

CHAPTER I

INTRODUCTION

1.1 Object Overview

1.1.1 Company Profile

Maybelline is a global cosmetics brand that was first founded by T.L. Williams in 1915 in New York City, USA. Founded in 1917 by Tom Lyle Williams, Maybelline New York originated as a family-owned business and quickly grew to become a leading global cosmetics brand. Inspired by his sister Mabel's use of a homemade formula to darken her lashes, Williams created the first modern mascara, naming the company after his sister and the product's main ingredient, Vaseline. This invention marked the beginning of a brand that would continue innovating beauty products over the next century (L'Oréal, 2024).



Figure 1.1 Maybelline's Logo

Source: Maybelline (2024)

The figure above is the logo of the Maybelline New York company. Maybelline is available in over 120 countries worldwide, making it the top cosmetics brand globally according to Euromonitor International Limited. The brand has localized its marketing strategies to cater to different cultural and regional preferences, making it one of the most recognizable and beloved beauty brands worldwide. In Asia, Maybelline has gained significant market share, particularly in countries like Indonesia, India, China, and Japan, by introducing products tailored to the region's beauty trends (L'Oréal, 2024). Maybelline was present in Indonesia in the early 2000s. At that time, Maybelline brought various beauty products such as lipsticks to mascaras to the local Indonesian market (Putri, 2021).

1.1.2 Vision and Mission:

Vision:

To be a leading global cosmetics brand that inspires and empowers women around the world through high-quality beauty products. This vision also includes sustainability and inclusivity, while addressing the diverse trends and needs of consumers.

Mission:

- **Providing High-Quality and Affordable Products**

Maybelline is committed to providing innovative beauty products that are accessible to all at affordable prices without sacrificing quality.

- **Encouraging Self-Confidence and Self-Expression**

Through a variety of cosmetic products, Maybelline empowers women to express themselves and feel confident in every occasion.

- **Prioritizing Inclusivity**

Maybelline provides a variety of shades and products that cover a variety of skin types and styles, so that it can meet the needs of consumers from diverse backgrounds.

- **Implementing Innovation and Sustainability**

Maybelline continues to innovate in product formulations and packaging should adopt a more environmentally sustainable approach, in accordance with initiatives for better sustainability.

1.1.3 Product

Maybelline New York presents various products that are divided into several categories, including:

Table 1. 1 Product Maybelline New York

No	Categories	Products
1	Eyes	Mascara, brow, eyeliner, and eyeshadow.
2	Face	Foundation, Concealer, and blush.
3	Lips	Lipcream, Lipgloss, and Lipstick.

Source: Maybelline (2024)

These categories can be found on the first page of Maybelline New York's official website.

1.2 Research Background

The development of digital technology and increased internet access has a significant impact on consumer interaction with brands, especially in the beauty sector. Widespread internet access in Indonesia provides significant opportunities for the industry to utilize digital platforms to reach consumers (Lina et al., 2023). Based on data from Goodstats (2024) in the figure below, every year the number of internet consumers in Indonesia experiences a substantial increase from 2018 to 2024. The number of internet consumers reached 185.3 million as of January 2024, with 98.9% of them accessing the internet through their mobile devices (Rizti, 2024). This figure confirms that Indonesians are now increasingly digitally connected, which has a direct impact on changes in consumption behavior patterns.

