

# CHAPTER 1

## INTRODUCTION

### 1.1 Company Name

#### 1.1.1 Sociolla

Sociolla is a trusted start-up and online store in Indonesia that sells skincare beauty products, make-up, health care, and personal care. You could say, Sociolla makes beauty products as its main product. As CEO of Sociolla John Rasjid, Sociolla was founded in March 2015, to run its business Sociolla is built on consumer trust, brands/partners, premium CSR services, and consistency in communicating brand identity. As Co-Founder & CMO of Social Bella, Chrisanti Indiana believes that women should feel confident and comfortable in pursuing a variety of beauty products.

Sociolla now has more than 150 beauty brands and more than 5,000 product options, designed to better serve consumers. Together with co-founders Christopher Madiam and John Rasjid, Sociolla not only meets beauty enthusiasts' needs for beauty products and personal care, but also delivers a fun shopping experience supported by more than hundreds of brands from around the world. Seeing the high demand for beauty and body care products, this is not followed by sufficient availability and the existence of trusted e-commerce platforms.

#### 1.1.2 Vision, Mission, and Company Logo

##### a) Vision

We believe in shaping the future through technology.

##### b) Mission

1. Focusing on women across the country, we believe that everyone should have equal access to share their love of beauty.
2. We connect content, commerce, and community through our various online platforms to complete people's beauty discovery journeys.
3. Born and now growing up in a community, we are encouraged to make beauty more approachable, workable, and attractive.
4. We understand that everyone is uniquely beautiful and we want to be a part of building a better beauty experience.

c) Company Logo



Figure 1.1 Logo Sociolla

Source: Sociolla, (2019)

1.2 Background

In the era of the current development of technology, one of them is information technology is changing very rapidly. This causes the ease of accessing the internet can be connected to many people just by using social media. Since the advent of social media, media as a marketing tool is growing more modern using digital content. It is not uncommon for the emergence of e-commerce through digital content to make buying and selling transactions a culture. E-commerce is a transaction model related to the commercial activity (commerce), be it organizations or individuals based on the processing and transmission of digitized data including text, sound, and visual images. This has changed conventional business patterns to be more modern without removing their essence. Here is the statistical data of social media users in Indonesia:

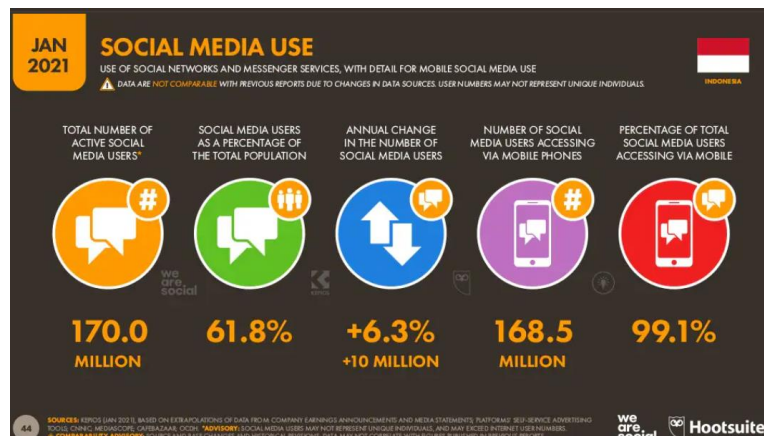


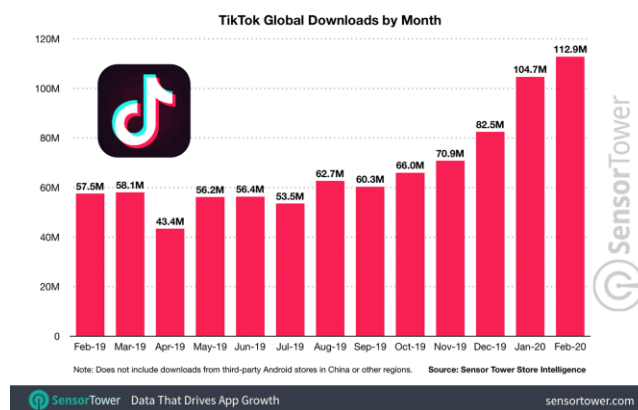
Figure 1.2 SocialMedia Use Jan 2021

Source: Wearesocial.com (Hootsuite)

