

CHAPTER I

Introduction

1.1 Background

In this modern era, technology plays a great role in our daily lives. The technology has brought significant changes and it has influence every aspect of individuals lives (Sami & Irfan, 2018; Manzoor et al., 2020), and because of that, many businesses are trying to compete, and promote their business. The new business trend that is currently happening in Indonesia is local brands. Many people try to explore as much as they can to find the best local brand for them, whether it is a beauty products, and also in terms of clothes or fashion stuffs. With more advance technology, it is not impossible for marketers to reach high insight. One of some developing technologies is social media, which shows the developing process of internet technology. With the existence of social media marketing, the businesses can easily go to their target market, and making a direct communication to their customers.

With the existence of social media, it is possible that eWOM will happen, which offers some advantages for the marketers. The message of the marketing can be delivered through eWOM to a lot of people only in a second (Liu, 2006; Filieri and McLeay, 2013). Social media brings the possibilities for the marketers and consumers together from so many platforms for example Instagram and Facebook. Social media not only provides the communication between companies and customers, but also increases the communication between customers about company, which called as electronic word of mouth (Kozinets et al., 2010; Erkan, 2016). It is considered as the influential marketing instrument, and the particular reason for

circumstance is that consumers always search for new information from the previous customers, to make themselves sure and comfortable before they decide to purchase the product or service.

Since the conversations in social media frequently refer to brands (Wolny & Mueller, 2013; Erkan & Evans, 2016), they are naturally influential on consumers purchase intentions (Wang, Yu, & Wei, 2012). However, it is difficult to imagine all the eWOM information as being influential on consumers' purchase intention. Not all the information from social media can be accepted easily. Naturally, customers will try to find the information related to the product, about which one is useful for them, and which one they can adopt. Thus, we can conclude that needs of information, the information quality, information credibility, attitude towards the information, usefulness and adoption of information are related and can affect or delivers the customers' purchase intention.

Social media become famous nowadays, and a lot of business use it as the bridge for their customers. Not only to deliver the messages from the seller, through the social media account, the marketers also learn about the customers' concerns and also expectations. Thus, social media websites have some benefits for marketers/sellers in terms of eWOM:

1. Sellers can control and interfere in conversations of consumers to prevent negative or bad comments before it goes bigger;
2. From providing accurate and good content, sellers can lead their customers to start positive comments and dialogues between others.

The interest of people also increasing and as a result of this interest among these users, the number of social media websites has also increased. Even though social media websites seem similar, they actually provide some different ways of

communication between the user. Twitter and Facebook are similar, but they have different features, for example, twitter allows the users to post only 1-140 character limit, but Facebook has no limitation for the users to write or post anything. The users of YouTube can only upload video, and giving comments, whereas Instagram focuses on pictures, and video with maximal duration of 1 minutes for every post. Since the range of social media is wide, eWOM now not only happens between people who know each other (friends), but also between unknown people in social media. That is why, eWOM has the power to trigger the purchase intention.

1.2 Research Questions

This research will investigate the determinants of eWOM information that can affect the consumer's purchase intention. Therefore, the research questions are:

1. Does the quality of eWOM information positively influence the usefulness of eWOM information of Dear Me Beauty?
2. Does the credibility of eWOM information positively influence the usefulness of eWOM information of Dear Me Beauty?
3. Does the needs of eWOM information positively influence the usefulness of eWOM information of Dear Me Beauty?
4. Does the attitude towards eWOM information positively influence the usefulness of eWOM information of Dear Me Beauty?
5. Does the attitude towards eWOM information positively influence the consumers' purchase intention of Dear Me Beauty?
6. Does the usefulness of eWOM information positively influence the adoption of eWOM information of Dear Me Beauty?

7. Does the adoption of eWOM information positively influence the consumers' purchase intention of Dear Me Beauty?

1.3 Research Objectives

The objectives of this study is to prove the research questions which are the variables that influence people, and direct them to the purchase intention. Therefore, the objectives are:

1. To analyze the effect of quality of eWOM information towards the usefulness of eWOM information.
2. To analyze the effect of credibility of eWOM information towards the usefulness of eWOM information.
3. To analyze the effect of needs of eWOM Information towards the usefulness of eWOM information.
4. To analyze the effect of attitude of eWOM information towards the usefulness of eWOM information.
5. To analyze the effect of quality of eWOM information towards the consumers' purchase intention.
6. To analyze the effect of usefulness of eWOM information towards the adoption of eWOM information.
7. To analyze the effect of adoption of eWOM information towards the consumers' purchase intention.

1.4 Research Systematic

The researcher provides an overview of the research that stands from several parts of the research proposal;

CHAPTER I: INTRODUCTION

This chapter describes the contents that consist of : background, research question, research objectives, and research systematic.

CHAPTER II: LITERATURE REVIEW

This chapter describes about some theories related with the research topic, and consists of literature review, previous studies, research model, and hypotheses development.

CHAPTER III: RESEARCH METHODOLOGY (Data Collection)

This chapter describes about the data collection method for the research, and the tools for data analysis.

CHAPTER IV: DATA ANALYSIS

This chapter will reveal the result from data analysis and the interpretation of it using chosen analytical tools.

CHAPTER V: CONCLUSION AND MANAGERIAL IMPLICATIONS

This chapter will include conclusion, research limitations, managerial implications and advices for future research