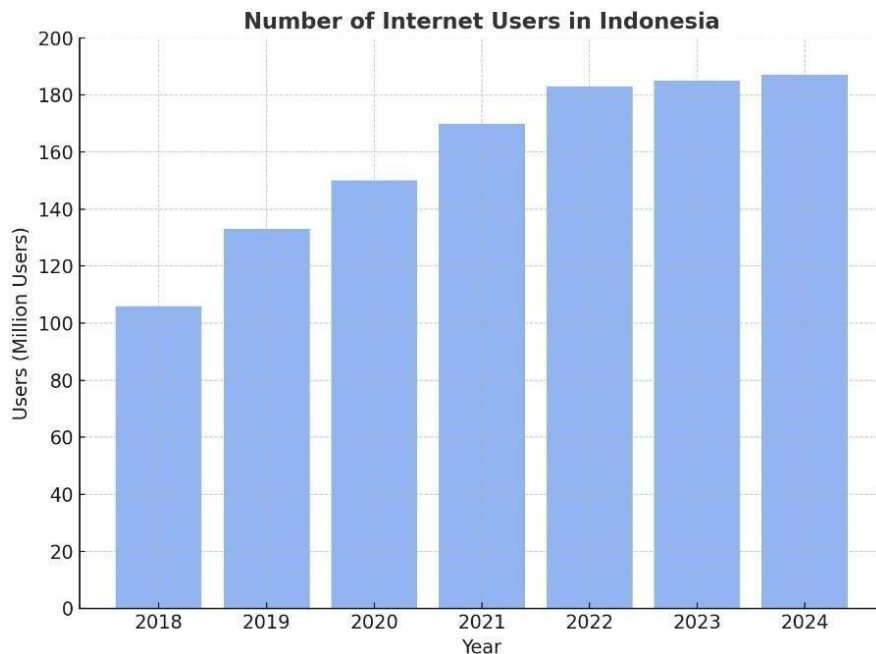


Figure 1. 2 Number of Internet User in Indonesia

Source: Goodstats (2024)

The internet has successfully facilitated business growth and new habits that are important for company sustainability (Rachmawati & Damayanti, 2022).

One of the phenomena that has emerged due to this digital development is Electronic Word of Mouth (e-WOM). Unlike traditional marketing, e-WOM allowing consumers to communicate their experiences directly through social media, reviews on e-commerce, blogs, and videos on platforms such as TikTok and YouTube (Cao et al., 2018; as cited in Verma & Dewani, 2021). According to Rahmah & Supriyono, (2022), e- WOM is a form of online communication that reflects consumers' experience of a product or service. This form of communication is now one of the main sources of information that consumers trust before forming their purchase intentions. This phenomenon is even more striking in a digital world full of beauty product reviews, recommendations, and testimonials.

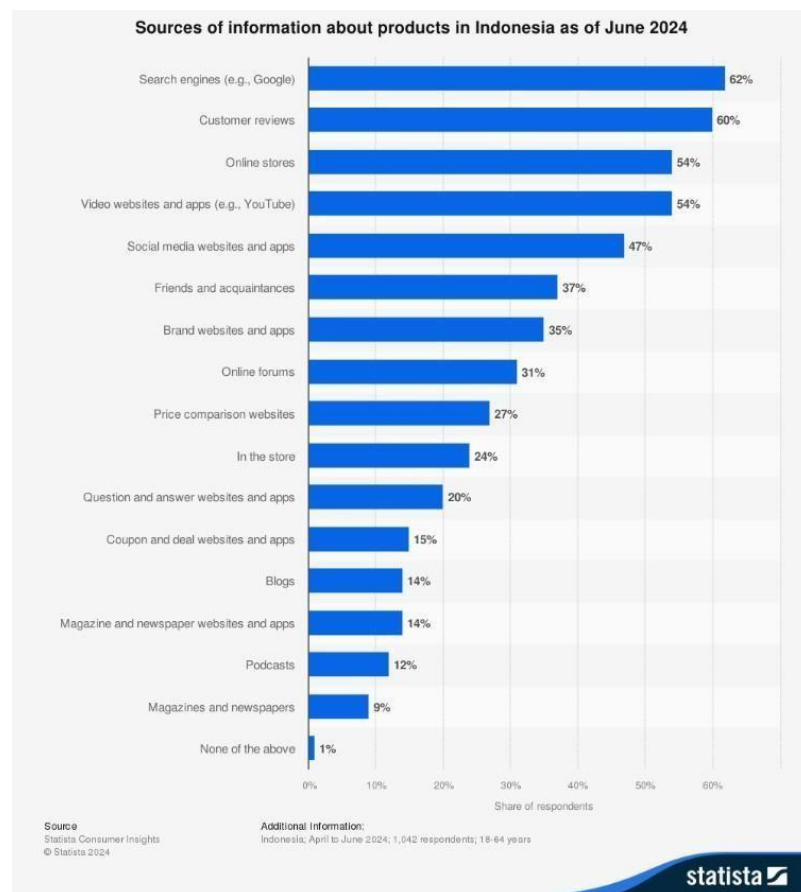


Figure 1. 3 Sources of Information about product in Indonesia

Source: Statista (2024)

The Statista survey (2024) in figure 1.3 reinforces this phenomenon by

showing that 60% of Indonesian consumers depend on customer reviews as a primary source of information before making a purchase, placing it second only to search engines (62%). This fact confirms that the power of e-WOM is now an important pillar in the purchase consideration process. In addition, 54% of respondents seek information through videos on platforms such as YouTube - which often feature reviews from beauty influencers. Meanwhile, 47% of respondents admitted to using social media such as Instagram and TikTok as a source of reference. In addition to serving as a source of information, these platforms also influence consumer preferences when choosing products to buy. With the expanding role of e-WOM, the influence of reviews and recommendations on digital media is getting stronger in shaping consumer purchase intentions in the current era.

