

CHAPTER I INTRODUCTION

1.1 Object Overview



Figure 1. 1 Inglot Logo

Source : Inglot.id

Inglot is a cosmetic brand originating from Europe, in Poland to be precise. Inglot was founded in 1983 which was founded by a businessman and scientist named Wotjek. Currently, Inglot has 800 locations spread across more than 80 countries around the world, one of which is in Indonesia. In Indonesia, Inglot is known as O2M Breathable Nail Enamel nail polish which is safe for nail health and has Halal certification from The Muslim League of Poland. Quoted from uploads on the Inglot.id website, Inglot brand is the first brand to issue nail polish with high advanced polymer technology, where the formula ensures oxygen and water particles can penetrate the nail surface. This keeps nails clean and healthy.

1.2 Background

Beauty is very important for all women, the development of the world of beauty is growing. As reported by CNBC Indonesia, BPOM RI noted that the cosmetics industry experienced an increase in the number of companies by up to 20.6%. As many as 819 cosmetic industries have increased to 913 industries from 2021 to July 2022. It is natural for women to always look beautiful and attractive. Therefore they are very happy to take care of their bodies and beautify themselves, including their limbs which are in the hands and feet, namely the nails. Now also present nail polish or what is commonly called halal nail polish with the claim that it can absorb water and air so Muslim women don't have to worry anymore when they want to beautify their

appearance using nail polish. As we know, basically beautifying yourself by coloring your nails is actually not prohibited in Islamic teachings. Provided that the material used in the nail polish is a material that takes into account the requirements of halal in the process of making the product. The presence of Inglot Cosmetics is something that cosmetic lovers in Indonesia have been waiting for. When viewed based on searching for halal nail polish at shopee, Inglot is the first recommendation that appears on the shopee page, meaning that Inglot is sought after so that it is always in the top position and has superior sales compared to other brands.

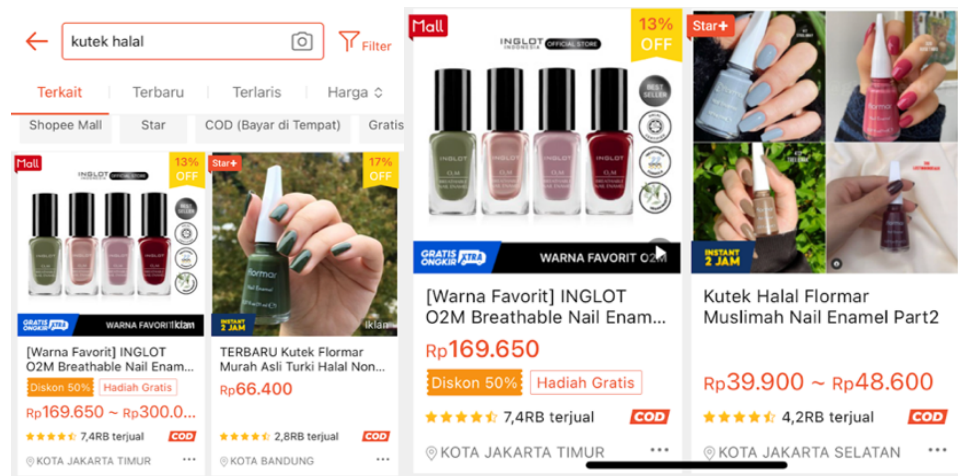


Figure 1. 2 Search For Inglot Halal Nail Polish at Shopee

Source : Shopee, accessed on 26 December 2022, at 23.07 WIB

The Polish brand that was established in 1983 is known in Indonesia as O2M Breathable Nail Enamel nail polish which is safe for nail health and has Halal certification from The Muslim League of Poland. Procurement of halal certification for cosmetic products and other products aims to provide consumers with certainty about the halal status of a product, so as to reassure the minds of Muslim consumers. For Muslims in determining something must be based on predetermined Islamic rules. There are many things about sharia teachings, one of which is in terms of consuming a product.

O2M Breathable Nail Enamel is a nail polish that contains highly advanced polymer ingredients and has a high absorption capacity for water and oxygen so that it

can maintain healthy nails even if it is used repeatedly. Inglot nail polish really makes sure to make products with the best raw materials, cares about the health of its users, cares for the environment with eco-friendly packaging, and has a variety of color choices. With a complete selection of colors offered in its product range, cosmetic lovers in Indonesia want to try this product.

In the upload of the tribunnews.com article (2021), Inglot is known as the first Halal certified nail polish in the world of women's fashion. The halal cosmetic label on a product is one of the criteria that many women are interested in, because it is guaranteed to be safer from the start of the production process, packaging, to halal distribution. Halal cosmetics also means that they are made using clean equipment and must be made with materials that are not harmful to humans.

