

CHAPTER I

INTRODUCTION

1.1 Overview of the Research Object

1.1.1 Tiktok



Picture 1.1 Tiktok Logo

Source : Google

TikTok, a prominent social media platform with a substantial user base in Indonesia, was launched in September 2016 by Zhang Yiming, the Chinese entrepreneur and creator of the technology company Bytedance. TikTok is a music-centric social networking platform that allows users to produce, modify, and distribute brief video clips that are improved with filters and background music.

This app enables users to view and upload films with durations ranging from 15 seconds to 10 minutes. TikTok enables users to swiftly and effortlessly produce concise videos for dissemination to a worldwide audience. The user experience is influenced by the viral music and content selections that users specifically choose within the app. The algorithm employed by TikTok monitors user behavior and guides them towards films that align with their usual preferences, resulting in a personalized selection of content showcased on the For You Page.

TikTok provides users with a range of tools to enhance and accomplish their personal or organizational objectives. These tools include Account Management, which facilitates the connection between users and skilled content

creators for content posting; Advanced Analytics, which aids in the monitoring and evaluation of account performance; and Promotional Hashtags, which contribute to the dissemination of awareness through other users' For You Pages.

TikTok for Business is an invaluable tool for businesses, as it is specifically tailored to help them expand their reach and connect with a larger audience by utilizing the various capabilities offered by TikTok. TikTok for Business enables enterprises to engage with a wider international audience, enhancing the likelihood of attracting new clients.

1.1.2 3Second

3Second is an Indonesian fashion brand that was established on August 14, 1997 as part of CV Biensi Fesyenindo. It became legally recognized in 1998. In 2002, the company further expanded by creating their own brand called 3Second. In 2004, they introduced another brand called Greenlight. Currently, the BIENSI Group consists of 7 brands.



Picture 1.2 3Second Logo

Source : Google

3Second is an established fashion brand in Indonesia that aims to become a global brand. They cater to a diverse range of customers, from children to the elderly. Currently, 3Second has numerous offline stores throughout Indonesia, which demonstrates their success in the country.

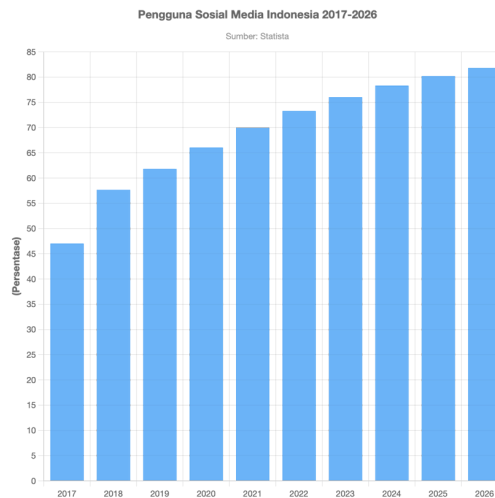
3Second offers a diverse range of products, including jeans, jackets, t-shirts, and sweaters, catering to both men and women. The CEO of 3Second has

stated that the company is currently endeavoring to reposition itself in the market by targeting a more affluent and exclusive customer base. This strategic shift aligns with the company's vision to expand globally and is accompanied by an enhancement in the quality of their products, which are now of superior quality and higher price range.

The primary goal of 3Second is to position itself as a prominent and highly esteemed local brand on a global scale, enabling it to effectively compete worldwide. 3Second epitomizes the essence of serving as a platform for the artistic expression of young people, allowing them to showcase their talent in a distinctive and unique manner. Furthermore, 3Second objective is to establish their company as a prominent fashion supplier enterprise that places utmost importance on customer contentment and strives to cater to the international market. and also continually manufacturing fashionable clothing with a distinctive casual design that appeals to young people. They distribute 3Second products directly and prioritize environmental sustainability while complying with regulatory laws.