Based on the data above, it shows that there were around 170.0 million social media users in Indonesia in January 2021 and the number of social media users increased by around 10 million or 6.3% between 2020 and 2021. And the total population in Indonesia is equivalent to media users. which reached 61.8% in January 2021.

In this study, the author focuses on one of the social media, namely Tiktok. TikTok is a video network service developed by the Chinese company ByteDance. Used as a medium for channeling hobbies and creativity by making short videos from various genres such as dance, comedy, and education. Tiktok was founded in 2016 and is headquartered in Los Angeles, California. Inside the Tiktok application there is a For You or FYP page, where this page is the initial display of the application that displays various content on Tiktok. On this page, users will be presented with various content even if they do not follow the account. Reporting from Liputan6.com, Tiktok was blocked by the Ministry of Communication and Information (Kemkominfo) in 2018, because there was negative content in the form. Until finally the Indonesian government had to block Tiktok. After the content is confirmed to be clean, Tiktok can finally be accessed again. In solving the problem, Tiktok has the establishment of a security system and artificial intelligence will be carried out to help filter out negative content on the Tiktok platform.

Tiktok was downloaded more than 104 million times on Apple's App store during the first half of 2018 according to data provided to CNBC by Sensor Tower. According to Google Trends data, this shows that public interest in Tiktok is growing and could grow significantly over the past year.



**Figure 1.3 Global Tiktok Users**

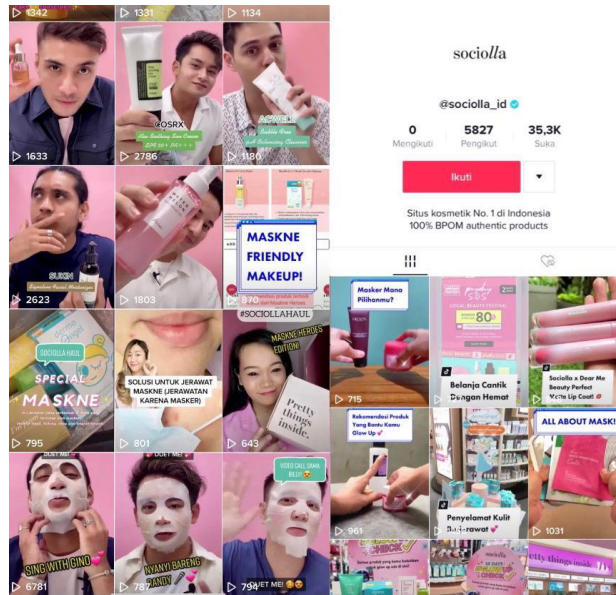
Source: Sensortower.com

The Corona virus has forced people to stay at home to carry out social restrictions. These restrictions have resulted in increased use of social media including TikTok. TikTok is currently one of the most widely used social media platforms for digital marketing. In addition to the integrated connectivity between the internet and social networks, it makes it easier for consumers to find out products or needs in online stores, plus using influencers to content creators as promotional media to attract users' buying interest.

When uploading a video on TikTok, it will be distributed to a small audience. That is, the content will go viral if it appears on the pages of a large number of users. The content that appears on this page is not based on novelty but follows the preferences of its users. For example, users who like educational content will most likely be given similar content over and over again. Not only that, many factors affect page views for each user, including user interaction. According to TikTok Indonesia's Head of Public Policy, Donny Eryasta, generation Z and generation Y dominate as TikTok social media users.

The development of digital marketing indirectly creates a great opportunity to market a brand or product that can reach consumers and even interact directly with consumers. Marketers will always be required to develop with the times, currently marketing strategies through digital platforms or social media can influence someone in making purchasing decisions (Mulyansyah & Sulistyowati, 2020).