In the upload of the ideapers.com article (2020), according to business observer, Yuswohady, Indonesia has entered two phases, namely market euphoria in 2010 to 2015 and now entering the sharia deepening phase. The first phase is characterized by the popularity of halal products such as hijab, halal-labeled cosmetics, sharia-labeled travel, and other Muslim-related products. Then in the second phase is the sharia deepening phase or Shariaah Deepening. This phase occurred from 2015 to 2019 which was marked by the awareness of Muslim consumers about halal products. Currently, Muslim consumers are increasingly adhering to the teachings of the Al-Qur'an and Hadith, including when choosing the products to be used.

Quoted from Britannica on detik.com article uploads, Islam is in second place with the most adherents of 1.8 billion followers. Meanwhile, in the upload of the article databoks.katadata.co.id, based on a report by The Royal Islamic Strategic Studies Center (RISSC) or MABDA titled The Muslim 500 2022 edition, there are 231.06 million Indonesians who are Muslims.

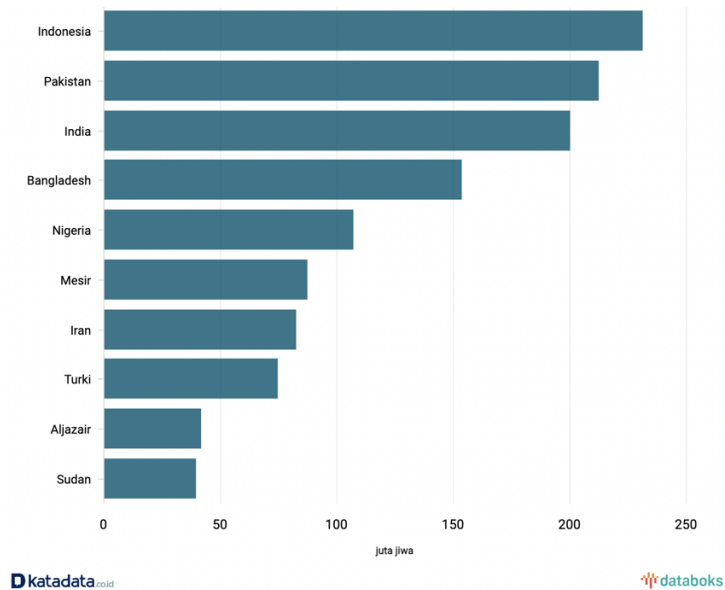


Figure 1. 3 Countries with the World's largest Muslim Population

Source: Databoks

Based on the picture above, out of 231.06 million Indonesians who are Muslim, this is equivalent to 86.7% of Indonesia's total population. That way, seeing the large number of Indonesians who are Muslim, the need and curiosity for halal cosmetics is always high. Especially now that we are in the digital era. Where we are increasingly getting convenience in many ways including finding information about the product to be targeted by using information technology. Information technology opens wide the road to a variety of knowledge that is almost unlimited.

The growth of information technology has given rise to a means of information and communication that is in great demand by the public, namely the internet. The internet is a means of information that has been widely used by people today. If you look at internet users in the world today it is increasing from year to year based on the results of a report from Hootsuite (We are Social) on Data (Trends) of Internet Users in October 2022, of which 7.99 billion total population in the world in October 2022 there are 5.07 billion who use the internet. This means that 63.5% of the total world population already uses the internet.

Growth of Internet Users in Indonesia in the Last 5 Years

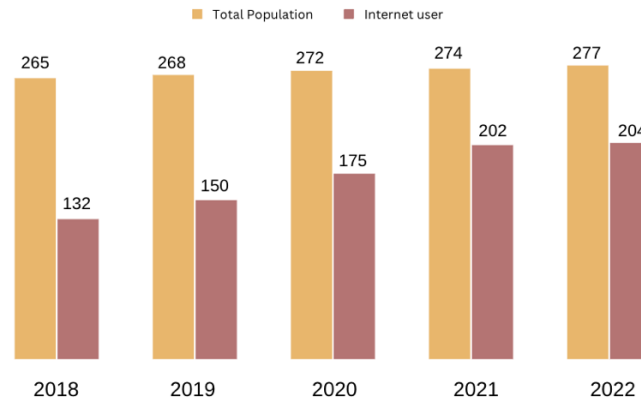


Figure 1. 4 Growth of Internet Users in Indonesia in the Last 5 years

Source: Processed data, 2022

In the same research, We Are Social (2022), provides data regarding the growth of internet users in Indonesia in the last 5 years. Where from 277.7 million total population in Indonesia in 2022 there are 204.7 million who use the internet. This means that 73.7% of the total population in Indonesia already uses the internet. Therefore, this internet trend has become commonplace among Indonesian people. One example is that when they want to buy a product, a consumer will tend to look at product reviews first or when they have bought a product, consumers tend to share their experiences after using the product with others. However, in making online purchases, consumers will consider several factors such as information quality, information quantity and information credibility. This is in line with research (Indrawati, Prily Calista Putri Yones, Saravanan Muthaiyah, 2022) where according to (Sulthana & Vasantha, 2019) the definition of eWOM includes negative and/or positive aspects of a brand, product, or service made by former, now, and potential customers, which are shared on the internet and can be accessed by anyone.