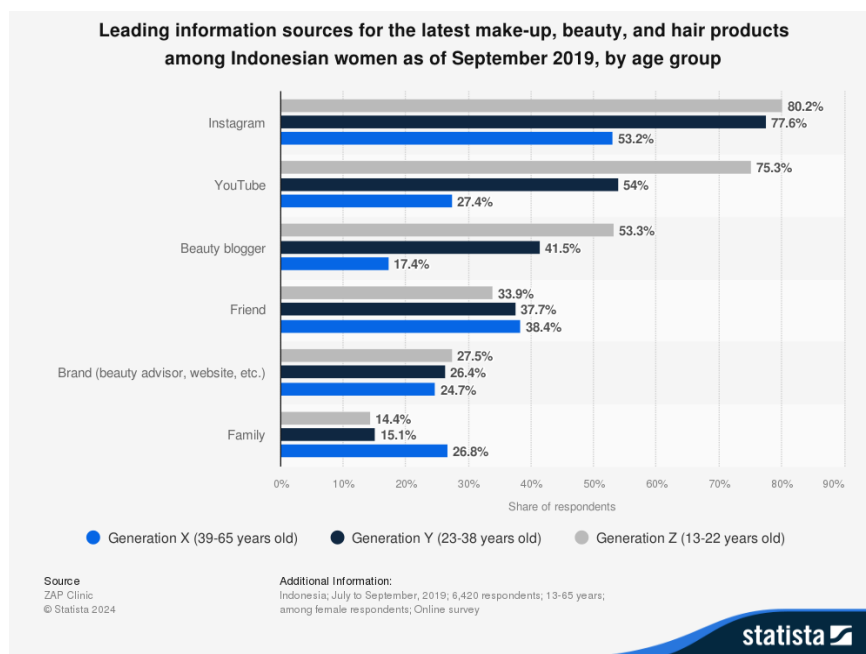


Figure 1. 4 The leading source of information on the latest makeup, beauty and hair products among Indonesian women.

Source: Statista (2023)

Further support is seen in the ZAP Clinic (2019) survey in figure 1.4, which states that social media, especially Instagram, is the main source for Indonesian women in finding information on the latest beauty products. As many as 80.2% of Generation Z, 77.6% of Generation Y, and 53.2% of Generation X women

stated that they rely on Instagram for information related to makeup, beauty, and hair care. YouTube also occupies a strategic position with 75.3% of Gen Z respondents using the platform to watch product reviews. In fact, beauty bloggers and recommendations from friends were listed as quite influential sources in shaping consumers' views. This finding confirms that e-WOM spread across social media and video channels is key in the consideration process before consumers have purchase intentions towards beauty products. In addition, social media empowers users to create and share their own content, including photos and videos, further expanding the reach of e-WOM (Ngo et al., 2024).

In the beauty industry, the role of e-WOM is very significant. Cosmetic products are personal and closely related to individual preferences, so consumers tend to seek validation from the experiences of others before determining their purchase intention. Putri & Nofri, (2023) stated that e-WOM in the form of testimonials and positive reviews can influence purchase intention directly or indirectly. Therefore, many beauty brands are now actively managing e-WOM by involving influencers, creating interactive content, and encouraging positive reviews from users. Purwianti et al., (2022) stated that this phenomenon has an impact on individuals who previously did not know a product to become more familiar with the product.

The beauty industry in Indonesia also shows a very promising performance. Deputy Minister of Industry, Faisol Riza, revealed that the value of this industry reached 8.09 billion US dollars in 2023 and is expected to increase to 9.17 billion US dollars in 2024 (Beauty Science Tech 2024, Jakarta) (Tashandra, 2024). Meanwhile, globally it is expected to reach USD 473.21 billion by 2028 with an average growth of 5.5 percent per year. The massive development of e-commerce in Indonesia has driven a rapid increase in sales of personal care and cosmetic products in recent years (Inang & Gewati, 2024). This surge reflects the growing enthusiasm of the domestic market, driven by shifts in consumer behavior that have resulted in greater dependence on digital platforms for the discovery and purchase of beauty products.

