

CHAPTER 1

INTRODUCTION

1.1 Background

Beiersdorf is an excellent business in many ways. With a more than 140-year history, our goal has always been to improve people's well-being and self-confidence. Since our company's start, the values of CARE have been embedded firmly, and we are dedicated to co-creating a new age of success. Courage + Aspiration + Responsibility + Empathy is another acronym for C.A.R.E. We rely on four qualities to hone our future-focused mindset and to maximize our competitive advantages. It is essential to act quickly and decisively when faced with extraordinary challenges. Our solution to these conditions is our strategy, C.A.R.E.+, based on a solid commitment and five strategic priorities. We work to add even more value for people and society. We always embrace development and change and are willing to stay active (Beiersdorf, 2023).

One of the products from Beiersdorf is Nivea, which is committed to ensuring a unified brand image and identity across various global markets. It prioritizes consistently communicating its core values, including trust, quality, and reliability, to foster enduring customer connections. Nivea is a global company with operations in several nations. It targets particular regional markets with its products and marketing initiatives. They modify their formulas and marketing messaging to fit the regional

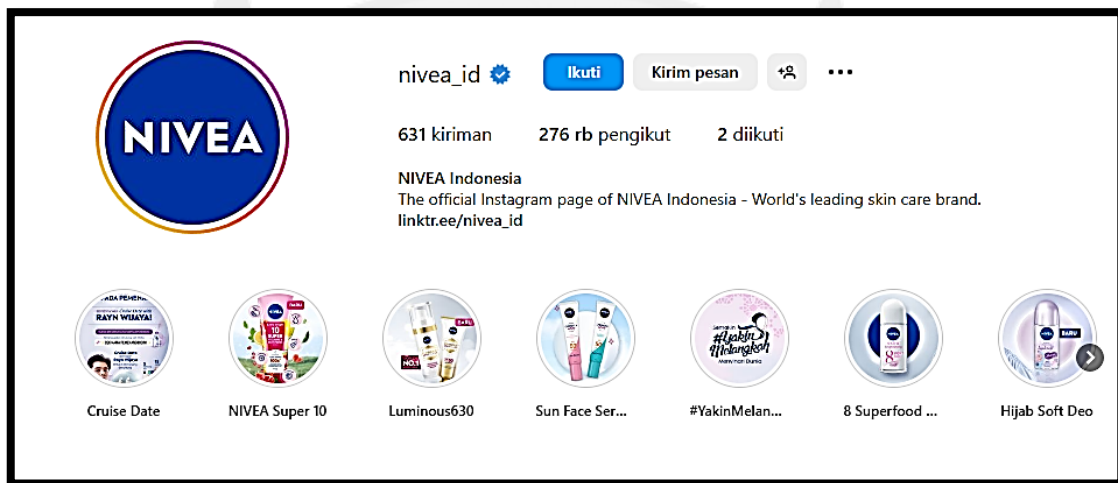
requirements and cultural preferences of various customer categories (Beiersdorf, 2023).

NIVEA is well-known and has a significant presence in Indonesia among consumers. The company (PT. Beiersdorf Indonesia) sells various goods, such as lip care items, body lotions, sunscreens, and moisturizers. In Indonesia, NIVEA goods can be found in various retail locations, including supermarkets, pharmacies, and beauty salons. They can also be purchased online through the official NIVEA and other e-commerce sites. NIVEA in Indonesia provides for the particular requirements of Indonesian customers, considering elements like the local climate and skin types. The company frequently offers limited-edition items or new products variations explicitly designed for the Indonesian market. NIVEA in Indonesia provides for the particular requirements of Indonesian customers, considering elements like the local climate and skin types. The company frequently offers limited-edition items or new product variations explicitly designed for the Indonesian market. Additionally, NIVEA is actively involved in marketing and promotion in Indonesia, including advertising campaigns, partnerships with influencers, and attending exhibitions and events for the beauty industry. The brand wants to build a close relationship with customers and teach them about personal care and skincare routines (Nivea, 2023).

