

CHAPTER I

INTRODUCTION

1.1. Background of the Study

Cosmetics are skincare products women use to beautify their appearance, so health care for women in Indonesia has become necessary today. Many products have also emerged in recent years. Cosmetics from different brands make people more flexible and companies must therefore demonstrate excellence in the selection of cosmetic products competition. The more quality the product is, the better it will increase consumers' desire to select or purchase it. Nowadays, an attractive appearance is obligatory and considered important to most men and women. Especially women who are synonymous with beautiful and charming looks from clothes to facial makeup. This encourages companies in this beauty industry to compete to get a place in the consumer's heart. Society, especially women, is becoming increasingly interested in the latest cosmetics as time passes. Moreover, the prices of cosmetics today are diverse and affordable. Women are more and more eager to try the newest beauty products. Cosmetics distributed in Indonesia are locally produced and imported cosmetics. Of course, both have their specialty for Indonesian consumers. Most of the imported cosmetic products in Indonesia come from countries famous for their beauty like America, France, and England, as well as Asian countries such as South Korea, Japan, China, and Thailand, which are participating in the cosmetic competition in Indonesia.

Of course, this causes competition between local cosmetics and imports. Indonesia is one of the countries with the fastest-growing internet usage. According to the Indonesian Internet Service Providers Association (APJII), the number of internet users in Indonesia in 2024 will be 221.563.479 out of a total population of 278.696.200 in 2023. According to the APJII's 2024 internet penetration survey results, the increase in internet penetration in Indonesia is 79.5%. When compared to the previous period, there is an increase of 1.4%. As a result, businesses must use this digital platform to increase their sales and customer base. FOCALLURE™ Cosmetic is an international cosmetic brand based in Guangzhou, China. FOCALLURE™ emphasizes that beauty is not a luxury. Even girls are willing to spend money on buying many cosmetic products to look beautiful. We want you to understand that the cost of cosmetic products is not as high as we thought. Our mission is to reduce luxurious beauty, creating incredible products at prices that do not violate the bank. We used the minimum time to provide a popular concept or color in makeup products.



Figure 1.1 Kebiasaan Memakai Makeup di Indonesia 2023

Source: Goodstat 2023

A side influence of the survey on makeup in daily life was that most respondents admitted to only using modest makeup, or what is commonly referred to as modest makeup. 67% of those surveyed chose simple makeup. Simple makeup involves using a limited number of cosmetics, Jakpat wrote in her release. On the other hand, in terms of occupation, students and students are most likely to choose simple makeup. In second are those surveyed who don't even wear makeup, with a percentage of 17%. After that, the respondents claimed that they did not use 8 % of respondents and did not use complete makeup (complete makeup). However, the Z generation, the upper segment, and the working people show the tendency to use complete makeup in everyday life, JAKPAT added. At least 1,215 female respondents, most of whom lived in the Java region, responded to this question (Rainer 2024).