One brand that successfully utilizes the power of e-WOM is Maybelline. The following data shows Maybelline's position in e-commerce sales that outperforms other local brands.

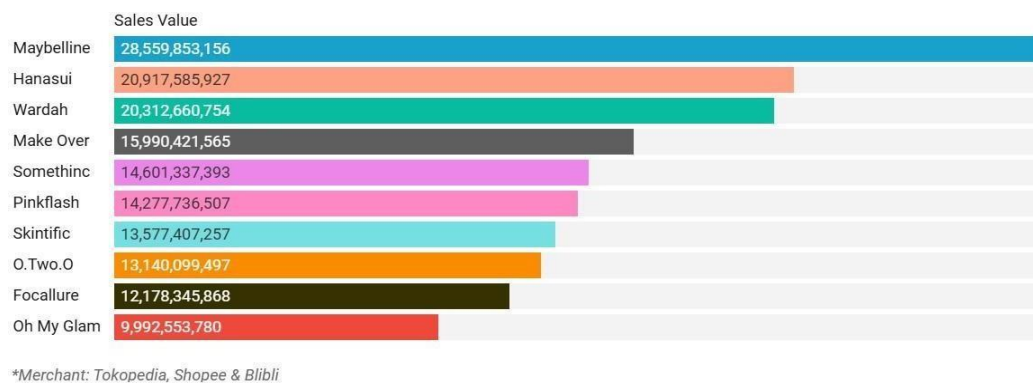


Figure 1. 5 Top 10 Brand Sales in 2024

Source: Kompas (2024)

According to Kompas (2024), Maybelline took first place with the largest sales in e-commerce in 2024, recording a total sales value of Rp28.5 billion. This figure outperforms local brands such as Hanasui and Wardah, confirming Maybelline's dominance in the Indonesian digital market (Cemara, 2023). This success is largely due to the brand's ability to offer high-quality beauty products at affordable prices, making it a top choice for women. Maybelline consistently utilizes social media platforms such as Instagram, TikTok, and YouTube to market its latest products. In addition, the brand also collaborates with various beauty influencers and famous celebrities to promote its products in an authentic and engaging way (Shastri, 2023). This achievement not only demonstrates the brand's strength in winning over local consumers but also illustrates how the integration of digital and e-WOM strategies can drive significant business growth in the Indonesian cosmetics industry.



Figure 1. 6 Beauty influencers on TikTok reviewing products from Maybelline

Source: Tiktok (2024)

Figure 1.6 shows several beauty influencers on TikTok reviewing products from Maybelline while recommending them to their audience. Influencers such as Tasya Farasya and other beauty creators actively share product review videos such as Maybelline Super Stay Matte Ink and Maybelline Lumi Matte Foundation. These videos are able to attract thousands to hundreds of thousands of viewers, as seen from one of Tasya farasya's shows that reached 135.6 thousand likes and 774 comments in one content. Through direct visualization of the texture, color, and finish of the product, these influencers not only provide information, but also shape positive perceptions that drive consumer buying interest. When an influencer promotes a product, it provides social validation and increases consumer confidence to try the product as (Shastri, 2023). These influencer endorsements provide social proof that strengthens brand integrity, as consumers see that the product is authentically recommended by a credible figure. These reviews become a modern form of e-WOM that is

highly effective in driving purchase decisions, especially among social media users. Furthermore, there are also several reviews from consumers who buy Maybelline products through Shopee:

Table 1. 2 Reviews on Maybelline's Shopee about its products

rasmi_ammi ★★★★★ Repeat Purchase Variation: 80 RULER, 205 ASSERTIVE, 115 founders... Ori, I recommend this... it lasts all day, you won't be ashamed of the lipstick disappearing when you eat outside Durability: long Texture: solid 	Product Ratings Shop Reviews r*****8 ★★★★★ Variation: 380 NEW ENCHANTER This is the first time I bought this product, even though it's been a long time in the video.. the color is really good, I don't regret it.. waiting for the promo to buy another color, sent in a sealed condition and the expy is far.. It smells good.. you get the bonus remover too.. it's great.. thanks.. 
Variation: 15 PEACHY I've bought this many times. No one is disappointed because the colors are all beautiful 😊 Come on, if you need a long lasting liquid lipstick, glossy & beautiful color", just buy this superstay vinyl ink, you won't regret it. ✨ ✨ ✨ 	nindya.as ★★★★★ Variation: WATERPROOF MASCARA It's really bad that the taper and waterproof are really good!!! You don't have to think anymore to buy cake products like this. Check out right away!! I swear you won't regret it!! Texture: okay Performance: okay Suitable For: Everyone 
n*****s ★★★★★ Variation: WATERPROOF MASCARA Doesn't match the original Convenience of applicator: bent applicator, can't be used, clumps, when I try to use it it doesn't even hit my eyelashes, so it's random 	elysk ★★★★★ Variation: 15 PEACHY It's been after 15 minutes but the lips are not dry yet and are still very sticky, even drinking on a glass makes the lipstick stick to the glass, even though it's superstay but the lipstick has disappeared in 3 hours on the lips, this time I'm really disappointed with maybelline 