1.2 Research Background

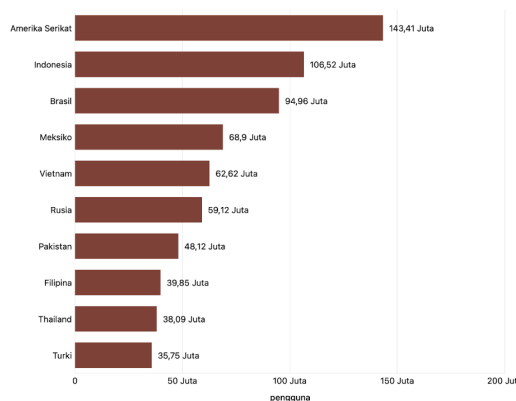
Individuals worldwide are significantly utilizing social media, and its usage in Indonesia is currently seeing rapid improvement. According to Reportal Data, it is projected that the worldwide social media user base would reach 167 million by 2023. The population of users aged 18 and above is 153 million, or 79.5% of the total population. Furthermore, it is projected that 78.5% of those who use the internet possess at least one social media profile. This statistic is anticipated to persistently augment in the forthcoming period. Presented is a graph depicting the usage of social media by persons in Indonesia across many years, along with predictions for the next four years.



Picture 1.3 Social Media Users in Indonesia 2017-2026

Source : data.goodstats.id

The graph above demonstrates a steady yearly growth in social media users in Indonesia, suggesting a substantial potential for businesses to improve their visibility through social media platforms. Social media has a substantial role in marketing by influencing eWOM, customer relationship management, and consumer behavior and perception (Indrawati et al., 2022). Social media allows customers to disseminate their experiences with a brand or product, encompassing both favorable and unfavorable aspects, to a broad audience. From a company standpoint, social media offers a chance to improve client engagement by sharing postings and material.



Picture 1.4 Tiktok user worldwide

Source : data.goodstats.id

TikTok is an immensely popular program in Indonesia, with nearly every individual in the nation possessing a TikTok account. By October 2023, the TikTok user base in Indonesia surpassed 106.51 million, as reported by We Are Social. Indonesia's TikTok user count ranks it as the second most populous country on the app globally. This statistic illustrates the widespread utilization and tremendous popularity of the TikTok platform across Indonesian society. According to an article written by CNN, TikTok is the most downloaded app on both the App Store and Play Store, with a total of 54 million downloads worldwide, this indicates that TikTok's global appeal and user engagement have positioned it as a dominant platform in the digital ecosystem. The TikTok user interface is the primary factor that has rendered it highly attractive to the younger demographic. TikTok has enabled its users, particularly the younger demographic, to unleash their imagination and creativity through its features and functionalities.

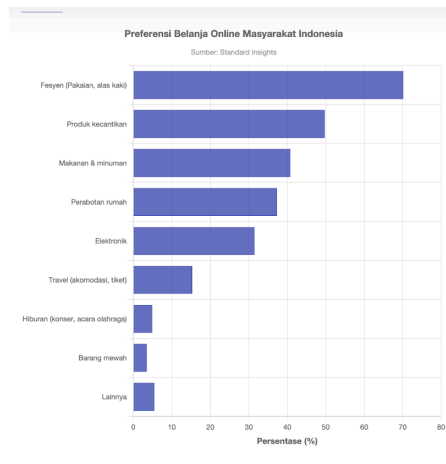
TIKTOK STATS SUMMARY / USER STATISTICS FOR ITS3SECOND (2024-05-02 - 2024-05-15)						
DATE	FOLLOWERS	FOLLOWING	LIKES	UPLOADS		
2024-05-02	Thu	283,800	8	779,800	549	
2024-05-03	Fri	+100	283,900	8	+200	780,000
2024-05-04	Sat	+100	284,000	8	+200	780,200
2024-05-05	Sun	+100	284,100	8	+200	780,400
2024-05-06	Mon	+100	284,200	+1	9	+300
2024-05-07	Tue	+500	284,700	+1	10	+200
2024-05-08	Wed	+1,000	285,700	10	+100	781,000
2024-05-09	Thu	+600	286,300	10	+200	781,200
2024-05-10	Fri	+600	286,900	10	+300	781,500
2024-05-11	Sat	+200	287,100	-1	9	+300
2024-05-12	Sun	+900	288,000	9	+200	782,000
2024-05-13	Mon	+500	288,500	-1	8	+200
2024-05-14	Tue	+400	288,900	8	+400	782,600
2024-05-15	Wed	+100	289,000	8	+300	782,900
Daily Averages		+267	+1	+244	+1	
Last 30 days		+8,000	+1	+7,300	+14	

Picture 1.5 3Second Tiktok Account Statistic

Source : socialblade.com

3Second is a well-known local fashion brand in Indonesia. They have a regular presence on social media and proudly have a large number of followers for a fashion business that operates locally. They have amassed a total of 289,000 followers on TikTok. According to data from Socialblade.com, the 3Second TikTok account has regularly experienced daily increases in its number of followers. Within the last month, their number of followers has increased by 8,000. In addition, their content constantly garners a significant number of views and comments, showing a high level of involvement. This suggests that their account is quite active and has a substantial following.

