information Usefulness among consumers of Barenbliss on Sociolla?
- 4) What is the relationship between Information Usefulness and Information Adoption among consumers of Barenbliss on Sociolla?
- 5) What is the relationship between Information Adoption and Purchase Intention among consumers of Barenbliss on Sociolla?

1.5 Research Objective

- 1) To find out the relationship between Information Usefulness and Information Quality among consumers of Barenbliss on Sociolla.
- 2) To find out the relationship between the Information Quantity and Information Usefulness among consumers of Barenbliss on Sociolla.
- 3) To find out the relationship between Information Credibility and Information Usefulness among consumers of Barenbliss on Sociolla.

- 4) To find out the relationship between Information Usefulness and Information Adoption among consumers of Barenbliss on Sociolla.
- 5) To find out the relationship between Information Adoption and Purchase Intention among consumers of Barenbliss on Sociolla.

1.6 Research Purpose

1.6.1 Theoretical Aspects

This research is expected to provide academic insights and as input, besides that it can be a reference and source of information.

1.6.2 Practical Aspects

The results of this study are expected to be references and insight for readers regarding the description of the variables contained in this study whether there is an influence on purchasing intention for Barenbliss products.

1.7 Systematically Writing

CHAPTER 1: Introduction

Chapter 1 deals with study definition, including Research Overview, Research Background, Problem Statement, Research Question, Research Purposes, and Systematically Writing.

CHAPTER 2: Theoretical Review

This chapter summarizes all valid theories, published researches regarding the topic or the problem, a set of reasoning used to describe the research problems that finally form theoretical framework, research hypothesis.

CHAPTER 3: Research Method

This chapter discusses the methodology, process and procedure used to collect and analyze data to address or explain the problem of analysis. It presents research type, operational variable, research stages, population and sample, data gathering, data type, data analysis technique.

CHAPTER 4: Result and Discussion.

This chapter discusses the result of the data that has been obtained.

CHAPTER 5: Conclusion and Suggestion.

This chapter discusses the conclusion and the suggestion of the overall research.