## CHAPTER I

## INTRODUCTION

### 1.1. Research Background

Internet has become important part of developing social interaction, especially for the business circle. This phenomenon occurs probably due to the high intensity of internet users. Based on data, population census from Indonesia's Central Bureau of Statistic present that there were 270 million people of Indonesia. According to (We are social & Hootsuite, 2021), for 202.6 million internet user in Indonesia and 345.3 million of mobile connections. This number of people describe how massive internet users in Indonesia. Smartphone has become a daily equipment use for it and increasing of internet access. Based on data from(We are social & Hootsuite, 2021) for the average Indonesian user need 8 hours with internet daily. This condition occurs because increasing of digital literacy which supported by availability of smartphone and highly affordable tariff of internet (Shankar & Ram, 2019).

According to the needs of today's internet, various providers try to emerge and make innovations for business. So, wherever someone stay like at home, park, or in other public areas, the internet will be there through internet quota, bolt modem, even wi-fi. In other side, there are products that can also deliver internet services which called as "cellular service provider." Indonesia internet market have four trademarks operating in the field of cellular operators such as *Telkomsel*, *Indosat Ooredoo Hutchison*, *XL Axiata*, *Smartfren Telecom*. Each of these brands classifies their brand fraction based on the type of service such as prepaid, postpaid,

and digital. This research will be focus for Telkomsel which have 2.2 million followers on Instagram. They offer several product of Telkomsel hello as a postpaid service; SimPATI, Kartu As, LOOP as prepaid services; and *By.U* as digital operator. Since released 3 years ago, one of Telkomsel's products, namely "*by.U*", especially for the digital market world and also they have attracted public attention.

**Table 1.1**

**Instagram Follower of Each SIM Cards**

| Number | Account of Brand | Follower |
|--------|------------------|----------|
| 1 | **Telkomsel** | 2.2 Million |
| 2 | **Byu.id** | 637 Thousand |
| 3 | **Smartfrenworld** | 333 Thousand |
| 4 | **Indosat** | 324 Thousand |
| 5 | **Myxl** | 155 Thousand |

*Source: Instagram Account of Each Brand*

*By.U* is the first digital provider in Indonesia that allows users to choose quota, top up quota, mobile number, get a SIM card and how to pay in one application. This provider targets millennials who want to be free and practical in choosing. *By.U* also does not recognize the term active period for credit purchased by each user. In using *By.U* customers are given the freedom from choosing their own telephone number and to choosing a package according to their individual needs. All of this process doing on their own application. With so many competitors and selling products digitally, of course *By.U* needs to build brand communication through digital marketing. Than as the tools *By.U* try to communicate their brand

on social media. On Facebook they have 48.000s of follower, 57.400s follower on TikTok, 123.000s on YouTube, and more than 638.000 of follower on Instagram. This research will focus on Instagram because the number of customer engagement through Instagram is in the first place. It's very important part of brand communication with their consumer, but also about how the other consumer to communicate with particular brand (Potura & Softic, 2019). Than an increasing of internet requirement give such opportunity to the brand and company have dived into social media marketing especially on social media.

Since October 2019 Telkomsel has officially released its first digital prepaid SIM card product. Currently doing digital marketing campaign through Instagram, Facebook, YouTube, and Twitter. Than focus on their Instagram account with half a million followers, *By.U* has carry out various social media campaigns. As seen on their Instagram feed, all of that involving various elements likes costumer engagement, influencer, special moment to celebrate, viral issue, and competition to increase brand awareness through digital campaigns. Since it was lunched 3 years ago there were 826 posts on their feed, with an average of one post per weekday, this data accumulated from their Instagram account. Based on information from Evita Purnamasari as Creative Brand Strategy of *By.U* at online class, she said "on a campaign of *By.U* at last February 2021 they can gain 27 million social media impression for their viral marketing campaign.