Source: Maybelline's Shopee (2024)

Ratings on Shopee official Maybelline provide an overview of consumer

shopping experience based on product reviews, after-sales service and product delivery performance. Based on data presented in Table 1.2, Maybelline's best-selling product, lipstick, received an average rating of 4.9 stars with more than 2.1 million reviews. A total of 1.9 million reviews gave a five-star rating with positive comments on color, pigmentation, and comfort of use. Meanwhile, a small number of reviews with lower ratings indicate the different perceptions of some consumers. The following presents data on Maybelline's position based on the results of the Top Brand Index survey in 2024.

Table 1. 3 Top Brand Index for Cosmetics Category 2024

TBI	Categories			
	Mascara		Lipstick	
1	Maybelline 35.30%		Wardah	22.40%
2	La Tulipe	14.40%	Maybelline 19.30%	
3	Wardah	13.30%	Caring	4.20%
4	Loreal	8.00%	Revlon	4.20%
5	Mirabela	5.40%	Pixy	4.10%

Source: Top Brand Award (2024)

In addition, Maybelline's brand performance has also proven to be strong nationally, as seen from its position in table 1.3 as first in the Mascara category (35.30%) and second in the Lipstick category (19.30%) in the Top Brand Index 2024 (Top Brand, 2024). Brand image in the minds of consumers is heavily influenced by opinions spread through online reviews (Prihananto et al., 2024). This positive perception ultimately fosters trust in the brand, which has implications for increasing purchase intention (Sari et al., 2024). The emergence of some reviews with low ratings is more reflective of the dynamics of consumer perceptions that naturally occur in the mass market, without shaking the dominance of the Maybelline brand in the Indonesian cosmetics market. This shows that the strength of Maybelline's brand image and brand integrity can reduce the negative impact of these reviews, thus maintaining consumer purchase intentions. In other words, this study chose to focus on the Maybelline brand, not solely on the product quality aspect.

Maybelline showed strong performance in the final quarter of 2024 to early 2025. Its products, such as SuperStay Matte Ink, Sky High Waterproof Mascara, and Fit Me Foundation, continue to be the top choices of consumers across various e-commerce channels. These three products not only recorded high sales figures, but also received many positive reviews, and are often recommended by beauty enthusiasts and content creators on platforms such as TikTok and Instagram. This success was also driven by a consistent digital strategy, ranging from collaborations with influencers to aggressive promotional campaigns.

However, despite Maybelline's stable digital performance, recent data indicates a shift in market power in the online cosmetics industry, as shown in Figure 1.7.

