

CHAPTER I INTRODUCTION

1.1 Background

In the cosmetics industry or it can also be called *skincare*. Indonesia itself has experienced a significant development from time to time. Nationally, the growth of *the skincare* industry in Indonesia such as body care and facial care is around six percent. This condition is far below the food industry sector, but the market penetration reaches 70 percent because the product is used by all age groups. (Wulandari, 2020:10).

Launching from Katadata, revenue in the beauty and personal care sector reached 7.23 billion US dollars or equivalent to IDR 111.83 trillion (exchange rate of IDR 15,467.05) in 2022. Therefore, this sector is estimated to experience an annual increase of 5.81% CAGR during the period 2022 to 2027.

Examining more deeply, the results of an opinion poll show that of several segments of the personal care market or can also be called (*body care*) in 2022, the personal care or skincare market itself ranks first, with a *market volume* of 3.18 billion US dollars. Then, *skincare* ranked second with a market volume of 2.05 billion US dollars and *makeup* of 1.61 billion US dollars.

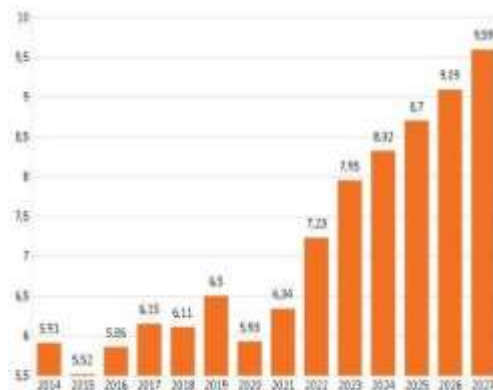


Figure 1.1 Estimated Skincare Users Graph 2014 – 2027

Source: indocareb2b.com (Accessed in 2024)

Still from a statistical source Katadata, revenue in the beauty and personal care sector reached around 7.23 billion US dollars or equivalent to IDR 111.83 trillion (exchange rate IDR 15,467.05) in 2022. Therefore, in the *sekinicare* This will be estimated to experience an annual increase of 5.81% CAGR during the period 2022 to 2027, (indocareb2b.com 2024).



Figure 1.2 Sales Chart on Skincare Products

Source: Kompas.co.id (Accessed in 2024)

In the data in the image above, *the brand of skinlife skincare products* shows the first rank *of the best-selling skincare products from the Top 5 other skincare brands* with total sales that have exceeded Rp.67 billion in some market *place sales* , namely. Instagram, shopee and tokopedia. And there are also several *brands* that have been included in one of the top 2 *best skincare brands* in Indonesia, namely from MS Glow skincare products. This MS Glow product has also received an award that it has achieved, namely from the MURI record in terms of product sales (*Indonesian Record Museum*) for an achievement from the MsGlow *skincare* product company as well as a cosmetic product with the largest sales network among the Indonesian people themselves, (Suhendra, 2023:15).



Figure 1.3 Product Skincare MSGLOW

Source : Instagram.co.id (In 2024 access)

According to several *founders* of the 3 top *brands*, Somethinc, Scarlett and MSGLOW said that the *omnichannel strategy* allows the progress of marketing business products from *skincare* to be large and grow progressively, not only reaching the Indonesian market, but also abroad. *Influencer marketing* (Bisnis.com, 2020).

One of the influencers who promotes a *skincare product* that they want to market on social media and other internet media networks from skincare companies, Ms. Glow is Nagita Slavina, the ability of *influencers* to advertise a product is very influential because consumers will be interested in *Influencers* who advertise the product and also master the product, so that it can convince consumers that this product is very good and very worth buying. MS Glow also uses Social Media as a Marketing Strategy, one of which is Instagram, currently MSGLOW has 1.6 million followers, (Suhendra, 2023:15).



Figure 1.4 Brand Ambassador Influencer

Source : *Instagram.co.id* (In 2024 access)

One of the efforts made by the skincare company Ms Glow to get the attention of consumers is by attracting famous *influencers* in Indonesia is Nagita Slavina to become *their Brand Ambassador*. *Nagita Slavina herself is an influencer* as well as an artist who is very popular and has a huge impact in the entertainment world. There are so many *luxury brands* that invite Nagita Slavina to work together to become *Brand Ambassadors* and even *Global Ambassadors* of their brands, such as *L'Oreal Paris* No wonder after attracting Nagita as a *Brand Ambassador*, MSGLOW is increasingly peaking its success and also increasing its popularity. From her followers and from Nagita's *fans*, they also flocked to buy MSGlow products because MSGlow also gave the idol a *photocard* in every purchase of a *package of Ms. Glow products*

which were very well packaged to protect the product from objects that could damage the protective equipment and were marketed through social media applications such as *Instagram, tiktok, shopee* and so on.