Digital marketing is the part of marketing that make extensive use of technology especially Internet connection to promote and raise awareness among customers (Varma et al., 2020). Based on report from (We are social & Hootsuite,

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2021) with the range age 16 to 64 have 8 hours and 52 minutes time daily spend using internet. This mean the purpose of digital marketing can be reached easily. Digital marketing has social media as the most of popular channel to achieve consumer awareness ,than Instagram the top three after WhatsApp and Facebook be based of time consume daily (We are social & Hootsuite, 2021). With the advancement of features on social media, Instagram have high probability tools for achieve brand awareness, market expansion, lunching new product, and build connection with audience (Mou, 2020).

Causes of pandemic covid going on at 2020, there are increasing of social media users at Indonesia become 6.3 percent than last year (We are social & Hootsuite, 2021), and There are 170 million active social media users which each of them consume 3 hours and 14 minutes daily time to using social media. Instagram has become the popular one of them, with 85 million of potential audience. This social media helps display various activities of a person, with the most popular topic in-between fashions, science, technology, art, and movie. This point make social media is the most perfect marketing tools which have minimum time and wide variety of contents (Varma et al., 2020). Instagram beneficially use for digital photo filter ,unique, and innovative design ,therefore this tools contain a futures to communication with costumers (Varma et al., 2020). Hence, Instagram is very useful for increasing digital marketing campaign specifically on making content and creating brand awareness. discussion of social media will not be separated from content marketing which is also influenced by brand awareness and affects purchase intention.

On Data Digital: Indonesia 2021 (We are social & Hootsuite, 2021) 86,6 percent of Indonesia internet user utilize Instagram. This condition required by a brand to pick up this. When author want to make their product become viral on social media marketing platform are with having high interaction (Mou, 2020). Therefore, the author must have a plan to introduce his product, namely with a product marketing campaign. Visuals, narration, design, and audio are the basic tools for running a campaign on Instagram, in the other sides brand should have time schedule, follow the trending topic, use the right angel, and use best CATs "Call to action"(Smarty, 2019). The engagement of consumer through likes, comments, sharing of brand promotion at social media, significantly influence dissemination of information from particular brand (Potura & Softic, 2019).

Based on article published at content marketing institute by (Brenner, 2017) content marketing can be defined as the act of attracting an audience to your own experiences or products built to achieve your marketing goals. Content marketing on social media is about take advantage of people's habits of using social media to convey messages from various product marketing purposes. There are strong relationship between content marketing and purchase decision from consumer that means social media content marketing play an important role in this era of technology (Ansari et al., 2019). Content marketing in social media will support consumers in acquire brand insight through various ways as if vlogging, reviews, videos, posts, etc. Based on previous studies (Carlson et al., 2018) there are four main services design that related with social media: brand interactivity, brand page sociability, customer contact quality, and content quality play an important role in

shaping consumer perceptions of the social media environment. Later on, this research will focus on content quality play a role of content in increasing brand awareness and purchase intention.

Furthermore, the digital marketing content quality process have a high probability to achieve brand awareness. Based on research from (Dabbous & Barakat, 2020) brand awareness mediates the positive relation between content quality offered by brand on social media and purchase intention .In the other result of research by (Krishnaprabha & Tarunika, 2020) found the positive and significant relation between digital marketing and brand awareness which is determined by a variable such as SEO, email marketing, SEM, and social media marketing. Hence, there is a link between the growth of internet users and consumer interest by using digital marketing. The higher the quality of the content uploaded on the brand's social media pages, the higher the brand awareness among social media users (Al-Qudah, 2020).