The trend that is currently popular on TikTok is video unboxing, which is a video that opens the package when reviewing a product after shopping online for consumers or potential customers, online consumer reviews are very useful to help consumers make purchasing decisions. One example of e-commerce that has been widely reviewed is Sociolla.



**Figure 1.4 Sociolla Account on Tiktok**

Source: Author's own results

The data above shows the number of followers on the @sociolla account on Tiktok which reaches 5,827 followers. The number of followers on the @sociolla account, not just following but wanting to see how social media marketing from the @sociolla account has a big enough impact. How Sociolla attracts consumers' attention by displaying an unboxing haul and hashtags.

The beauty industry has proven to be one of the sectors that was able to survive well during the pandemic, one of which, Sociolla. This prompted an increase in transactions by up to 50%, according to the Co-Founder and CEO of Sociolla, this was due to changes in consumer behavior that caused more and more people to make purchases online (according to WE Online, Jakarta).

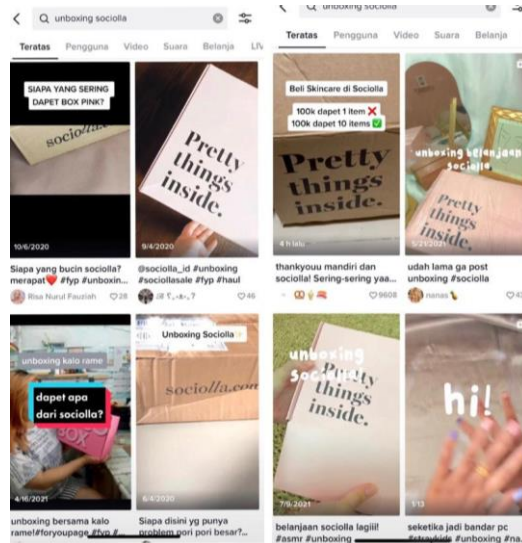
Sociolla is one of the players in the e-commerce industry with the highest number of visitors in Indonesia. Sociolla also appears as a major distributor of several foreign beauty products. This can be seen from the Tikok account @sociolla which seems to always share his posts.



**Figure 1.5 Response by account @sociolla**

Source: account sociolla on Tiktok

Service to customers is no less important factor for buyers to be comfortable buying beauty products. As a form of service to customers, Sociolla serves consumer questions with a fast response and provides a platform for customers or prospective customers to write reviews or ask questions through the comment forum on the sociolla tiktok account so that consumers will feel more comfortable in shopping. Sociolla guarantees that the quality of the beauty products offered are of premium quality to consumers throughout Indonesia, Sociolla also ensures that every product from Sociolla is an original product certified by the Food and Drug Supervisory Agency (BPOM) so that consumers are guaranteed to avoid fake or imitation products (<https://www.sociolla.com/content/4-about-us>, accessed on 18/12/19).



**Figure 1.6 Sociolla's Unboxing and Hashtag Trends**

Source: Author's own results

The picture above shows that people's greatest enthusiasm is in the field of beauty. By using hashtags and unboxing, Instantly, becomes an effective marketer without having to pay influencers or affiliate marketers to endorse. The high interest of users in the beauty sector is evidenced by the large number of viewers and likes to search for beauty brand videos on the Tiktok platform. The activities carried out by Influencers in promoting products are not only by reviewing messages about product advantages, but also testing a product and not being long-winded so that how the advantages and disadvantages of the product can be known by consumers directly and in real terms (marketeer.com, 2017).



