

CHAPTER I

INTRODUCTION

The introduction of the research holds critical significance as it serves the purpose of this research, providing overview of the research and clarifying the study problem. This introductory part includes various elements as well, including the research background, status of Instagram and Adidas, problem statement, research problem, goal of the research, objectives and this study's benefits.

1.1 Research Background

As social media has been used widely in these days, the focus of corporate marketing has moved to marketing that uses lots of social media rather than one-sided media such as TV, Newspapers (Bouwman et al., 2018). In the rapidly shifting world of commerce, it's essential to grasp how customer purchasing patterns are changing. Identifying shifts in customer purchasing behavior has become a significant hurdle for businesses globally. To better understand and adapt to these evolving trends, organizations are increasingly leveraging Social Network Services (SNS) to attract, connect with, and engage customers more efficiently (Moslehpour et al., 2022).

Since social media is utilized by everybody regardless of age group, gender or occupation, numerous large and small businesses are attempting to advertise their items using SNS (Singh, 2023). Social media could be a method that every people

can utilize to advertise their items, administrations, or web journal to an online gathering of people that's blocked off through ordinary strategies. Creating substance that clients use social media systems is the point of social media showcasing, which helps business in coming to a more extensive group of onlookers and advancing their brands.

When companies use Social Media Marketing (SMM) to encourage consumers to interact with their brand online, such as by generating or sharing content, they can boost consumer engagement with the brand and foster favorable behaviors. Social media marketing campaigns are known to influence various consumer responses, including positive word-of-mouth, heightened brand awareness, improved brand equity, and increased intent to purchase. This study specifically examines how SMM directly affects brand awareness, consumer engagement, and purchase intention, as well as how brand awareness and consumer engagement, in turn, impact the intention to buy (Sukma, 2023)

Consumer brand engagement (CBE) describes the ways in which individuals connect and interact with brands that actively seek to engage them. As digital technology and social media platforms have advanced, the relationship between consumers and companies has become more intricate, demanding that engagement strategies be well-coordinated and adaptive. Although there have been notable theoretical advancements in understanding CBE, research specifically examining how social media marketing activities influence consumer brand engagement remains relatively scarce (Pham, 2024).

Figure 1.1.1 presents the number of social media users increase over the world from 2017 until 2024 and expectations until 2028. In today's advanced mechanical situation, social media has risen as the biggest choice for the proposal of all brands' products (Nawi et al., 2019). Based on past information, clients are clearly commonly placed with SNS like Instagram (Sharabati, 2022). As millions of clients are effectively utilizing social networking sites, it could be an extraordinary source of advancement of items and administrations as per the interface of clients.

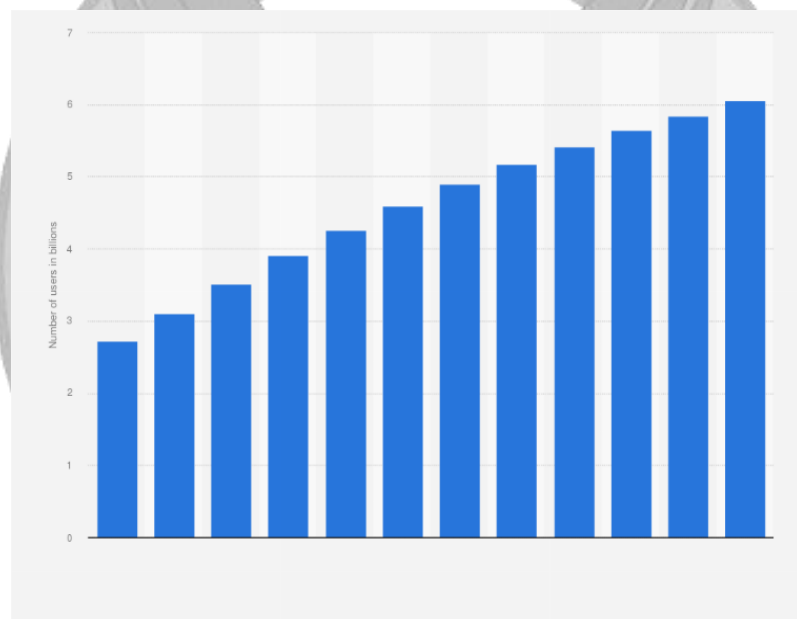


Figure 1.1.1: Increasing Number of Social Media Users in World

Source: Statista (*Statista*, 2024)

As the market has been wide, there are exceptionally numerous items on the market, and the capacity to select whether the item is good or terrible is on buyers. Subsequently buyers are getting to be more observing, educated, smart, and inventive. So, most companies attempt to influence clients to buy their items with

modern, colorful, appealing, charming and entertaining advertisements (Singh et al., 2023).