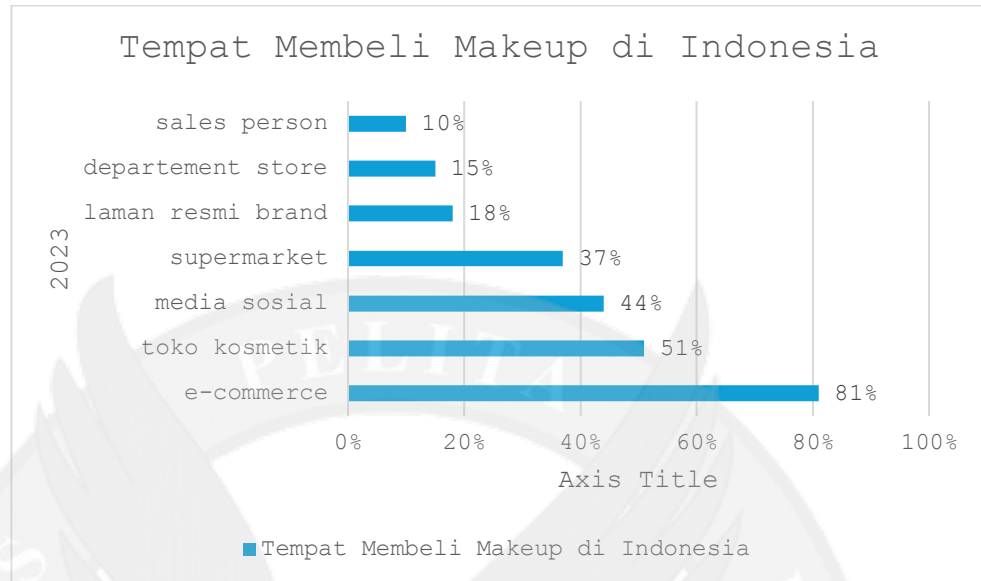


Figure 1.2 Tempat Membeli Makeup di Indonesia
Source: Goodstat 2023

There is a potential survey on how to purchase the makeup product of Indonesian people. From the data that has been shown 81% of the respondents decided to purchase e-commerce. Later, 51 % of respondents decided to purchase directly at a cosmetics store. Returning to online mode, 44 % of respondents decided to buy make-up on social media socials. For respondents, the two main sources of information about beauty products were social media accounts and social media ads, with most respondents turning to Instagram and TikTok to find mentions of beauty products, said Jakpat. 37% of those surveyed chose to buy cosmetics in supermarkets and convenience stores. The bottom three means are the brand's official website (18%), department stores (15%), and retailers (10%) (Rainer, 2024).

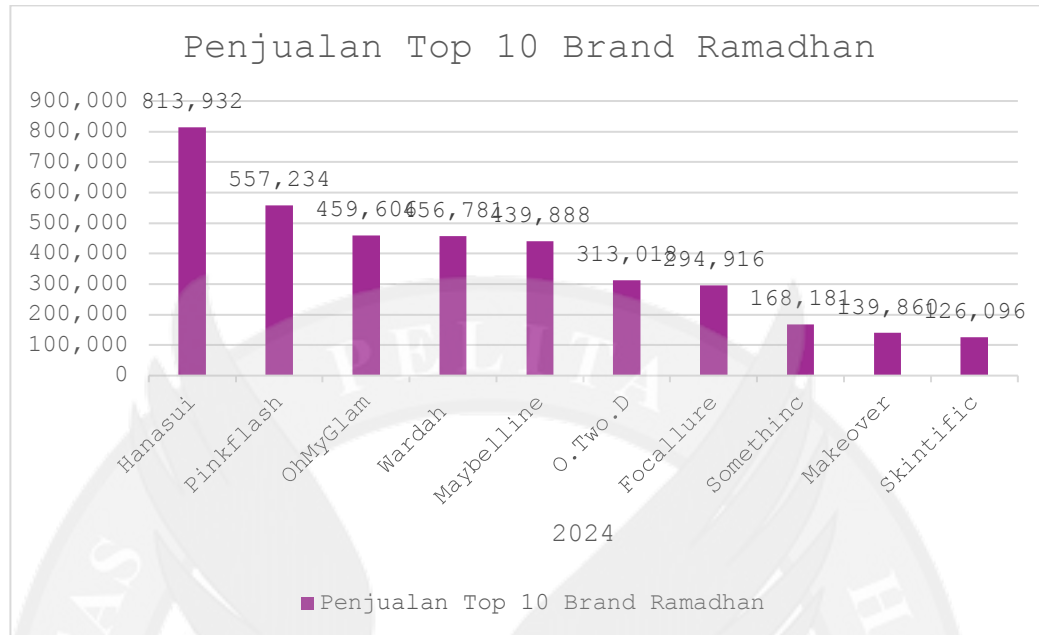


Figure 1.3 Penjualan top 10 Brand Ramadhan 2024

Source: Kompas.co.id (2024)

Based on statistics from [kompas.co.id](https://www.kompas.co.id), which summarizes sales of the Top 10 Brands for Ramadhan 2024 from March 13 – 2 April 2024, Hanasui is listed first with sales of cosmetics exceeding 813.932 products. Based on the data above, it is evident that Pinkflash and Oh My Glam are in the second and third tiers, respectively, with sales of 557.214 and 459.606 products. Wardah is at position number four with a 456.781 sales price, while Maybelline is at position number five with a 439.888 sales price. Focallure itself is on seven with sales of 294,916 products (Apriliani, 2024).