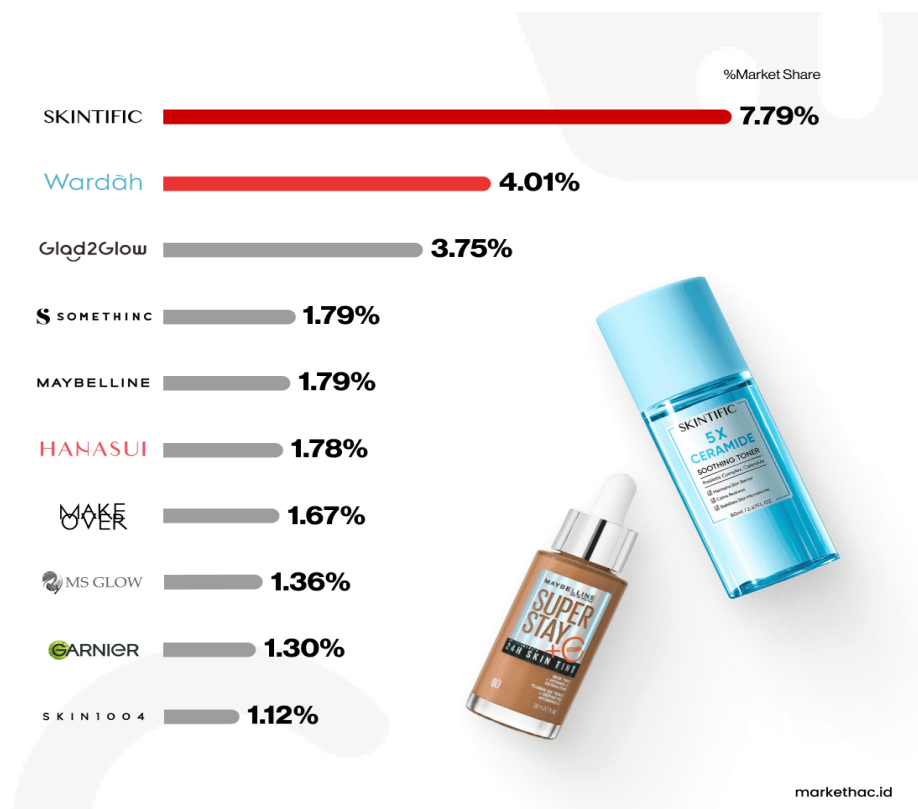


Figure 1. 7 Maybelline vs Competitor

Source: Markethac (2025)

According to a report by MarketHac (2025), Maybelline only occupies the fifth position in e-commerce competition with a market share of 1.79%, on par with Somethinc and below brands such as Skintific (7.79%), Wardah (4.01%),

and Glad2Glow (3.75%). This suggests that Maybelline's dominance in the digital market is being eroded by competitors that are more adaptive to consumer trends, especially in utilizing e-WOM and social media.

This finding reinforces the urgency of research on the influence of e-WOM on Maybelline consumers' purchase intention. Although Maybelline is a big brand globally, the reality in the local market shows that the strength of the brand is no longer a guarantee of success. The influence of e-WOM on brand image and brand integrity is an important key in maintaining brand position during increasingly fierce competition, especially from local brands that are more agile in shaping perceptions through social media.

Many studies have examined the impact of electronic word of mouth (e-WOM) on purchase intention, one of which is by Boateng (2021), which focuses on the cosmetics industry. The findings show that e-WOM has a significant impact on purchasing behavior, with brand image and brand integrity acting as mediators. This suggests that consumers' perceptions and levels of trust in products are strongly influenced by the quality of information available online.

However, the study did not focus on one particular brand, so it did not capture in depth how consumer perceptions are formed towards individual brands in the midst of intense market competition. In addition, Boateng only involved respondents from Generation Z, while in today's digital context, cosmetic product purchasing decisions also involve other generations such as millennials and even Gen X.

Based on this background, this research is here to fill the gap by examining the effect of e-WOM on purchase intention directly or indirectly through brand image and brand integrity, specifically on Maybelline Cosmetics products, and by involving respondents from various generations. So that it is expected to make a strategic contribution to Maybelline in understanding more deeply the influence of e-WOM on consumer decisions. The results of this study can also be used to formulate more effective communication strategies in building trust, strengthening positive brand perceptions, and maintaining competitiveness in

the digital market.

1.3 Problem Formulation

As Indonesia's cosmetics industry expands rapidly, the value of the cosmetics market will reach 9.17 billion USD by 2024 and continue to increase in the following years (Tashandra, 2024). This phenomenon encourages major brands, including Maybelline, to utilize the potential of digital marketing such as social media and e-commerce platforms. One of the key strategies in digital marketing is e-WOM, which is considered effective in moulding users perceptions and purchase intentions, especially among active social media users. Although Maybelline has led the online sales of cosmetic products, the presence of negative reviews and competition with local brands remains a challenge to overcome. Therefore, it is important for companies to understand how e-WOM affects brand image and integrity which ultimately impacts consumer purchase intention. This research can serve as a strategic basis in designing more effective digital marketing communications.

There is a critical need to further examine the relationship mechanisms between e-WOM, brand image, brand integrity, and purchase intention, particularly in the context of the cosmetics industry in Indonesia. Although many studies have addressed e-WOM, most still focus on the tourism industry, electronics, or samples from western countries with different consumer characteristics. There is a lack of research investigating the impact of e-WOM on purchase intention and how e- WOM shapes brand image and brand integrity, especially in the context of a global cosmetics brand such as Maybelline. This research also enriches the development of Signaling Theory in digital marketing literature and consumer behavior studies in the social media era.