However, most consumers tend to overlook advertisements and do not focus on their features and details, as they believe that ads from rival companies are essentially indistinguishable. Hence there must be something capture consumer's intellect to lead to buy so that the brand can make the business performance (Nawi et al., 2019). Business performance is made from consumer's purchase, and to lead consumer's purchase the brand needs to fit consumer's preference. Brand image should be positive to buyers, and attractiveness, awareness, credibility are the most important parts (Išoraitė, 2018).

Figure 1.1.2 shows that social media user base in Indonesia has consistently grown year after year, starting from 100 million in 2020. The number increased to 132 million in 2021, followed by 160 million in 2022. In 2023, the user base reached 181 million and it grew to 207 million in 2024. Early 2025 it just reached 221 million users already. And the statistics anticipate that the social media user base in Indonesia will reach 250 million by 2029 (Statista, 2025).

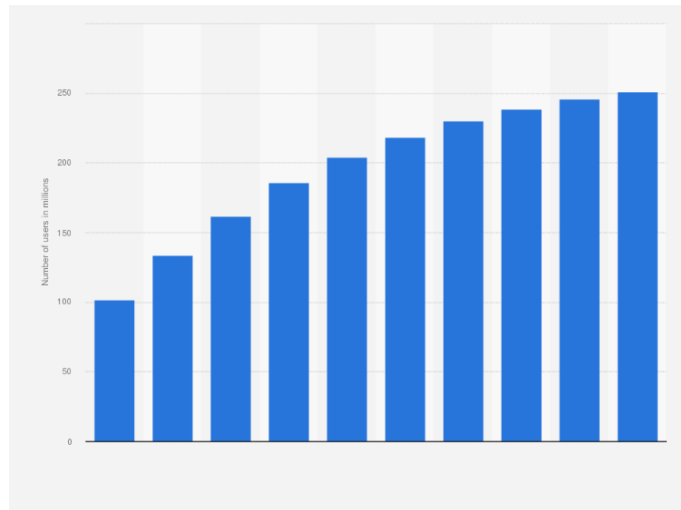


Figure 1.1.2: Increasing Number of Social Media Users in Indonesia

Source: Statista (Statista, 2025)

Figure 1.1.3 shows that Instagram's user base has consistently grown year after year, starting from 1.04 billion in 2020. The number increased to 1.21 billion in 2021, followed by 1.28 billion in 2022. In 2023, the user base reached 1.35 billion and it grew to 1.4 billion in 2024. Early 2025 it just reached 1.44 billion users already (Statista, 2021).

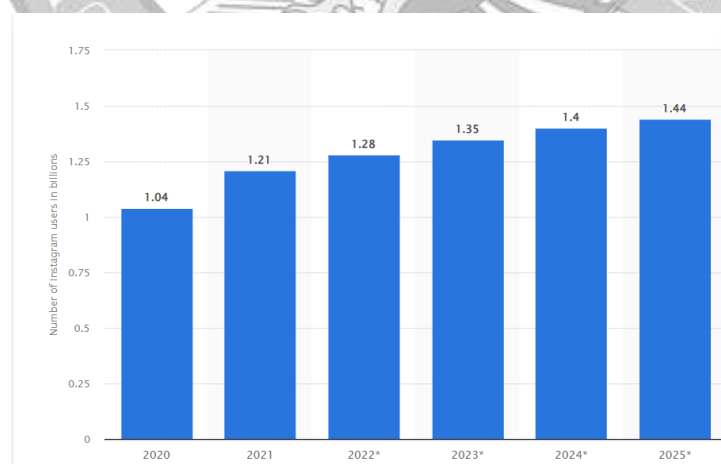


Figure 1.1.3: Increasing Number of Instagram Users in World

Source: Statista (Statista, 2025)