**Figure 1.7 Top e- Commerce in Indonesia Q1 2020**

Source: data.tempo.co

The image data above shows some popular e-commerce in Indonesia. According to the Statista report, the most visited e-commerce site is Shopee, which ranks first with 71.53 million clicks per month in the first quarter of 2020. Tokopedia is in second place with 69.8 million clicks per month during the first quarter of 2020. Bukalapak is in third position with 37.63 million clicks per month, Lazada Indonesia gets 24.4 million clicks per month and Blibli gets 17.6 million clicks per month. Meanwhile JD.id, Orami, Bhinneka, Sociolla, and Zalora Indonesia received less than 7 million clicks per month during the first quarter of 2020.

This is a great opportunity for business owners who offer consumers the convenience of selling their products through social media. In digital advertising, we often get social ads after searching for beauty products in search engines. This ad is intended for people looking for similar products sold on the Sociolla website. Apart from search engines, there are also display ads as well as digital ads by Sociolla.

In promoting, Sociolla once held a Beauty Fit n Fab Run event in 2019. Beauty Fit n Fab Run is a running event organized by Sociolla in collaboration with Beauty Journal and SoCo. This event which combines health and beauty is the first event to be held in Indonesia. Sociolla hopes that this event can improve relationships with customers or potential customers, improve brand image and create more value in the community where Sociolla participates and cares about the importance of health and beauty for Indonesian people.

With the tagline “your online beauty destination”, the Beauty Journal web page seems to be proof of how Sociolla wants to be an online destination for Indonesian consumers who care about beauty by providing various content about beauty products themselves. According to the Director of Information Empowerment, Directorate General of Informatics Applications, Ministry of Communication and Informatics, Septriana Tangkary stated that the growth in the value of e-commerce in Indonesia reached 78%, the highest in the world and was ranked 1st (<https://kominformasi.go.id>). This is also supported by WeAreSocial.com survey data which states that the potential for electronic commerce in Indonesia increased to 40% in December 2017. This figure shows that many people in Indonesia are shopping online.

This is a great opportunity for business owners who offer convenience to consumers to sell their products through social media. One of the habits that consumers have is wanting to get products quickly, practically, and also at low prices. The more



business people engaged in similar business fields, the more difficult it is to make it difficult for people to choose products with their needs. One of the things that can be done by business actors to distinguish their products from competitors' products is through brands (Octavianti,2012). Therefore, an approach to consumers is needed through efforts to build brand awareness. Good communication can help foster optimal brand awareness. One form of good communication can be realized with advertising activities through social media.

According to Kotler and Keller (2016), SocialMedia is a medium used by users to share text, images, sounds, and also information videos both with others and for companies. Advertising is used as a means to help effective marketing in establishing communication between companies and consumers to establish brand awareness. In addition, the promotion also plays a role in the formation of brand awareness (brand awareness).

Brand awareness is the first step to building a product brand. According to Shimp (2010), Brand Awareness is the ability of a brand to come to the minds of consumers when they are thinking about a particular product category and how easily the name appears, furthermore, brand awareness is a basic dimension in a brand equity. Increased brand awareness is one of the outputs targeted by marketers.

From the description above, it can be seen that social media can strengthen brand awareness and buying interest in a brand. Coupled with the trend of unboxing and hashtags that are often used to search. The phenomenon that occurs explains Tiktok as a medium for sharing short videos by presenting entertainment from various genres. The available features are also very supportive as a promotional medium in doing business, especially during the current pandemic, many people spend time at home so that the intensity of the internet is also increasing.

In addition, it can be proven by the number of brands/companies that use influencers in their business to endorse which are starting to appear. Utilizing Tiktok in business will be more effective because indirectly the influencer's fan base will be influenced to play Tiktok, not to mention viral moments for the product. No wonder the use of digital content is the most effective place to reach the market.

To strengthen this study, researchers pre-surveyed 35 people using Tiktok and Sociolla.