Digging deeper, the poll results show that the *segment* of the body care market in 2022 ranks first, with a market *volume* of 3.18 billion US dollars. Then, *skincare* ranked second with a market volume of 2.05 billion US dollars and *makeup* of 1.61 billion US dollars.

At this time, *skincare products* are not only limited to decorative products, but have also penetrated into the field of skin care (*skincare*) This development reflects the evolution of increasingly complex consumer tastes and needs. Skincare products have become a beauty tool that is in great demand by teenagers in the millennial generation. As usual, millennials are always looking for ways to improve their appearance. In Indonesia, this *trend* is also valid and continues to develop over time.

Inseparable from the millennial generation, they usually flock to have bright skin and a beautiful or handsome face, so the millennial generation is very fond of this *skincare* or *skincare* itself, according to Cho in the *book little book of skincare* said that skin care is an activity that can be done by anyone, The need for hygiene is important for all genders, women and men to take care of themselves regardless of *gender orientation*. (lifepal.co.id, 2020).

Doctor Indra Setiawan, a skin beauty expert, said that in terms of taking care of yourself, anyone can do it. Therefore, it is very important to raise awareness of the importance of using *skincare* in men. Because, everyone has the right to take care of themselves.

This opportunity makes a company to be able to take advantage of it to support its business progress, it can be some good business opportunities, some of the best *skincare brands* in Indonesia include the Somethic, Scarllet and MsGlow beauty brands. Some of these local *skincare brands* are in great demand by many people in Indonesia lately in the millennial generation.

According to Hariyanti and Wirapraja (2019), an *influencer* is someone who is on social media and has a large number of followers so that they can encourage others to take an action. *Influencers* can be *trendsetters* or become the center of attention of many people. By disseminating content on social media through these *influencers*, it can make it easier for people to get information and one of them is buying and selling transaction activities. *Influencer marketing* is a marketing strategy in selling products by promoting a product by someone who is considered influential (Lengkawati and Saputra, 2021:15).

Influencers on social media, with a follower base of more than 5 million followers, also have a skill that plays an important role in promoting skincare

products. They have a significant influence in shaping the perception and purchase decisions of potential consumers on social media and in the *public world*.



Figure 1.5 Buying experience

Source : Instagram.co.id (In 2024 access)

Customer experience is a set of interactions between customers, products, and companies Klaus & Maklan, (2019). If customers have a good impression after using a product or service, they will feel satisfied, which increases their intention to reuse the product. Through the process of interaction of the company's interface with the customer, the customer's experience with the company can be measured to learn what they think, and finally collect the information collected.

The marketing strategy used by the company is a result of combining various existing marketing elements based on the above definition, so it can be concluded that the marketing strategy is a series of activities that are directed to achieve goals and with an innovative and creative mindset, to face trends that occur inside the company and outside the company, which will affect the interests and future of the company itself Winardi, (2019).

Purchase decisions are one of the stages in the pre-purchase decision process after purchase behavior. In entering the previous purchase decision stage, consumers have been faced with several alternatives so that at this stage consumers will take action to decide to buy products based on predetermined choices.

According to Buchari alma, (2019:25). Asserting that a purchase decision is a consumer decision that is influenced by the economy, finance, technology, politics, culture, product, price, location, promotion, *physical evidence*, *people*, and processes. So that it forms an attitude for consumers to process all information and draw

conclusions in the form of a blunt response to the product to be purchased.

1.2 Problem Formulation

Based on the above background, the formulation of this research problem is:

1. Whether *influencer marketing* has a significant effect on decisions purchase of MSGlow products in Semampir District, North Surabaya City
2. Does the purchase experience have a significant effect on the purchase decision of MSGlow products in Semampir District, North Surabaya City
3. Does Instagram marketing strategy have a significant effect on decision to purchase MSGlow products in Semampir District, North Surabaya City.
4. Whether *influencer marketing* ,buying experience and strategy marketing has a significant effect on the purchase decision of MSGlow products in Semampir District, North Surabaya City.

1.3 Research Objectives

Based on the formulation of the problem that has been written above, the researcher gets the objectives of this study, namely:

1. To prove the significant influence of *influencer marketing* on the purchase decision of MSGlow products in Semampir District, North Surabaya City.
2. To prove the significant influence of Purchase Experience on MSGlow product purchase decisions in Semampir District, North Surabaya City
3. To prove the significant influence of Instagram Marketing Strategy on the purchase decision of MSGlow products in Semampir District, North Surabaya City.

1.4 Research Benefits

This research is expected to provide the following benefits:

1. Theoretical Benefits:
It is hoped that this research will be useful for the long term in the development of marketing management theory.
2. Empirical Benefits:
It is hoped that this research will be useful to improve existing research and be relevant to this researcher.
3. Benefits for the Company
It is hoped that this research will be useful for business people as a reference to develop their business using variables that affect purchasing decisions