This continuous growth shows an increase of approximately 60 million users annually, representing Instagram's attractiveness with making new users consistently. Instagram's attractiveness is based on its dynamic features, such as photo and video uploading, stories which can be shared for 24 hours, and shopping capabilities. It causes to attract a diverse range of consumers with various influencers and brands. The steady rise in users of Instagram from 1.04 billion in 2020 to 1.44 billion by early 2025 shows Instagram's influence, which marketers must participate Instagram to engage customers effectively and make sales through the channels from Instagram (Sağtaş, 2022).

Figure 1.1.4 shows a presence of Instagram users totaled by 89 million, which is 31.7% of Indonesia's entire population. This indicates Instagram's pervasive influence in the digital landscape of Indonesia. The demographics of these users reveal that 54.9% were women, indicating a strong female engagement on the platform. The age distribution of Instagram users underscored its appeal to younger generation, especially 25~34 age group. This concentration among young adults provides Instagram's effectiveness as a marketing tool aimed at this influential demographic.(Sharabati et al., 2022)

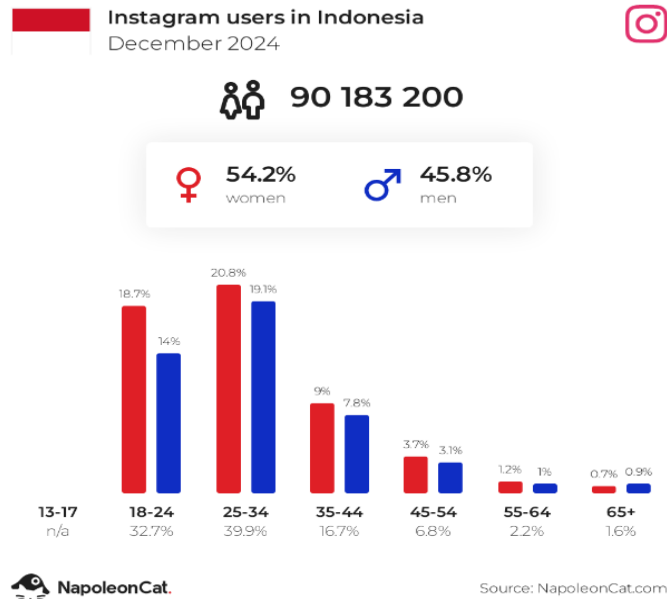


Figure 1.1.4: Number of Instagram Users in Indonesia

Source: (*Napoleoncat, 2024*)

Given these insights, it is quite clear that Instagram serves as a strong marketing method in Indonesia. A company or brand with a huge user base and consumer participation can more effectively approach various types of audience. In Indonesia, a country with a significant base of young female consumers, Instagram undeniably holds a crucial influence over consumer behavior and driving impulse buying decisions (Mora Cortez, 2023).

Figure 1.1.5 illustrates the Top 10 clothing brands in the world by their value. Nike has ranked biggest value in 2023 with 30 billion dollars, Louis Vuitton, Chanel and Gucci followed up. Adidas ranked as the top 5 biggest clothing brand with value of 17 billion dollars in 2023 (*DFinder, 2023*).



Figure 1.1.5: Adidas as Top 5 Clothing Brands in the World

Source: DFinder, (DFinder, 2023)

Adidas is a globally famous sportswear company that epitomizes advancement, performance, and style. As a pioneer within the sportswear industry and leader in fashion trend, Adidas has built its brand picture around the values of greatness, genuineness, and maintainability. The famous three-stripe symbol is recognized around the world, symbolizing the brand's commitment to high-quality athletic footwear, attire, and adornments (Adidas-Originals, 2024).

