

CHAPTER I

INTRODUCTION

1.1. Background of Research

In the current day, new tools and media have emerged to support these communication patterns, which in turn have evolved as a consequence of technological advancements. Based on the findings of an Indonesian Polling study conducted in collaboration with the Indonesian Internet Service Providers Association (APJII), approximately 143 million out of a total population of 262 million people in 2017 were connected to the internet, indicating that the internet is a highly popular form of new media in Indonesia (Lely, 2022). According to (Cindy Mutia, 2022) "Digital 2022 April Global Statshot Report," there was a boost of 192 million, or 5 billion, internet users globally in comparison to the previous year. At the start of 2022, there will be 204.7 million internet users, according to the we are social research.

Innovations in technology in this age of globalization affect not just the commercial landscape but also the ever-quickening pace of technical advancement. As more and more people have access to information and communication via the internet, the corporate world will become more dynamic, which in turn will spur the introduction of novel marketing strategies. At this precise day, the internet is crucial since it allows us to look for information at any time and from any location. When compared to commercials on radio or television, information gathered online is undeniably more reliable and accurate. By doing research online, businesses are better able to take advantage of client communities that encourage participation and feedback. Here is where businesses

may set up networks to generate electronic product word of mouth using platforms like WhatsApp, Instagram, YouTube, and TikTok, as well as e-commerce websites like Shopee, Tokopedia, and Lazada.

Digital interaction has also transformed how companies implement e-marketing. In this context, the concept of electronic word of mouth has become central, referring to consumer recommendations shared via online platforms. Recent research suggests that e-WOM is among the most influential digital marketing tools, as users often trust peer-generated content over traditional advertisements (Hussain et al., 2022). Moreover, studies like (Sharma et al., 2024) highlight that certain factors on social networking sites significantly shape consumers' willingness to engage in e-WOM.

The growing dependence on the internet for purchasing daily necessities also illustrates how many aspects of modern life have shifted to digital channels. Earlier, Henning-Thurau et al., (2004) explained that the internet provides consumers with greater access to product-related information from other buyers. This remains relevant today, as recent research shows that online reviews significantly shape purchasing confidence and reduce perceived risk (Bilal et al., 2022). Similarly, Almana and Mirza (2013) noted that consumers typically explore websites, review platforms, and social media to read comments before making decisions a pattern that has become even more prominent with the rapid growth of e-commerce and user-generated content (Luo et al., 2023).