Nivea has a verified Instagram account in Indonesia with the username @nivea_id (Figure 1.1). This Instagram account is a forum for sharing up-to-date information on Nivea products, beauty advice, and creative inspiration. Through this

account, Nivea communicates with the user, answers questions, and protects against skin irritation. Instagram users in Indonesia can access the account @nivea_id to get relevant content connected to their country's Nivea community.

Figure 1.1 Nivea Instagram Page



Source: Nivea Instagram Page (2023)

Influencer marketing is one of the marketing strategies used by the well-known skincare company Nivea to sell its products. Influencer marketing entails working with well-known social media influencers that command a sizable fan base and their target market's attention. These influencers provide material promoting Nivea goods, sharing their stories, showing how to use the products, and endorsing them to their followers. Influencer marketing has several advantages for companies like Nivea (Imagency, 2023). It enables them to access a larger audience, especially the younger generation, who utilize social media platforms heavily. Nivea may use its authority and trust to promote its products by teaming up with influencers who share its brand values and

target market. Influencers chosen by Nivea are often those whose content and specialties complement their skincare offerings. These influencers could be skincare experts, lifestyle influencers, beauty bloggers, or even famous people who are well-known for their skincare regimens. Influencers are chosen based on the precise objectives of the marketing campaign and the target audience Nivea is trying to reach (Alibrandi, 2022). In influencer partnerships, Nivea may give influencers access to its goods for testing, reviews, and content creation. This material may include Instagram-sponsored posts, YouTube product reviews or tutorials, or blog entries highlighting Nivea's skincare offerings. Influencers may also distribute discount codes or advertising incentives to entice their audience to try Nivea products.

Nivea Soft Mix Me is a popular product in the mass market in Indonesia with the "Mix and Match" concept that allows consumers to combine various Nivea Soft varieties into unique combinations based on their preferences. Nivea can team up with influencers who are well-known in the modern world to promote this product. Through influencer relationships, Nivea can find exciting and relevant content for its target market. Influencers may share ideas on using Nivea Soft Mix Me, provide instructions on preparing different varieties, advise on how to care for one's skin, or even encourage followers to create new combinations with Nivea Soft Mix Me (Suminar, 2019).

They are Heni Sri Sundani, a farmer's daughter who confidently pursues her dream of attending college and aids thousands of underprivileged children in getting a better education; Hamidah Rachmayanti, a young influencer who confidently runs a coffee

business while encouraging other hijab-wearing people to advance together, and Qonitah Al Zundiah, a fashion enthusiast who confidently pursues her dream of creating environmentally friendly fashion products despite facing obstacles. These people exhibit the qualities of self-assurance and tenacity (#YakinMelangkah) in pursuing their goals and having a good influence in their respective industries. They are role models who exhibit resiliency, creativity, and dedication to their causes. Their experiences demonstrate the value of having self-confidence and moving forward to meet obstacles and advance personally and professionally (Banirestu, 2020). These gifted influencers can work with Nivea to further market its brand values and goods within their communities. Nivea can engage meaningfully with its target audience and reaffirm its commitment to inspiring people to feel good in their skin by teaming up with people who exude confidence and resilience.

