

CHAPTER 1 INTRODUCTION

1.1 Research Background

Korea is a country that known world-wide because of their entertainment industry. Girl band, boy band, as well as K-drama have succeeded on ruling the entertainment industry around the world, including Indonesia. Many of Indonesian people adore Korean actor and actress. Moreover, they also try to imitate Korean actor and actress because of their good-looking appearance. As the result, people start to find information regarding what their idols are wearing (fashion, cosmetics, and skincare). Thus, Korea starts spreading its wings by introducing to the world their fashion, cosmetics, and skincare products.

According to Asia Personal Care & Cosmetics Market Guide (2016), Indonesian nowadays are increasingly concious about their self-image and fashion that leads to following the fashion and cosmetics trends in Korea. Supported by the trend of using less makeup, skincare has started to become essential. As what is seen in the dramas and music videos, Korean idols have that glowing-looking skin which most of the people often called “skin-goals”. Furthermore, in 2012, Indonesian government stated that compared to other consumer products, cosmetics and personal care products were growing rapidly. As the result, haircare and skincare are nominated as the two largest product sales category with over 20% of the market (Cheong et al., 2016).

According to Indonesian Ministry of Industry (2015), South Korea has succeeded in dominating both Indonesia's upper- and lower-class cosmetic market, which is quite promising. As it is shown in image 1.1, the total of Indonesia's imported cosmetics slightly decreased in 2014, but in 2015 the total imported cosmetics of Indonesia increasing rapidly, especially in 2016 (Hanung, 2018).

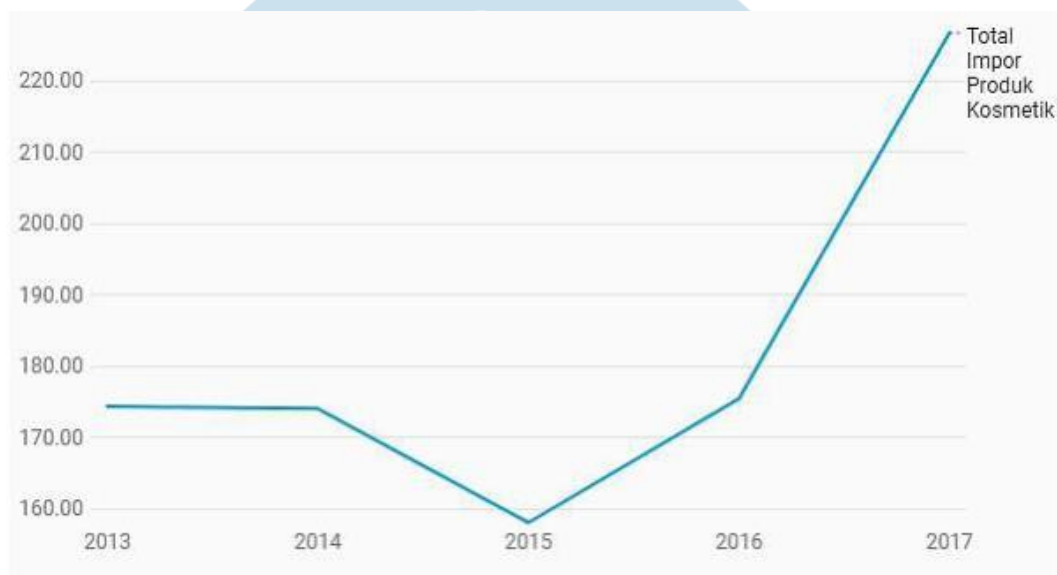


Image 1.1

The growth of imported cosmetics in Indonesia year 2013-2017

Source: Hanung- BPS 2018 (accessed on November 1, 2020)

There are several brands competing in Indonesia beauty and cosmetics market according to EIBN (2019). The brands are Innisfree, Shiseido, The Body Shop, Loreal, Wardah, Make Over, BLP, Mineral Botanica, ESQA and many more. As for Innisfree brand, the company has succeeded to bring their products to dominate the Indonesian market (IFCCI, 2019).

Innisfree is a Korean brand found by Sunghwan Suh in 2000. Inspired by Jeju Island's natural elements, the founder founded the skincare benefits over

fifteen Jeju's natural resource that offered skincare solutions for various skincare problems (Innisfree, 2020). According to EIBN (2019), Innisfree has succeeded to control 4,6% of Indonesian beauty market only in two years since the company was introduced. Innisfree offered skincare, haircare, as well as make up products as shown in image 1.2.



Image 1.2

Innisfree's Product Mix

Source: www.drumitcloud.com (accessed on November 2, 2020)

It is beneficial for Korean Skincare Company to boost their sales using the Korean idols to endorse their brand. Proven by Innisfree's advertisement shown on image 1.2. Celebrity endorsement is one of the popular way in promoting a product to the market (Wei & Lee, 2013). Supported by a statement from Choi, Lee, and Kim (2005), that 60 percent of the television commercial in East Countries, such as Korea and Japan use celebrity to promote their products.