Adidas' brand image is multifaceted. It consistently mixes physicality with design, making it a favorite among both proficient competitors and casual wearers. The company's accentuation on cutting-edge innovation and plan development guarantees that their items are not as they were upgraded but moreover requested for modern fashion patterns. Furthermore, Adidas' commitment to maintainability and environmental responsibility may be a critical viewpoint of its brand picture, with various activities pointed at diminishing natural effect and advancing eco-friendly hones. Adidas stands out as a driving sportswear company due to its solid

brand picture and successful social media promoting methodologies. By ceaselessly advancing and adjusting to advertising patterns, Adidas keeps up its pertinence and request to a diverse and worldwide gathering of people. Through vital influencer collaborations, user-generated substance, intelligently campaigns, narrating, and real-time showcasing, Adidas not only advances its items but moreover builds a loyal and locked in community of brand advocates (Li, 2023)

Figure 1.1.6 shows that in 2024, Adidas Original's Instagram accounts reached 35 million followers, and Adidas's Instagram account reached 29 million followers (*Adidas, 2024*).

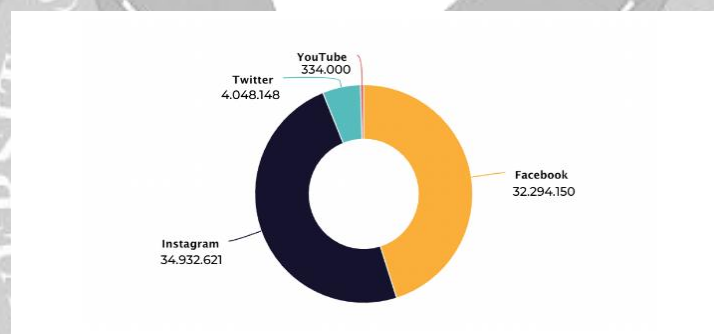


Figure 1.1.6: Adidas Originals' Followers Across Channels

Source: *Adidas-Originals*, (2024)

Adidas has built itself up as a leading brand within the sportswear industry through inventive items, strategic marketing, and a solid commitment to its center values of performance, fashion, and maintainability. Central to Adidas's modern marketing technique is the successful use of social media. This approach keeps the significance of Adidas and cultivates a more profound association with global consumers. Adidas's social media marketing is worked with the biggest platforms, Instagram. Instagram served as an important platform for Adidas' social media

marketing since 2014. which is perfect to show the Adidas's items, collaborations, and campaigns (*Adidas-Originals*, 2025).

Example of campaign, the #HereToCreate campaign shows creativity of Adidas and advancement with influencers (Nawi et al., 2019). Adidas made the cooperation among Instagram followers. Influencer association would be another highlight of Adidas's Instagram marketing. Collaborations with famous athletes like Lionel Messi, and celebrities like Kanye West and Beyoncé, assist with Adidas get in touch with their gigantic follower bases, upgrading brand competitive advantage and brand image. These associations regularly result in elite item lines and limited-edition exhibited to produce buzz and drive engagement (Li, 2023).

Adidas has effectively use Instagram as a social media platform to foster brand engagement and appeal its products, identities and values since 2014 (Andhika Maulana & Mohamad Hafiz, 2024). With various visually appealing contents such as influencer collaborations, interactive campaigns, Adidas's Instagram account served as a powerful platform for brand engagement. According to Wibowo (2017), Adidas Indonesia's Instagram postings achieved eight hundred followers increasing in average.

Figure 1.1.7 shows the Adidas Indonesia's Instagram account status, which has 1.2 million followers and posting on regular basis within every months (*Adidas Indonesia*, 2025).