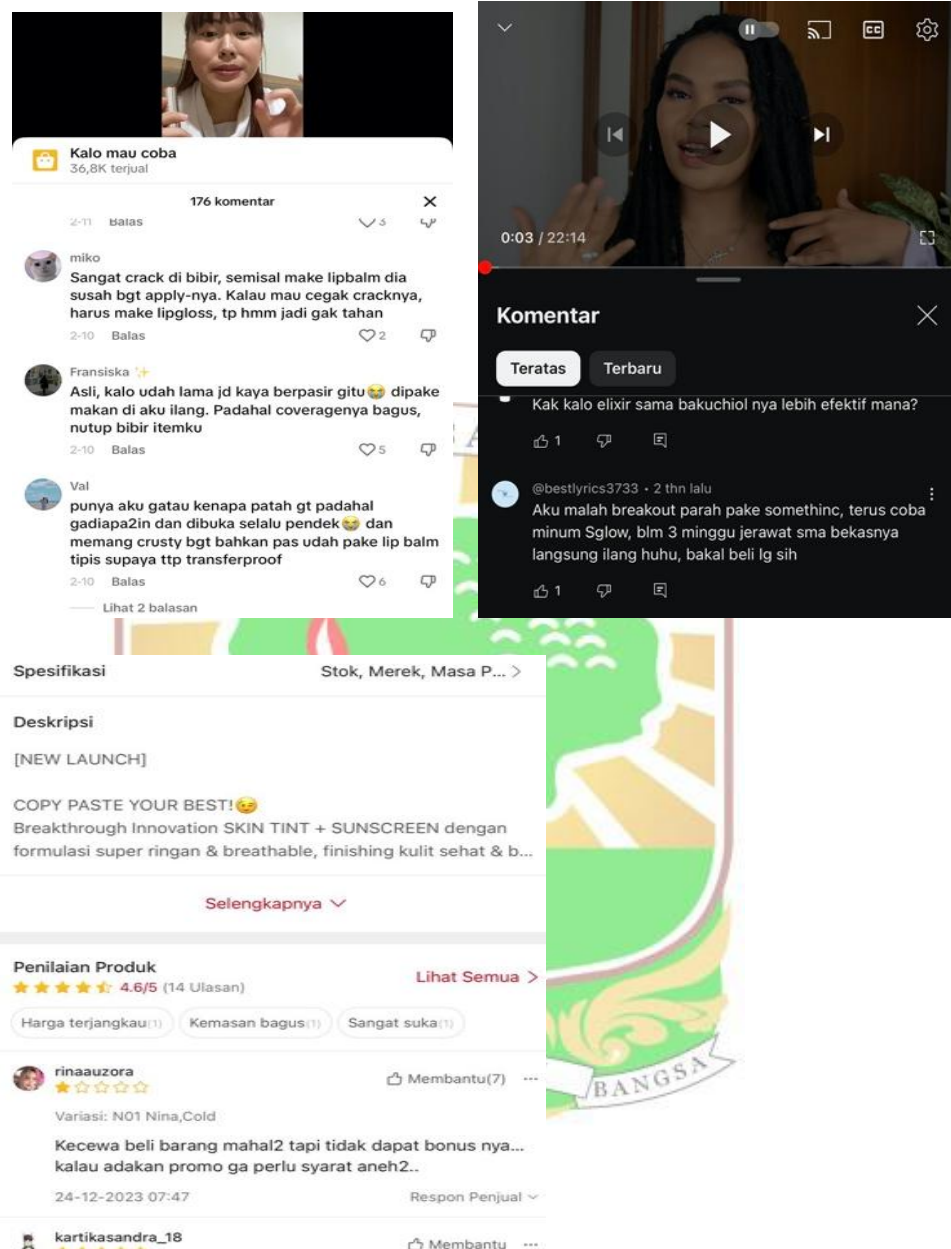


Figure 1. 1 Comment Negative Somethinc Product Reviews on Tiktok, Youtube and Shopee.

Based on Figure 1.1, it can be observed that several consumers have shared negative reviews and experiences regarding Somethinc products through digital platforms such as TikTok, YouTube, and Shopee. The reviews indicate dissatisfaction related to product suitability, product performance, and consumers'

personal experiences after using Somethinc skincare products. Since these reviews are publicly accessible, they can be viewed and considered by many potential consumers before making purchasing decisions.

The existence of negative reviews illustrates the phenomenon of Electronic Word of Mouth (E-WOM), where consumers voluntarily communicate their opinions and experiences through internet-based platforms. Unlike traditional word of mouth, Electronic Word of Mouth spreads information more rapidly and reaches a wider audience. Consequently, both positive and negative reviews have the potential to influence consumers' perceptions, attitudes, and purchasing decisions. Negative reviews, in particular, may reduce consumers' confidence in a brand and discourage potential consumers from purchasing the products.

This phenomenon is particularly important in the skincare industry because consumers generally seek information and recommendations from other users before purchasing skincare products. The increasing dependence on online reviews makes Electronic Word of Mouth one of the most influential sources of information in consumers' decision-making processes. Therefore, companies are required not only to provide high-quality products but also to build positive consumer perceptions that encourage consumers to voluntarily share favorable experiences through digital platforms.

Based on this phenomenon, it becomes important to identify the factors that encourage consumers to engage in positive Electronic Word of Mouth. One factor that is expected to influence consumers' willingness to communicate positively about a brand is Brand Personality. A strong Brand Personality is believed to

strengthen consumers' Brand Preference and Brand Love, which subsequently encourage consumers to share positive recommendations and experiences regarding Somethinc products through Electronic Word of Mouth.

Online product reviews are a form of electronic word of mouth used to disseminate information widely over the internet. Such reviews offer consumers clear insights into the advantages and disadvantages of a product or brand because they are based on real customer experiences (Qiu & Zhang, 2024a). Consumers rely heavily on e-WOM due to its ability to provide fast, credible, and easily accessible evaluations including both positive and negative feedback shared by previous buyers (Ahn & Lee, 2024). However, when companies depend solely on online reviews, especially if a large portion of them are negative, this may reduce consumer trust and ultimately lower their purchase intention (Ismagilova et al., 2020). Furthermore, consumers' final decisions are shaped not only by the information they receive but also by their product preferences, which are closely linked to individual personality traits and how they perceive specific brands (Feng et al., 2024).

Nowadays, cosmetics are an integral aspect of any woman's routine, and this is particularly true of contemporary women. The rising number of working women is driving up the demand for cosmetics. Central Statistics Agency (BPS) figures corroborate this. From 2015 to 2017, the proportion of female formal workers rose steadily from 37.38% to 38.63%. One of the domestic cosmetic companies that has successfully entered the Indonesian market is Somethinc Products. Somethinc is one of them brands Skincare The largest and most

popular local area that is well known to many Indonesian people. The figure behind success brands Local Somethinc is Irene Ursula. Irene Ursula finally pioneered brands skincare Somethinc since 2019. He came up with the moniker Somethinc because he thinks that problems are the root of all evil. Skincare product line Everything from a facial wash to an essence, toner, sunscreen, eye cream, and micellar water and beyond. On the other hand, there are a variety of cosmetic items, including but not limited to: lip gloss, lip tint, foundation, concealer, blush, loose powder, mascara, and cushions. (Wijayanti, 2022).