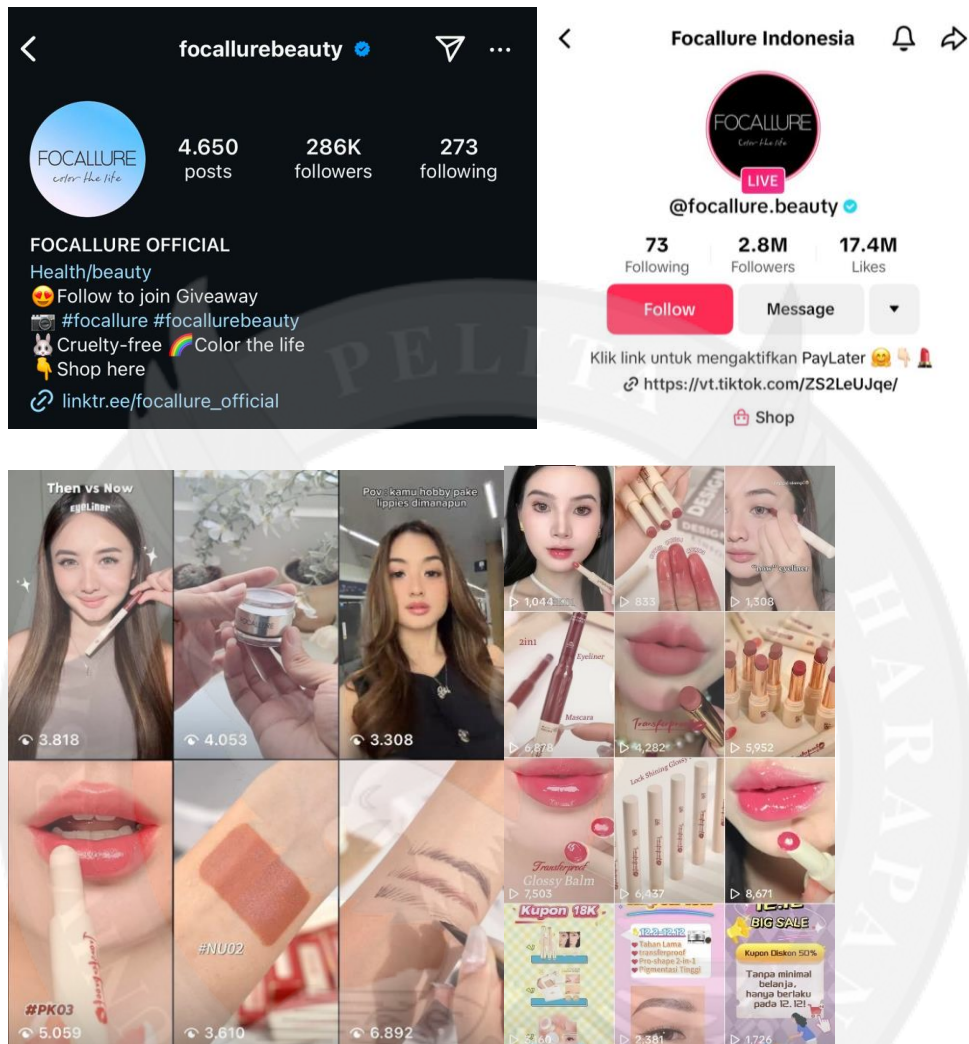


Figure 1.4 Followers Instagram dan Tiktok dari Focallure 2024
Source: Instagram dan Tiktok (2024)

Based on the preview we can say that the followers of Focallure beauty on Instagram are 286K the viewer of the video itself is only 3000 – 6000 viewers and the TikTok follower is 2.8M with the viewer of the video only 800 - 8000 viewers. That their viewers are not worth as much as their followers that it has.