As the impact of brand communication through social media, brand awareness significantly increasing purchase intention of the brands. Based on result from (Dabbous & Barakat, 2020) that high interactivity between brand and users of social media positively affect brand awareness. Additionally, based on research from (Alalwan, 2018) interactivity on social media advertising was the most factor predicting purchase intention. This means when consumer enjoying contents and information from brand on social media will lead their purchase intention. In the end, consumer will prefer the brand that they know to buy. Based on the buying process, consumer should start it by market research by or asking for credible

person. Than this process influence through favorable of the information, how positive the brand image, and how aware the consumer to the brands (Shahid et al., 2017)

As a complement to the influence of these two factors, it was concluded from several studies that there was a mediating effect by brand awareness on content quality and purchase intention. (Carlson et al., 2018) on their research suggested brand manager optimize and manage content quality and brand page interactivity to unlock consumer feedback. In addition, (Dabbous & Barakat, 2020) found that quality of content from the brand are significantly influence brand awareness, than increasing of brand awareness has positive impact on purchase intention. Similarity with (Al-Qudah, 2020) about sportwear brand content quality by investigating mediating effect of brand awareness toward purchase intention, that found content quality significantly add consumer's intention to buy a brand when the consumer becomes aware of the brand. Based on previous researches can be concluded that there are mediating effect of brand awareness between content quality and consumer purchase intention.

Therefore, based on the background we have discussed in this background,the researcher is interested in conducting further research on brand awareness, content quality, purchase marketing, and Instagram campaign of *By.U*. Because of that, on this author take title "The Influence of Brand Awareness and Instagram Content Quality Toward Purchase Intention Product of *By.U*"

## 1.2. Problem Statement

The problem can be based on explanations on the background such as:

1. How does the brand awareness influence purchase intention of *By.U* ?

2. How does the content quality on Instagram influence purchase intention of *By.U*?

3. How does the content quality on Instagram influence brand awareness on Instagram of *By.U?*

4. How does the content quality on Instagram influence the purchase intention of *By.U* mediated by brand awareness?

## 1.3. Objective of the Research

The research hopefully used to answer the question about:

1. To analysis the influence of brand awareness toward purchase intention from *By.U*.

2. To analysis the influence of content quality on Instagram toward purchase intention from *By.U*.

3. To analysis the influence of content quality on Instagram toward brand awareness of *By.U*.

4. To analysis the influence of content quality on Instagram toward purchase intention of *By.U* mediated by brand awareness.

## 1.4. Contribution of the Research

From this research, researcher try to give contribution for the parties namely:

1. For the academic

This research expected can increase further understanding about the relation of content marketing on Instagram toward purchase intention of consumers

mediating by brand awareness, and also can be references for further research in digital marketing.

2. For the brand

The result of this research hopefully can be an insight for brand in order to increasing the marketing campaign on Instagram and also can be an insight for their brand awareness through social media marketing. Besides that can be references by other brand that use Instagram as content marketing instrument.

## 1.5. Scope of the Research

The researcher will the Instagram user domicile at West Sumatera which have seen or following account of *By.U*. This research will be focusing on brand awareness and content marketing toward purchase intention *By.U,* than will be focus on Instagram campaign which peruade audience on their product.

## 1.6. Outline of the Research

Chapter I: Introduction

This first chapter will be elaborate the background condition digital marketing and the opportunities. Than, focus about how brand awareness and content marketing influence purchase intention on Instagram. Other than, there are problem statement, purpose of the research, benefit of the research, scope of the research, and will be closed with the outline of the research.

Chapter II: Literature Review

The second chapter of this research will explain all theories that are related to the research. Theories explanation will be consists of the definition of brand awareness, content marketing notably on Instagram toward purchase intention of

*By.U*. Besides that, this chapter will provide a review of the previous study, hypothesis development, and theoretical framework that will become a guideline in the data processing.

Chapter III: Research Method

The third chapter will explain the research design, instrument used in quantitative, population and sample, data collection technique, variables and measurement, and the data analysis method used to prove the hypothesis.

Chapter IV: Result and Discussion

The fourth chapter will mention the result and analysis of the research, the respondent description, and the last is descriptive analysis.

Chapter V: Conclusion and Suggestion

This chapter has the conclusion of the research result, research implementation, limitedness of research and recommendation.