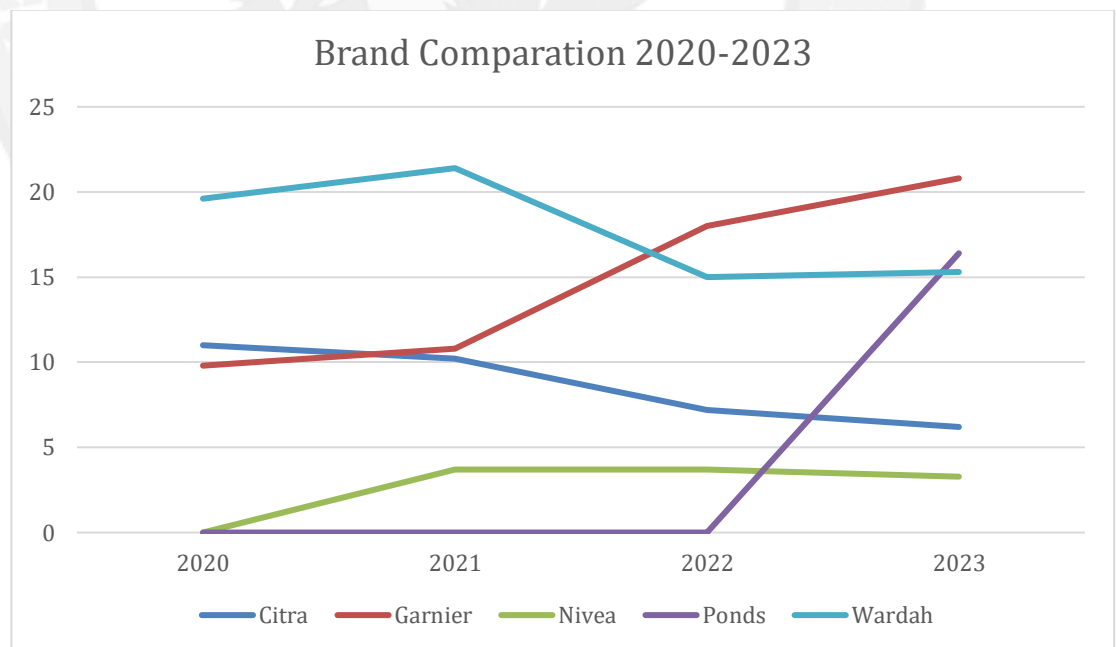
The study by Molelekeng and Dondolo (2021) looked into how endorsements from famous people affected South African consumers' intent to buy. The results show that celebrities viewed as attractive would garner more positive opinions from the public. As a result, as demonstrated in earlier studies, attractiveness can be used as an indicator of attitude. In other words, it is assumed that respondents who find celebrities attractive will have favorable sentiments regarding such things and will purchase those endorsed by celebrities. This research suggests that companies that want to use celebrities to advertise their products should frequently review their social media presence. That might offer helpful insight into the traits that suggest beauty from the followers'

perspective. However, The study by Molelekeng and Dondolo (2021) found that the credibility and expertise of celebrity endorsements is unlikely to influence purchase intentions due to respondents' beliefs, in contrast to Onu et al. (2019), which found a link between trustworthiness, expertise, and purchase intentions.

1.2 Problem formulation

Nivea has attempted to actively use influencer marketing, but it hasn't been successful in making it to the top of every product category. Nivea still faces competition as an international brand from domestic competitors like Wardah and Citra as well as from international brands like Garnier and Pond's in Indonesia. The Top Brand lists for the years 2020 to 2023 show this.

Figure 1.2 Brand Comparison Top Brand 2020-2023



Source: Top Brand (2020-2023)

This research examines the effectiveness of Nivea's influencer marketing strategy in the Indonesian market and its competition with domestic brands like Wardah and Citra, as well as international brands such as Garnier and Pond's. Specifically, the study will investigate the impact of influencer endorsement attractiveness and the role of credibility and expertise in influencer endorsement on consumers' purchase intentions. This research will focus on the consumer population of beauty products in Jabodetabek. Jabodetabek has a large and diverse population, representing various socio-economic backgrounds, lifestyles, and beauty preferences. The region's significant population size provides a diverse consumer base for beauty product consumption, making it a suitable representative sample. By studying the consumers in Jabodetabek, this research aims to gain insights into the broader patterns and trends in beauty product consumption in Indonesia.

1.3 Research Questions

1. Does source trustworthiness positively influence purchase intention?
2. Does source attractiveness positively influence purchase intention?
3. Does source expertise positively influence purchase intention?

1.4 Research objectives

The research objectives within this paper are:

1. To examine and analyse the influence of source trustworthiness on purchase intention.
2. To examine and analyse the influence of source attractiveness on purchase intention.
3. To examine and analyse the influence of source expertise on purchase intention.

1.5 Scope of the study

The research has a scope limited to several conditions as below:

1. This research discusses Source Trustworthiness, Source Expertise, Source Attractiveness and Purchase intention.
2. The respondents in this research are people that are familiar with the Nivea brand within the Jabodetabek-Indonesia area.