Even well-established brands might suffer from a lack of interaction, such as likes, views, and comments on brand videos, lowering purchase intention. According to research, low engagement on platforms such as Instagram can reduce a brand's perceived visibility and relevance, lowering consumer interest in acquiring the goods. The function of digital marketing in promoting customer engagement, such as likes, comments, and shares, is essential for enhancing purchasing intention. An absence of such likes, views, and comments on brand videos can severely affect purchases. The lack of such engagement frequently leads to less influence on purchase intentions Kaihatu (2020). With better interactions, customers are more inclined to purchase the product since they feel closer to the seller (Pramesti & Rubiyanti, 2023).

Focallure's brand image has a significant impact on purchase intention, particularly in the competitive cosmetics sector. However, a poor or imprecise brand image might have the inverse effect. When consumers believe a brand to be untrustworthy or of low quality, their propensity to buy decreases. This is especially relevant for cosmetic brands like Focallure, where brand identification, personality, and consumer associations with the brand are crucial in creating trust and promoting purchases. (Isyanto et al., 2020).

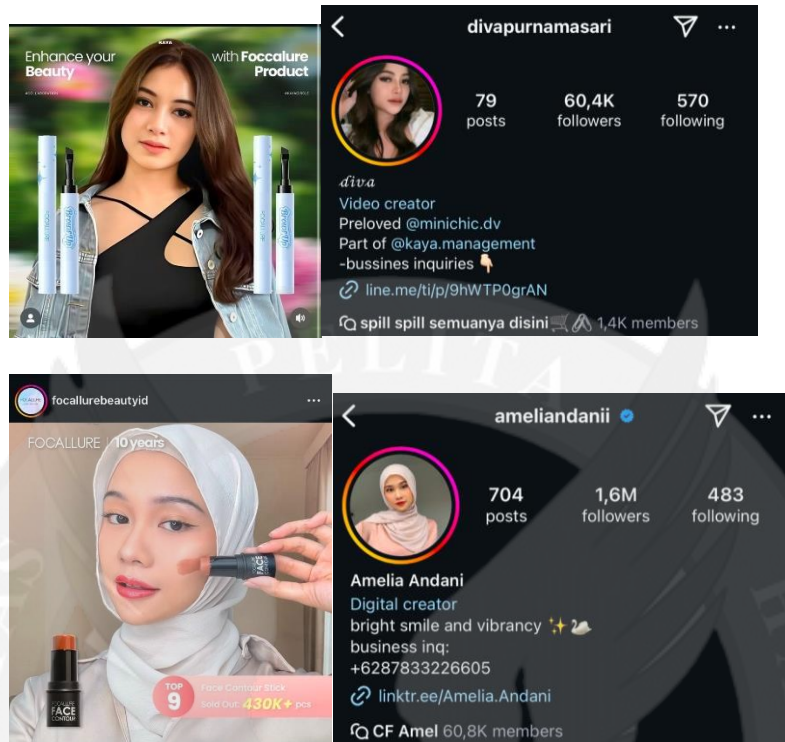


Figure 1.5 Micro-Influencer dan Influencer Focallure 2024
Source: Instagram (2024)

Based on the preview we can say that the influencer (@divapurnamasari) on Instagram has 60,8k followers and the influencer (@ameliandanii) has 1,6M followers and has already verified on Instagram. They both became influencers using Focallure products and we can see how they influenced their followers to use the product.

Influencer reputation, particularly for brands like Focallure, greatly impacts consumer behavior and buying intention. Influencers are classified according to their follower count: mega, macro, micro, and nano influencers. Micro-influencers, with followers ranging from 1,000 to 100,000, have higher engagement rates and

stronger emotional ties with their audiences than their mega or macro counterparts Conde & Casais (2023).

To develop trust, beauty firms like Focallure should work with reliable influencers who have an authentic and constant relationship with their audience. If an influencer has a smaller following but better engagement and authenticity, their suggestions are more likely to be seen as legitimate, increasing consumer buy intention. However, for influencers with fewer followers or who lack credibility in the beauty sector, buyers may wonder whether the product matches their expectations or whether the influencer's endorsement is trustworthy Chen and Yang (2023).