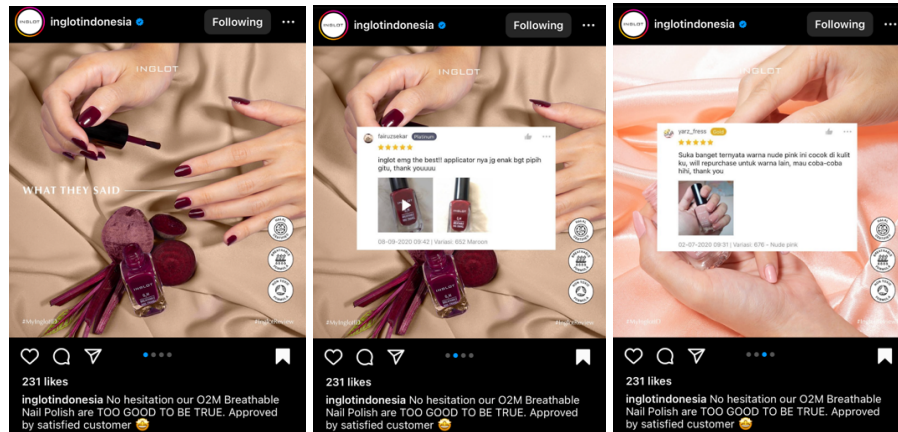


Figure 1. 5 Shopee Reviews Posted on Inglot Instagram Account

Source: Instagram Inglot Indonesia, accessed December 20, 2022, 10.46 WIB

In the picture above, electronic word of mouth activities can be seen where there are customers who voluntarily share their experiences in the form of reviews on shopee platform which are uploaded by Inglot Indonesia's Instagram account via posting feeds. The existence of this electronic word of mouth activity can be used as a strategy in attracting new potential customers while browsing information on Inglot Indonesia's Instagram account. Not only limited to doing electronic word of mouth on Instagram, but Inglot also carries out electronic word of mouth activities through its Tiktok account. Many of Inglot's customers voluntarily provide reviews in the comments column on Tiktok video uploads on the Indonesian Inglot account and also mention their closest friends or relatives as shown in the image below.

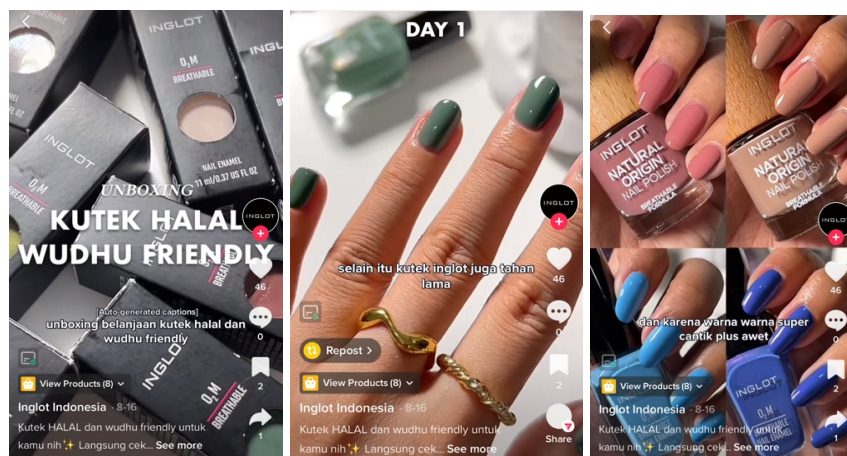




Figure 1. 6 Inglot Customer Reviews on Tiktok

Source: Tiktok Inglot Indonesia, accessed December 21, 2022, 16.01 WIB

With electronic word of mouth activities, as shown in the image from Inglot's official TikTok and Instagram account (2022), it can be seen that the content being shared is news or information about Inglot products and reviews from Inglot customers. This can also form the Brand Image of the Inglot brand itself. This means that in addition to electronic word of mouth factors that can influence purchasing decisions is Brand Image. Brand Image is an important factor in maintaining or increasing business sales. Brand Image is understood in the minds of consumers through the strength, superiority and uniqueness of brand associations (Mitra & Jenamani, 2020). The Inglot nail polish brand comes with a Brand Image which shows that Inglot is an O2M Breathable Nail Enamel nail polish that is safe for nail health and has Halal certification.