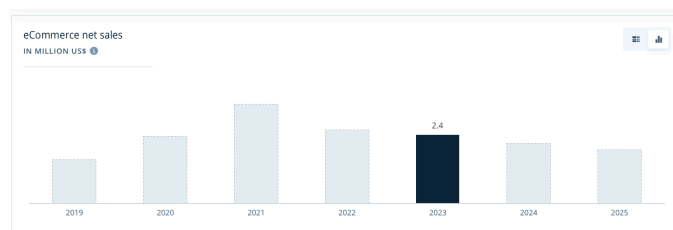
3Second has initiated a marketing campaign titled #notsooldschool with the aim of promoting their products on the social media platform TikTok. A multitude of influencers actively engaged in this campaign by producing fashionable films showcasing 3Second items. The campaign gained significant viral traction, with one of the influencers, Indra Jegel, amassing 15 million views on his channel. Additionally, users on TikTok widely spoofed this campaign, and the compilation of these parodies on the official TikTok account of 3Second garnered 1.8 million views.



Picture 1.6 Online Shopping Preferences

Source : data.goodstats.id

Datagoodstat.id offers data regarding the prevailing online purchasing preferences of the Indonesian population in 2023. Based on the statistics, it can be observed that Indonesians have a greater inclination towards purchasing fashion products through online platforms compared to other product categories, with a significant majority of 70%. According to this research, the internet market for fashion products has a significant number of potential customers and intense rivalry.



Picture 1.7 3Second Ecommerce Yearly Sales

Source : ecommercedb.com

3Second is a widely recognized brand with multiple branches throughout Indonesia. Regrettably, their revenues have experienced a drop during the previous two years. According to statistics acquired from ecommercedb.com, 3Second witnessed a favorable sales trajectory during a span of three years, from 2019 to 2021. Nevertheless, there was a decrease in sales over the years 2022 and 2023. This data specifically relates to their online sales and does not encompass any sales made through physical stores or other offline channels.

The author's motivation for writing this article stems from the fact that 3Second has garnered a substantial and expanding audience on TikTok. The brand has also persisted for a significant duration, showcasing their capacity to effectively promote and adjust to the evolving preferences and actions of their customers. Numerous empirical investigations have been executed historically to elucidate the determinants that affect consumers' proclivities towards purchasing particular products. Previous studies have demonstrated the significant influence of electronic word-of-mouth (e-WOM) on consumer behavior. However, there has been no research conducted on the specific impact of e-WOM on consumers' inclinations to purchase fashion products, specifically 3Second products.

Presently, TikTok has attained global popularity and generates a plethora of viral content pieces. TikTok is expected to experience a surge in user growth in the upcoming years. Currently, numerous fashion brands are actively engaged and uphold official TikTok profiles. Thus, it is imperative for every company to demonstrate creativity and innovation in effectively utilizing the e-WOM (electronic Word of Mouth) phenomena in order to maintain relevance and long-term viability. The author's motivation led to the undertaking of a study entitled "INFLUENCE OF E-WOM IN TIKTOK ON PURCHASE INTENTION ON FASHION BRAND 3SECOND".

1.3 Formulation of the problem

The popularity of TikTok in Indonesia continues to rise, with the platform amassing 106 million users as of October 2023 (databoks.katadata.co.id), marking a steady annual increase. Additionally, data from the Indonesia Digital Report

2020 by Hootsuite and We Are Social indicates that 93% of Indonesian internet users engage in online product searches, and 88% complete online transactions. These figures underscore the immense potential of TikTok as a platform to connect businesses with consumers, especially in the context of Indonesia's rapidly growing e-commerce market. Fashion products, which dominate approximately 70% of the online market in 2023 (data.goodstats.id), have become a particularly lucrative segment. Consequently, many fashion brands, including 3Second, have actively established their presence on TikTok to leverage this opportunity.

While 3Second has consistently gained followers on TikTok each month (socialblade.com), indicating a growing audience and improved visibility, the brand's sales revenue has declined during 2022–2023 (ecommercedb). This inconsistency suggests that increased social media engagement does not necessarily translate into consumer purchases. Towards the end of 2023, 3Second launched a highly successful TikTok campaign, reflecting their efforts to stay competitive in the dynamic fashion market. However, the challenges they face highlight the importance of understanding the underlying mechanisms that drive consumer behavior on digital platforms.