Nowadays many people can become influencers so how can we trust that this influencer can be said to be credible to state about the product, what makes this influencer trustworthy in using the product, and the influencer have a background in the beauty industry, or they just want to be endorsed. Numerous recent research has confirmed the importance of social media influencer credibility, including attributes like attractiveness, dependability, and knowledge of customer purchase intention. It has been demonstrated that influencer credibility increases consumer demand more effectively than traditional celebrity endorsements. The most important component of influencer marketing efforts is trustworthiness, according to research by Wiedmann and Von Mettenheim (2020), which also shows that influencers' attractiveness and trustworthiness in particular increase engagement

and buy inclinations. Though its impact differs depending on the product category, attractiveness also has a favorable impact on brand perception and purchase intention.

The author's motivation for researching this topic is found in the studies titled **“THE INFLUENCE OF SOCIAL MEDIA INFLUENCER CREDIBILITY, BRAND IMAGE, AND CUSTOMER ENGAGEMENT ON THE PURCHASE INTENTION OF FOCALLURE IN INDONESIA”**.

1.2. Problem Limitation

This investigation is limited to looking at the following factors:

1. **Credibility of Social Media Influencers:** This includes factors like the reliability, knowledge, and good looks of the influencers endorsing Focallure items.
2. **Brand Image** this covers things like how Indonesian consumers view Focallure as a brand in terms of its reputation, quality, and distinctiveness
3. **Customer engagement** refers to how customers engage with Focallure on social media, such as via sharing, liking, commenting, and taking part in campaigns or promotions.
4. The study is limited to women, with a specific focus on female consumers in Indonesia. This demographic scope limits the generalizability of findings to other genders, but it allows for a more in-depth investigation of characteristics particular to women's purchasing intention.

1.3. Problem Formulation

The problem formulation is:

1. Does the Credibility of Social Media Influencers significantly influence the purchase intention of Focallure Cosmetics products in Indonesia?
2. Does customer engagement significantly influence the purchase intention of Focallure Cosmetics products in Indonesia?
3. Does Brand Image significantly influence the purchase intention of Focallure Cosmetics products in Indonesia?
4. Do the Credibility of Social Media Influencers, Brand Image, and Customer Engagement significantly influence the purchase intention of Focallure Cosmetics products in Indonesia?

1.4. Objective Of Research

The Objectives of this research are:

1. To know that the credibility of influencers has significantly influence the purchase intention of Focallure Cosmetics in Indonesia.
2. To know that brand image has significantly influence the purchase intention of Focallure Cosmetics in Indonesia.
3. To know that customer engagement has significantly influence the purchase intention of Focallure Cosmetics in Indonesia.

4. To know that social media influencer credibility, brand image, and customer engagement have significantly influence the purchase intention of Focallure Cosmetics in Indonesia.

1.5. Benefit of The Research

1.5.1. Theoretical Benefit

The following are the theoretical benefits of this research:

1. By offering insights on the impact of social media influencer credibility, brand image, consumer engagement, and purchase intention within the cosmetics industry with a particular focus on Focallure Cosmetics this study is anticipated to enhance the body of academic literature. The study will be a useful resource for conversations about Indonesian consumer behavior and digital marketing.
2. By analyzing these characteristics, this study hopes to contribute to management theory, particularly in understanding customer behavior. The findings will broaden the area of research on the factors influencing cosmetics sector buying decisions within the Faculty of Economics and Business at Universitas Pelita Harapan Medan by offering academics and students useful theoretical insights.

1.5.2. Practical Benefit

The following are the practical benefits of this research:

1. It is expected that the findings of the research will help Focallure Cosmetics and other cosmetics businesses create strategies that leverage influencer

credibility, improve brand image, and encourage consumer engagement. Businesses can develop strategies that better suit the interests of their customers by knowing what influences purchase intention. This could boost their market presence and brand attractiveness.

2. The researcher will be able to better understand how purchase intention is influenced by customer involvement, brand image, and social media influencer credibility through this study. These revelations will serve as a starting point for additional research into the tastes and habits of consumers in the cosmetics sector.