Table 1. 1 Top Brands of the Best Selling Local Cosmetic Products for the April-June 2022 Period in Ecommerce (Tokopedia and Shopee)

No	Category	Sales Revenue (IDR Billion)
1	Somethinc	53.2
2	Scarlett	40.9
3	MA Glow	29.4
4	Avoskin	28.0
5	Whitelab	25.3
6	Azarine	22.8
7	Wardah	18.3
8	Erha	11.5
9	Emina	7.4
10	Bio Beauty Lab	5.7

Source: Kompas.id (2022)

If you look at the Top Brand data The best-selling local skincare on the Online Marketplace 2022 obtained by the internal compas team. This can be concluded that in 2022 several Somethinc products will be included in the first

category of the best-selling local Top Brand Skincare on the Online Marketplace in 2022. This shows that the quality of Somethinc products is included in the category superior skincare and skincare products Somethinc can also be accepted by the Indonesian people with product quality that is considered good by the Indonesian people.

Table 1. 2 Best Local Skincare Brand in Indonesia in 2024/2025 on Ecommerce (Shopee and Tokopedia)

No	Brand Name	Sales Quantity
1	Wardah	±14% share (moisturizer), ±13.6% share (serum & essence)
2	Skintific	±11.8% share (moisturizer), ±9.6% share (serum & essence)
3	Kahf	±8.8% share (moisturizer), ±8.4% share (serum & essence)
4	Make Over	±6.9% share (moisturizer), ±6.5% share (serum & essence)
5	Somethinc	±4.6% share (moisturizer), ±4.3% share (serum & essence)

Source: Compiled from Faktual.co.id (2024), Pinoybisnes.com (2024), Nusantarapos.co.id (2024)

From the data in table 2 above, there is a phenomenon of skincare purchasing decisions Somethinc. Because it can be seen that the local skincare and cosmetic products that are popular and recognized by Indonesian people are not only Somethinc but also many other brands. And people are more likely to choose to use other skincare. We can see here that there are problems with some products, which are thought to be due to electronic activity word of mouth. This often makes people confused in choosing which cosmetic product is more suitable for them to choose.

According to Kotler et al. (2021), the consumer decision-making process commonly involves several stages need recognition, information search, evaluation of alternatives, and the final purchase decision. Once consumers recognize their needs, they actively seek detailed information about products before choosing. In today's digital environment, although traditional advertisements via television or radio still exist, consumers increasingly rely on trusted sources such as family, friends, online communities, and most importantly user-generated reviews. Empirical research supports this shift: for instance, (Ahn et al., 2024) found that online review ratings significantly influence consumers' purchase intentions, especially when there is perceived similarity between reviewers and consumers. Furthermore, Chen, Samaranayake, (Chen et al., 2022), via an eye-tracking study, demonstrated that consumers pay more attention to negative comments than positive ones, and this visual attention is correlated with purchase decisions, highlighting the powerful effect of user-generated feedback on consumer behavior.”

When summarized, there are two main ideas regarding the urgency of this research. First, this research is a manifestation of the development of marketing communications technology which has penetrated into the digital era. Second, Somethinc is a local cosmetics and skincare brand that has been around for 4 years and uses e-commerce such as Shopee, Tokopedia, Instagram, Facebook and Lazada to carry out brand communication activities. Even though there are many competitors, Somethinc can still maintain its sales thanks to effective brand communication activities. So it is necessary to research reviews and comments

from the internet so that it can provide strong brand characteristics so that Something can be differentiated from other similar brands and maintain its position in the minds of consumers.

As digital access expands, consumers increasingly rely on online reviews to evaluate product quality and make informed choices. Recent studies show that credible and useful e-WOM strongly shapes consumers' purchase intentions (Verma et al., 2023) while review valence remains a key factor influencing how preferences and decisions are formed (Qiu & Zhang, 2024). A consumer's brand preference may be defined as their inclination to favor one brand over another, leading them to wish to purchase that brand. A consumer's personality determines their choices. A company's ability to use brand personality to set their goods apart from the competition and seize chances is a key factor in electronic word of mouth. Even in a cutthroat industry, a brand's personality may help it stand out in ways that rivals can't.