One of the most influential factors in digital consumer behavior is electronic Word of Mouth (e-WOM). Research shows that e-WOM significantly shapes consumer perceptions of brands and products, which in turn impacts purchasing decisions and sales performance (Indrawati et al., 2022). Despite its proven effectiveness, the exact role of e-WOM on platforms like TikTok in influencing purchase intentions remains underexplored, particularly for local fashion brands such as 3Second.

This study aims to bridge this gap by exploring how e-WOM on TikTok affects consumer purchase intentions in the context of Indonesia's fashion industry. By examining the disconnect between increasing follower counts and declining sales, this research seeks to provide actionable insights for fashion brands to optimize their TikTok strategies. The findings will not only contribute to the academic understanding of e-WOM's impact on consumer behavior but also

offer practical recommendations for leveraging TikTok as a marketing tool to drive purchase intentions and improve sales performance.

1.4 Research Question

The main goal of this scholarly investigation is to examine and evaluate the effects of Electronic Word of Mouth (eWOM) on consumers' purchasing intentions concerning the brand 3Second. To achieve this overarching goal, the study aims to:

1. Does electronic word-of-mouth (eWOM) have any influence on purchase intention?
2. Is there an influence of information adoption on the purchase intention of a 3Second product?
3. Is there an influence of Information Usefulness on Information Adoption of 3Second products?
4. Is there an influence of Information Quality on Information Usefulness in 3Second products?
5. Is there an influence of Information Quantity on Information Usefulness in 3Second products?
6. Is there an influence of Information Credibility on Information Usefulness in 3Second products?
7. What type of content is suitable for increasing purchase intention?

1.5 Research purposes

In alignment with the research inquiry, the principal aim of this study is to investigate and assess the influence of Electronic Word of Mouth (eWOM) on the purchasing intention concerning the brand 3Second. To achieve this overarching goal, the study aims to :

1. Find out does electronic word-of-mouth (eWOM) have any influence on purchase intention
2. Examine the Influence of information adoption on the purchase intention of a 3Second product?

3. Examine the Influence of Information Usefulness on Information Adoption of 3Second products?
4. Examine the Influence of Information Quality on Information Usefulness in 3Second products?
5. Examine the Influence of Information Quantity on Information Usefulness in 3Second products?
6. Examine the Influence of Information Credibility on Information Usefulness in 3Second products?
7. Identify the Type of Content Effective in Increasing Purchase Intention

1.6 Benefits of research

This research is expected to be beneficial both conceptually and practically.

1.6.1 Theoretical Aspects

It is anticipated that the results derived from this research will significantly enhance the domain of management science and marketing strategy within the business sector, allowing them to determine the best social media marketing strategy to increase the attractiveness of purchasing interest in the 3Second brand based on product information contained on TikTok 3Second. This research can be useful for references for those who want to conduct research on the influence of eWOM in the fashion industry of other brands through the Tiktok application, besides that this research can be useful for learning about the influence of eWOM on Tiktok.

1.6.2 Practical Aspects

It is intended that this research would provide valuable input to the company's strategy, planning, and implementation, allowing management to compete in the local fashion industry in the future.

1.7 Systematics of Final Project Writing

The thesis is prepared in a systematic and commonly used format and has been provided by Telkom University. The systematics of the thesis proposal for this type of quantitative research are as follows.

CHAPTER I INTRODUCTION

The first chapter explains the research object, research background, problem formulation, research objectives, benefits of research, and systematics of writing the final project.

CHAPTER II LITERATURE STUDY AND SCOPE OF RESEARCH

The second chapter briefly and concisely describes the theory and previous research, and the framework of thought related to the research topic

CHAPTER III RESEARCH METHODS

The third chapter delineates the methodologies, strategies, and techniques employed in the collection and analysis of data that are capable of addressing or elucidating research inquiries.

CHAPTER IV RESEARCH RESULTS AND DISCUSSION

The fourth chapter provides an in-depth discussion regarding the methodologies employed for data processing and analysis pertaining to the research outcomes derived by the author concerning the research subject, aiming to elucidate the inquiries formulated in relation to the research problem.

CHAPTER V CONCLUSIONS AND SUGGESTIONS

Chapter five presents the conclusions drawn from the previous research and includes recommendations provided by the author that are expected to be beneficial for both the research subject and other relevant parties.

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