The following are the strategically organized questions used by the author in this study:

1. Does brand integrity have a positive and significant impact on consumer purchase intention for Maybelline cosmetics?

2. Does brand image have a positive and significant impact on consumer purchase intention for Maybelline cosmetics?
3. Does brand image have a positive and significant impact on brand integrity for Maybelline cosmetics?
4. Does e-WOM have a positive and significant impact on brand integrity for Maybelline cosmetics?
5. Does e-WOM have a positive and significant impact on consumer purchase intention for Maybelline cosmetics?
6. Does e-WOM have a positive and significant impact on brand image for Maybelline cosmetics?
7. Does brand image mediate the effect of e-WOM on consumer purchase intention for Maybelline cosmetics?
8. Does brand integrity mediate the effect of e-WOM on consumer purchase intention for Maybelline cosmetics?
9. Do brand image and brand integrity mediate the impact of e-WOM on consumer purchase intention for Maybelline cosmetics?

1.4 Research Objectives

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

1. To analyze the positive and significant impact of brand integrity on consumer purchase intention for Maybelline cosmetics.
2. To evaluate the positive and significant impact of brand image on consumer purchase intention for Maybelline cosmetics.
3. To assess the positive and significant impact of brand image on brand integrity for Maybelline cosmetics.
4. To examine the positive and significant impact of e-WOM on brand integrity for Maybelline cosmetics.
5. To determine the positive and significant impact of e-WOM on consumer purchase intention for Maybelline cosmetics.
6. To evaluate the positive and significant impact of e-WOM on brand image

for Maybelline cosmetics.

7. To analyze the mediating role of brand image in the relationship between e-WOM and consumer purchase intention for Maybelline cosmetics.
8. To examine the mediating role of brand integrity in the relationship between e- WOM and consumer purchase intention for Maybelline cosmetics.
9. To investigate the combined mediating roles of brand image and brand integrity in the relationship between e-WOM and consumer purchase intention for Maybelline cosmetics.

1.5 Research Benefits

a. Theoretical Benefits

In the context of the cosmetics industry, this study aims to deepen the understanding of how Electronic Word of Mouth (e-WOM) influences consumer purchase intentions by examining the mediating roles of brand integrity and brand image. This research is expected to add insights related to digital marketing and consumer behavior. This research is also expected to open opportunities for further research on the influence of e-WOM in various market segments and industries.

b. Practical Benefits

This study is expected to help Maybelline and other cosmetic businesses in formulating more successful marketing tactics. By understanding the impact of electronic word-of-mouth, brand image, and brand integrity, brands can increase consumer trust and purchase intentions. The results of this study can assist brands in utilizing social media and influencers to increase sales and consumer engagement.

1.6 Systematics of Final Project Writing

A systematic concise step-by-step explanation on the mini thesis report consisting of Chapter I to Chapter V in the research report.

a. CHAPTER I INTRODUCTION

This chapter provides a clear and succinct overview that precisely outlines the

contents of the research. It includes the following sections: General Description of the Research Object, Research Background, Problem Formulation, Research Objectives, Research Benefits, and the Systematics of the Final Project Writing.

b. CHAPTER II LITERATURE REVIEW

Here theories are organized systematically from general to specific by reviewing the results of previous research and finally designed in a research framework that allows the formulation of hypotheses if needed.

c. CHAPTER III RESEARCH METHODS

Chapter three explains the research methods and approaches applied to answer the problem formulation and analyze the data. It includes research design, operationalization of variables, determination of population and sampling techniques (for quantitative research) or social context (in qualitative research), data collection techniques, validity and reliability testing, and methods used in data analysis.

d. CHAPTER IV RESEARCH RESULTS AND DISCUSSION

This chapter is structured systematically to align with the problem formulation and research objectives, with each section presented under distinct subheadings. First outlines the research findings, while the second offers an in-depth discussion and interpretation of those findings. The discussion begins with data analysis results, followed by interpretations and conclusions. Additionally, comparisons with prior studies or relevant theoretical frameworks are incorporated to strengthen the analysis.

e. CHAPTER V CONCLUSIONS AND SUGGESTIONS

Here the initial research questions are answered along with suggested room for improvements that prove beneficial for the company and research.