**Table 1.1 Social Media Marketing Pre-Survey Results**

No.	Statement	Answer			
		Yes	Percentage	No.	Percentage
1.	The presence of content on Tiktok makes it easier for me to find information on a product that I need	34	97,1%	1	2,9%
2.	I always look for product information through Tiktok social media	24	68,6%	11	31,4%
3.	Tiktok provides complete and interesting information	32	91,4%	3	8,6%
4.	Having reviews, feedback and testimonials on Tiktok helps me increase my buying interest	35	100%	0	0%

Source: Author's own results

The table above is the result of a pre-survey of Social Media Marketing variables to 35 respondents. Based on the data above, respondents stated the following:

1. A total of 34 respondents with a percentage of 97.1% expressed "yes" or agreed that the existence of content on Tiktok makes it easier for respondents to find information on a product that respondents need.
2. A total of 24 respondents with a percentage of 68.6% expressed "yes" or agreed that respondents always look for information on a product through Tiktok social media.
3. A total of 32 respondents with a percentage of 91.4% expressed "yes" or agreed that Tiktok provides complete and interesting information.
4. A total of 35 respondents with a percentage of 100% expressed "yes" or agreed that the existence of reviews, feedback, and testimonials on Tiktok helped me in increasing buying interest.

From the four points above, it can be concluded that respondents do not always look for the information they need through the Tiktok application but from other social media. According to consumers, the content provided by Sosiolla on their tiktok accounts is less attractive, so few consumers are interested in finding information on Tiktok.

**Table 1.2 Brand Awareness Pre-Survey Results**

No.	Statement	Answer			
		Yes	Percentage	No.	Percentage
1	Sociolla is an easily recognizable e-commerce	30	85,7%	5	14,3%
2	I can easily distinguish the characteristics of Sociolla from other e-commerce	32	91,4%	3	8,6%
3	The first e-commerce beauty product that came to my mind was "Sociolla"	25	71,4%	10	28,6%
4	I buy products at Sociolla because of the quality and guaranteed authenticity of the products	31	88,6%	4	11,4%
5	I will make a repeat purchase if the product I have is out of stock at Sociolla	25	71,4%	10	28,6%

Source: Author's own results

The table above is the result of a pre-survey of Brand Awareness variables to 35 respondents. Based on the data above, respondents stated the following:

1. A total of 30 respondents with a percentage of 85.7% expressed "yes" or agreed that Sociolla is an easy to recognize e-commerce.
2. A total of 32 respondents with a percentage of 88.6% stated "yes" or agreed that respondents could easily distinguish sociolla characteristics from other e-commerce.
3. A total of 25 respondents with a percentage of 71.4% expressed "yes" or agreed that E-commerce beauty products that appeared on the first responder's mind were Sociolla.

4. A total of 31 respondents with a percentage of 88.6% stated "yes" or agreed that respondents bought products in Sociolla because of the quality and guaranteed authenticity of their products.
5. A total of 25 respondents with a percentage of 71.4% said "yes" or agreed that respondents would repurchase if the product I had was exhausted at Sociolla. From the five points of the statement above it can be concluded that Sociolla's Brand Awareness already looks good by respondents.

From the four points above, it can be concluded that Sociolla is not completely good when respondents want to shop for beauty products, because it has not been the first choice that comes to the minds of respondents. According to respondents, many other e-commerce can be remembered first.

**Table 1.3 Purchase Interest Pre-Survey Results**

No.	Statement	Answer			
		Yes	Percentage	No	Percentage
1.	I enjoy shopping at Sociolla	29	82,9%	6	17,1%
2.	I will recommend Sociolla to my friends and family	30	85,7%	5	14,3%
3.	I will make Sociolla my top choice in beauty products	22	62,9%	13	37,1%
4.	After reading and finding out accurate information can increase my buying interest	33	94,3%	2	5,7%

Source: Author's own results

The table above is the pre-survey results of Purchase Interest variables to 35 respondents. Based on the data above, respondents stated the following:

1. A total of 29 respondents with a percentage of 82.9% expressed "yes" or agreed that respondents were very happy to shop at Sociolla.
2. A total of 30 respondents with a percentage of 88.6% expressed "yes" or agreed that respondents would recommend Sociolla to friends and family.
3. A total of 22 respondents with a percentage of 71.4% expressed "yes" or agreed that respondents would make Sociolla as the top choice in beauty products.