Beyond that, affection for the brand from an individual's point of view also affects its electronic word of mouth. Because a business may stand out from the competition, establish an emotional connection with customers, win their trust, and cater to their unique personalities all while fostering brand loyalty. Customers have an emotional connection to companies when they adore them. According to (Carrol & Ahuvia, 2006) Having a positive and optimistic outlook on the brand, as well as low-character traits, desires, and expressions of affection for the brand make up brand love.

Based on the background described above, the author intends to conduct research entitled, "The Influence of Brand Personality on Electronic Word of Mouth on Somethinc Products with Brand Preference and Brand Love as Intervening Variables".

1.2. Identification of problems

In light of the above, the issues with this study are:

1. Consumers who feel less confident in Somethinc products and services because there are negative comments and news about Somethinc products on social media and on e-marketing websites
2. new cosmetic and skincare products means that competition for cosmetic products is getting tougher and makes consumers switch to other cosmetics and skincare.

1.3. Research Questions

Based on the background above, the author formulates the research questions as follows:

1. "To what extent does brand personality influence electronic word of mouth (e-WOM) among consumers of Somethinc products?
2. To what extent does brand personality influence brand preference among consumers of Somethinc products?
3. To what extent does brand personality influence brand love among consumers of Somethinc products?

4. To what extent does brand preference influence electronic word of mouth (e-WOM) regarding Somethinc products?
5. To what extent does brand love influence electronic word of mouth (e-WOM) regarding Somethinc products?
6. Does brand personality exert a positive indirect effect on electronic word of mouth (e-WOM) through brand preference as an intervening variable among consumers of Somethinc products?
7. Does brand personality exert a positive indirect effect on electronic word of mouth (e-WOM) through brand love as an intervening variable among consumers of Somethinc products?"

1.4. Objectives of The Research

The goals of this study are based on the issues mentioned earlier and are:

1. To gauge how Somethinc product buyers' perceptions of the brand affect their e-WOM efforts.
2. Determine the impact of brand personality on Somethinc product choice among customers.
3. Determining how Somethinc brand personality affects brand loyalty among customers.
4. Determine how Somethinc product buyers' brand preferences affect e-WOM.
5. To determine how Somethinc product lovers' devotion to the brand affects their e-WOM.
6. Among Somethinc product buyers, determine the mediating effect of brand personality on e-WOM via the mediating variable of brand preference.

7. Among Somethinc product buyers, determine the mediating role of brand love in the indirect relationship between brand personality and e-WOM.

1.5. Contributions of The Research

Based There are two types of the contributions of this research as following:

1. Theoretical Benefits

a. For Researchers

- 1) To enrich my understanding of marketing and get a Master of Management degree from the University of Andalas's Faculty of Economics and Business.
- 2) to help you put what you've learned in class into practice, and to broaden your horizons, experience, inventiveness, and analytical abilities.

b. For the development of science

The results of this study should add to the body of knowledge in marketing management, specifically with e-WOM, which stands for electronic word of mouth. The findings of this research might also be useful for comparing and referencing other theoretical frameworks that have been extensively debated in the academic literature and used in real-world scenarios.

2. Practical Benefits

a. For Companies

In addition to providing useful insights, especially from a student's point of view, that may help address problems in organizational and marketing contexts, this research is anticipated to aid the company in making its routine operational activities more effective.

b. For other parties

For future studies, particularly those focusing on the same case, the findings of this one may serve as a knowledge reference.

1.6. Scope of problem

This problem restriction is implemented to keep the study focused and on track, avoiding any tangential discussions. As a result, this research delves into the following issues, which are specific to the problem context:

1. The object of the research will be the Somethinc product.
2. The research subjects were consumers of Somethinc cosmetic products.

There are four (4) variables in this research, namely: electronic word of mouth, brand personality, brand preference and brand love.

1.7. Outline of Research

CHAPTER I INTRODUCTION: In this part, you will find the research methodology, research questions, research aims, research advantages, research scope, and research background.

CHAPTER II LITERATURE REVIEW: Each variable's literature review, along with a number of relevant prior studies, a conceptual framework, and hypotheses are detailed in this section.

CHAPTER III RESEARCH RESULT AND DISCUSSION: Here you will find the research design, a rundown of the variables and their operational definitions, the study's population and sample, methods for collecting data, and lastly, the methods for analyzing that data.

CHAPTER IV RESEARCH RESULTS AND DISCUSSION: Making sure the study is applicable, this part explains the research by discussing the research object, testing outcomes, analyzing the findings, and testing hypotheses.

CHAPTER V CONCLUSION: The research findings, their ramifications, the study's limitations, and the author's recommendations are all presented in this part.