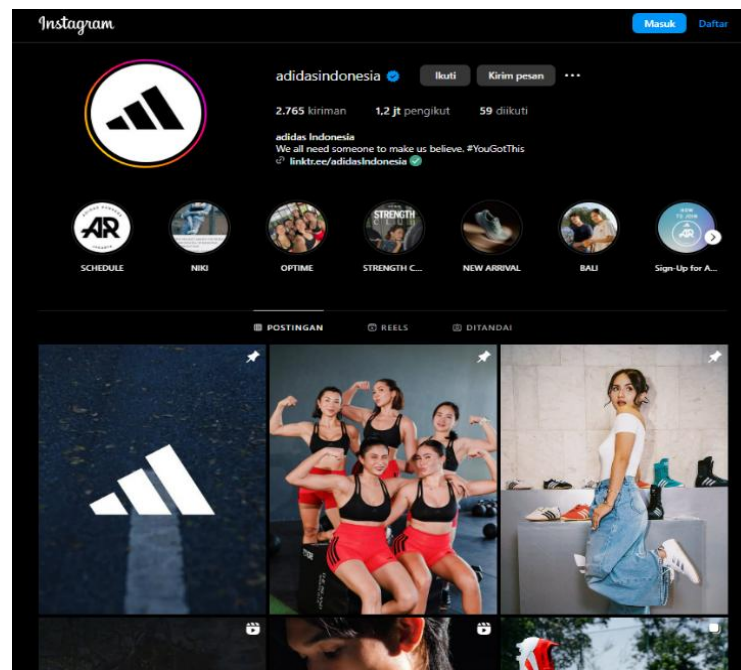


Figure 1.1.7: Adidas Indonesia's Instagram Followers Status

Source: (Adidas Indonesia Instagram, 2025)

While these efforts of Adidas Indonesia successfully got attention and fostered interaction from Indonesian consumers, Adidas Indonesia's Instagram haven't successfully shown its necessity of educational tool to drive actual purchases or shop visits. When Adidas frequently upload postings and promotional campaigns, it still lacks product knowledge or guidance on items align with consumers' needs such as performance benefits of running shoes or sustainability aspects of Adidas clothes (Firdaus & Kusdibyo, 2021).

Before the research was initiated, the author conducted pre-test with 7 questions with 20 respondents in Indonesia to provide insights into customer behaviors and perceptions related to Adidas and Adidas's Instagram marketing. This pre-test focused on evaluating brand awareness, marketing by social media's

perception, brand engagement by consumers and intention to purchase, all within the context of Adidas's presence on Instagram. The analysis of the pre-test data offers precious guidance for the important steps of this research.

The first question in the survey was: "Are you aware that Adidas has an official Instagram Account?" The results were significantly positive, with 100% of respondents indicating that they were aware of Adidas's official Instagram account. This awareness provides a foundation for examining how Adidas uses the platform to make consumers engage and influence consumers' purchase decisions.

The second question was: "When you see Adidas content on Instagram, do you consider it 'marketing' or 'advertising'?" Majority of respondents, 80% of respondents, answered they consider it 'marketing', while the remaining 20% answered 'advertising'. This result showed consumer perceptions of Adidas's content on Instagram.

The third question was: "How often do you see Adidas posts or stories on your Instagram feed?" The survey showed that 70% of respondents reported 'Often' or 'Very Often', While remaining 30% of respondents reported 'Rarely' or 'Never'. This result showed how many percent of consumers are exposed to Adidas' SMM efforts on Instagram.

The fourth question explored Adidas's brand identity: "How recognizable is the Adidas Logo to you?" According to the responses, 90% of respondents reported 'Very Recognizable' or 'Recognizable' while only 10% of respondents reported

‘Less Recognizable’ or ‘Not Recognizable’. This result showed BA (Brand Awareness) and logo recognition of Adidas.

The fifth question focused on measuring the level of CBE (Consumer Brand Engagement): “Have you ever ‘liked’, ‘shared’, or commented on Adidas post on Instagram?” The result showed 70% of respondents had actively engaged in Adidas’s contents. According to the results, this survey showed brand loyalty and willingness of consumers to engage with the brand Adidas.

The sixth question focused on measuring the level of CBE as well: “Does engaging with Adidas content on Instagram make you feel more connected to the brand?” The survey revealed that 65% of respondents agreed or strongly agreed, indicating that Adidas’s SMM efforts were successful in making connection with consumers.

The seventh question explored PI (Purchase Intention): “If Adidas announce a new product on their Instagram, how likely will you consider buying it?” While not outstandingly positive, 40% of respondents answered ‘Very Likely’ or ‘Likely’ while remaining 60% of respondents answered ‘Less Likely’ or ‘Not Likely’ to consider a purchase. These results show that Adidas has potential to influence purchase intention.