Based on the phenomenon data and background description which indicates that there are high sales from the Inglot brand. The existence of high sales due to the very high number of Muslim population. The high sales of Inglots are predicted due to the product image of the Inglots. From this Halal Product Image, it will also be seen whether it is influenced by e-wom. In this regard, this study aims to examine "The

Effect of E-wom and Brand Image on Purchase Decisions: A Study at Inglot Halal Nail Polish"

Muflih and Juliana's research (2021) revealed that halal image is very important for increasing consumption, such as food consumption. Then Handriana et al., (2020) have also revealed about halal cosmetics. The research argues that there is a positive relationship between halal image and purchasing decisions, both directly and indirectly. Therefore, it can be estimated that product image has a positive effect on a person's intention to switch to using halal products.

1.3 Problem Statements

Based on existing data, the Inglot brand has high sales compared to other brands. There are high sales because the number of Muslim population in Indonesia is very high. In Indonesia there are 231.06 million people who are Muslim, which is equivalent to 86.7% of the total population of Indonesia. So that the high sales of Inglot halal nail polish are estimated due to the image of Inglot products where Inglot halal nail polish is known as the first Halal certified nail polish in the world of women's fashion.

Currently, researchers want to prove whether Halal Product Image has an effect on Purchase Decisions, especially Inglot products. This is a novelty from this research compared to previous research in the research of Indrawati & Prilly (2022). Which in this study the researchers added Brand Image, Halal Product Image and Purchase Decision variables. Therefore, in this study it is necessary to know whether Halal Product Image really influences Purchasing Decisions. Halal Product Image will also be seen whether it is influenced by E-WOM because after identifying the increase in internet usage in Indonesia, E-WOM is one of the factors that influence consumers in making decisions to buy halal products.

1.4 Research Question

Based on the research background above, the authors specifically formulate research questions as follows:

1. How much is the rate of Information Quality, Information Quantity, Information Credibility, Brand Image and Halal Product Image of Inglot nail polish product based in respondent?
2. How much is the possible of Purchase Intention and Purchase Decision of respondent toward Inglot nail polish product?
3. Do Information Quality, Information Quantity, Information Credibility), Brand Image have any influence on Purchase Decision through Halal Product Image and Purchase Intention?

1.5 Research Objectives

Based on the background and research questions, the research objectives are determined as follows:

1. To find out how much is the rate of Information Quality, Information Quantity, Information Credibility, and Halal Product Image of Inglot nail polish product based in respondent?
2. To find out how much is the possible of Purchase Intention and Purchase Decision of respondent toward Inglot nail polish product?
4. To find out do Information Quality, Information Quantity, Information Credibility, Brand Image have any influence on Purchase Decision through Halal Product Image and Purchase Intention?

1.6 Scope of The Study

The scope of the research aims to keep the research within its scope. So that the research remains focused and directed so that the research objectives can be achieved. The following are study limitations:

1. This research is about the effect of E-WOM that has three dimension namely, Information Quality, Information Quantity, Information Credibility and Brand Image on Purchase Decisions through Halal Product Image with a case study of Inglot Halal Nail Polish.
2. Respondents who are halal product users.

3. This study uses Independent variables, namely Information Quality, Information Quantity, Information Credibility and Brand Image. Intervening variables are Halal Product Image and Purchase Intention. For dependent variable, the Purchase Decision is selected.

1.7 Significant of The Study

1.7.1 Theoretical

The results of this study are expected to be a presentation of information to provide insight into the effects of electronic word of mouth (E-WOM) and Brand Image on Purchase Decisions on halal products. In addition, this research is expected to be a reference for research in the same field.

1.7.2 Practical

A. For Authors

It is hoped that the results of this study can help the author in increasing knowledge about Muslim interest in halal products seen from the effect of electronic word of mouth (E-WOM) and Brand Image on Purchase Decisions.

B. For Inglot brand

The results of this study are expected to help the Inglot brand in marketing using electronic word of mouth in order to increase sales and to form a Brand Image of Inglot products.

1.8 Systematic of Writing

Arrangement of writing systematics to provide an overview of information regarding materials, methods, and other matters related to research. This section includes systematics and a brief explanation of this research which is arranged from Chapter I to Chapter V.

CHAPTER I INTRODUCTION

The first chapter discusses a general explanation regarding the description of the research object, background, problem formulation, research scope and writing systematics.

CHAPTER II LITERATURE REVIEW

The second chapter contains an explanation of the summary of the theory, previous research, frameworks and hypotheses.

CHAPTER III RESEARCH METHOD

The third chapter provides an explanation of the approaches, methods and techniques used to collect and analyze data that can provide answers to research problems.

CHAPTER IV RESULT AND DISCUSSION

The fourth chapter provides a description of the research results from the findings that are then analyzed by proving the hypothesis of the research.

CHAPTER V CONCLUSIONS AND SUGGESTION

In the fifth chapter, it provides conclusions about the discussion of research and contains suggestions given by researchers.