Image 1.3

Im Yoon-ah Innisfree's perfume advertisement

Source: www.kpopherald.koreaherald.com (accessed on November 20, 2020)



Image 1.4

Lee Min Ho Innisfree's perfume advertisement

Source: www.suho.com (accessed on November 20, 2020)

Based on Spry et al. (2011), celebrity endorsement is commonly used in a marketing communication strategy to build brand image, increase advertisement

effectiveness, brand recognition, and purchase intention. There are two types of consumer relationship with celebrities in term of endorsement, which are entertainment-oriented and intense-attachment. Hung et al. (2011) stated that entertainment-oriented consumers tend to evaluate the information given by the celebrity endorsement briefly. On the other hand, intense-attachment consumers would evaluate the information from the celebrity endorsement with full considerations.

In order to intensify their brand awareness, Innisfree directly cooperate with Im Yoon-ah (SNSD's personnel) and Lee Min Ho (actor). This cooperation was considered as successful, especially in Indonesia. Supported by the grand opening of Innisfree's seventh outlet in Surabaya. Image 1.4 showed that the consumers were willing to stand in line to get Im Yoon-ah and Lee Min Ho souvenirs.



Image 1.5
Innisfree's consumers queue for Im Yoon-ah and Lee Min Ho's souvenir
Source: www.suryaonline.com (accessed on November 1, 2020)

According to Dom *et al* (2016), the main key point of having a successful advertisement is to select a right endorser to advertise the product. Celebrity

endorsement is on trend these days and companies tend to generate maximum outcomes by hiring celebrities to endorse their products. Hence, finding a celebrity that is align with the products and the company brand image is necessary in creating advertisement effectiveness. Celebrity that fits the company brand image and product they endorsed would help consumers to construct the image of the brand and the product better (Bahram *et al*, 2010).

In order to create a positive advertisement and increase purchase intention, celebrity endorser should convince the consumers that they fit the ideal self-concept and self-image of the consumers (Choi and Rifon, 2012). Consumers tend to observe their idol and imitate their styles and behaviors. The consumers believe that the images represented by the celebrities are relevant to their ideal self-image. Furthermore, the consumers are willing to purchase brands or products that being endorsed by their favorite celebrity in order to look like their idol after using the brands or products (Dong & Jyue, 2012).

Thus, in the process of creating advertisement campaigns, it is important for the company to engage the celebrity features along with their personalities to match the image of the promotional product (Lubna Zaheer, 2018). Celebrity endorsement is effective in increasing brand awareness and shaping brand or product image.

The researcher found this topic interesting because celebrity endorsement is a popular advertising tool these time. Hence, the researcher would like to conduct a study regarding the celebrity endorsement using quantitative methodology. This study aims to investigate whether celebrity endorsement is effective enough to

influence consumer's purchase intention, especially in beauty and cosmetic products.

1.2 Research Questions

Based on the research background, the followings are the identification of the problem prepared in this study:

1. Do Im Yoon-ah and Lee Min Ho's attractiveness influence on consumer purchase intention of Innisfree?
2. Do Im Yoon-ah and Lee Min Ho's trustworthiness influence on consumer purchase intention of Innisfree?
3. Does consumer attitude toward Im Yoon-ah and Lee Min Ho Innisfree's advertisement influence on the purchase intention?
4. Is there any difference perceive in Innisfree's consumers purchase intention based on different celebrity endorsement (Im Yoon-ah and Lee Min Ho)?

1.3 Research Objectives

Based on the research questions that have been compiled above, the objectives to be achieved in this research are:

1. To investigate Im Yoon-ah and Lee Min Ho's attractiveness influence on consumer purchase intention of Innisfree.
2. To investigate Im Yoon-ah and Lee Min Ho's trustworthiness influence on consumer purchase intention of Innisfree.

3. To investigate the influence of consumer attitude toward Im Yoon-ah and Lee Min Ho Innisfree's advertisement on the purchase intention.
4. To investigate the different perceive of attractiveness, trustworthiness, attitude, and purchase intention based on different celebrity endorsement for Innisfree brand.

1.4 Benefits of the Research

Reffered to this research, the researcher hope that this research could bring some benefits to the readers. Some of the benefits are:

1. For academic purpose

This research is expected to be an insight for the academic learning in term of the determinants of consumers purchase intention towards celebrity endorsement.

2. For the company

This research is expected to provide some insights for Innisfree in term of the determinants of consumers purchase intention towards celebrity endorsement.

1.5 Systematic of Research Writing

This research writing system was arranged using the following format:

1. Chapter I: Introduction

This chapter contained the research backgrounds, the problem formulations, the research purposes, the research benefits, and the research writing systematics.

2. Chapter II: Literature Review

This chapter contained the previous research, the theoretical background, and the hypothesis development.

3. Chapter III: Research Methodology

This chapter contained the research population, the research sample, the research sampling method, the research variables, the research data collection, and the research data analysis method.

4. Chapter IV: Results and Discussion

This chapter contained the output and the explanation of the data analysis.

5. Chapter V: Conclusion and Recommendation

This chapter contained the research conclusion and the research recommendation for the future research in the same field.