The pre-test results provided an overview of consumer perceptions and behaviors related to Adidas and their SMM with Instagram, especially addressing SMM, BA, CBE and PI. The main study will construct upon these insights by

investigating interaction between these variables and discover Adidas's SMM effect to purchase intention.

This study investigates the relationships among four key variables, Social Media Marketing (SMM), Brand Awareness (BA), Consumer Brand Engagement (CBE) and Purchase Intention (PI). SMM is understood as the use of social media strategies to increase brand awareness, foster consumer engagement, and ultimately drive purchase intentions (Tourani, 2022). BA is understood as the extent which consumers recognize a particular brand, including its name, logo, and associated attributes (Marolt et al, 2022). CBE refers to the state that occurred by virtue of interactive, creative experiences with a brand, reflecting the intensity of an individual's connection with and activity toward a brand (Sukma et al, 2023). Finally, PI is defined as consumer's conscious plan to try to purchase a specific product or service in the future (Azzari & Pelissari, 2020). PI refers to the probability that consumers plan to buy a certain product or service in the future (Zeqiri et al., 2024).

This research is inspired by, and partially replicates, the methodological framework by Jusuf Zeqiri, Paul Sergius Koku in their study, "The Impact of Social Media Marketing on brand awareness, brand engagement and purchase intention in emerging economies". This decision comes from a need to extend the findings of Jusuf Zeqiri within a specific contextual setting, the Indonesian sportswear market, focusing on Adidas's Instagram marketing strategies (Zeqiri et al, 2024).

1.2 Problem Statement

In this rapidly developing digital marketing era, social media platforms have become significant tools for brands to enhance brand awareness and consumer engagement. Adidas has increasingly used Instagram as a marketing method in developing economies. However, despite the growing investment in social media marketing, there's still a big gap in understanding how these efforts relate to visible outcomes such as awareness of brands, brand engagement, and intention to purchase.

In addition, Adidas Indonesia's Instagram showed imbalance between brand engagement and educative content which drives to visits and purchase. While engagement focused posts generate high interaction of customers, it still lacks detailed information which is necessary for consumers to decide to visit stores or purchase products from online platforms. Adidas Indonesia may benefit from more practical educative content to increase purchase intention knowing that consumers are both inspired by the brand and knowledge of products.

This research aims to study how Adidas's social media marketing strategy strengthens awareness of brands and engagement, with how it affects consumers' purchase intentions. It explores what role awareness of brands and brand engagement plays in mediating the connection between social media marketing and intention to purchase. By examining these aspects, this study aims to deepen the understanding of how marketing by social media operates in the marketplace, offering valuable guidance for brands to enhance their digital marketing approaches.

1.3 Research Questions

1. Does social media marketing positively influence brand awareness?
2. Does social media marketing positively influence social media brand engagement?
3. Does social media marketing have a positive influence on purchase intention?
4. Does brand awareness have a positive influence on purchase intention?
5. Does consumer brand engagement have a positive influence on purchase intention?

1.4 Research Aim and Objective

This research aims to investigate the effectiveness of Adidas's social media marketing strategies on Instagram in increasing brand awareness and engagement while influencing consumers' purchase intentions.

1. To analyze the impact of social media marketing on brand awareness.
2. To analyze the impact of social media marketing on social media brand engagement.
3. To analyze the impact of social media marketing on purchase intentions.
4. To analyze the impact of brand awareness on purchase intentions.
5. To analyze the impact of consumer brand engagement on purchase intentions.

1.5 Scope of the Study

1. Respondents in this study are individuals aged from 18 to 50 years old.
2. Respondents in this research are individuals who have prior experience using Adidas products.
3. Respondents in this study are individuals with experience using social media.

1.6 Benefits of Research

This research is anticipated to offer advantages to various groups, including:

1. Readers

Readers will gain a deeper understanding of Adidas's social media marketing strategies and how these efforts impact the company's overall business performance, offering valuable insights into digital branding and engagement techniques.

2. Future Researchers

This study is intended to serve as a reference point for future researchers investigating related topics.

1.7 The Researcher

Through the research conducted, the researchers hope that it can create an understanding of the relationships between social media marketing, brand

awareness, consumer brand engagement and purchase intention, especially in the context of Adidas's Instagram in Jabodetabek.