4. A total of 33 respondents with a percentage of 88.6% expressed "yes" or agreed that after reading and finding out accurate information can increase my buying interest.

From the four points above, it can be concluded that Sociolla is not entirely good because it has not become the main choice for consumers to always shop for beauty products.

According to respondents, the appearance of the site provided by Sociolla is less attractive and less understandable. Previous research related to this is research conducted by Azizah, Lukita (2021) *The Influence of Tiktok Social Media Marketing on Brand Awareness and Interest in Buying Cosmetic Products In Indonesia* that Tiktok social media marketing has a positive influence on brand awareness and interest in buying cosmetic products. Managerial implications are given so that companies or businesses in the field of cosmetics can determine effective steps in using Tiktok as a marketing medium to increase brand awareness and consumer buying interest in cosmetic products.

Katja Hutter, Julia Hutz and Severin Dennhardt of McKinsey & Company, Munich, Germany, titled "The Impact of User Interactions in Social Media on Brand Awareness and Purchase Intention: The Case of MINI on Facebook." This study concluded that the use of Facebook fan pages has a positive effect on brand awareness.

Based on the background of the research that has been outlined, the author is interested in researching by taking the title "The Influence of Social Media Marketing Tiktok on Brand Awareness and Purchase Interest in Sociolla".

### **1.3 Problem Identification**

1. How about Sociolla Social Media Marketing?
2. How about Sociolla Brand Awareness?
3. How about Sociolla Purchase Interest?
4. How does Social Media Marketing Influence Brand Awareness
5. How does Social Media Marketing Influence Sociolla Purchase Interest?
6. How does Brand Awareness Affect Purchase Interest?
7. How does Brand Awareness influence as an Intervening Variable on Social Media Marketing and Purchase Interest?

#### **1.4 Research Objective**

1. To find out Social Media Marketing on Sociolla
2. To find out how Brand Awareness on Sociolla
3. To find out how Purchase Interest on Sociolla
4. To find out the influence of Social Media Marketing on Brand Awareness
5. To find out the influence of Social Media Marketing on Sociolla Purchase Interest
6. To find out the effect of Brand Awareness on Purchase Interest
7. There is the influence of Brand Awareness as a variable Intervening on Social Media Marketing and Purchase Interest relationships

#### **1.5 Advantage of research (theoretical aspect and practical aspect)**

##### **1.5.1 Theoretical Aspect**

The results of this study are expected to be used as information material, and evaluation material in the field of marketing, especially those related to tiktok social media. In addition, this research is expected to be used as reference material for future researchers who conduct research in the same field.

##### **1.5.2 Practical Aspect**

The results of the research are expected to contribute, by looking at the prospects of digital-based marketing activities, given the growing development of digital-based marketing.

#### **1.6 Time and Period of research**

When the research was carried out in June 2021

#### **1.7 Writing System**

The systematics of writing are arranged to provide an overview of the research carried out and to clarify the writing of research results. The systematics of writing this research are as follows:

##### **a. CHAPTER I PRELIMINARY**

In this first chapter, the author describes an overview of the research object, research background, problem formulation, research objectives, research benefits, the scope of research, and systematics of research writing.

##### **b. CHAPTER LITERATURE REVIEW**

In this second chapter, the author describes the theory used as the basis of the research analysis, some previous research relevant to the author's research, and describes the research framework.

**c. CHAPTER III METHODOLOGY**

In this third chapter, the author describes the research methods used, the type of research, the source of research data, the methods of data collection, and the process of data analysis.

**d. CHAPTER IV RESEARCH RESULTS AND DISCUSSION**

In this fourth chapter, the author describes the results of the study with a detailed data analysis of the results of the study using predetermined methods.

**e. CHAPTER V CONCLUSIONS AND SUGGESTIONS**

In this fifth chapter, the author presents relevant conclusions and suggestions from the results of research that has been done as well as suggestions for future research.