1. Introduction

In this chapter, the writer will discuss the background of the effectiveness of social media marketing to maintain brand loyalty, whilst identifying the research aims and objectives and what is to be expected in the coming chapters.

1.1 Background

Any business's success relies heavily on its ability to establish and maintain brand loyalty. With the rise of streaming services like Netflix and Disney+ Hotstar, this has become even more important. In Indonesia, both Netflix and Disney+ Hotstar have been quick to recognise the potential of social media marketing as a tool to build brand loyalty. This dissertation will explore the effectiveness of social media marketing in maintaining brand loyalty for Netflix and Disney+ Hotstar in Indonesia.

Netflix was one of the first streaming services to recognise the potential of social media marketing. They created a comprehensive social media marketing strategy that included creating content tailored to Indonesian viewers, engaging with their followers through comments and messages, and offering exclusive discounts and promotions. This strategy has been successful in building a loyal customer base in Indonesia. Netflix has also made use of influencer marketing, partnering with famous Indonesian celebrities to promote their services. This has further increased their reach and helped to build brand loyalty.

Disney+ Hotstar has also made effective use of social media marketing in Indonesia. They created content tailored explicitly to Indonesian viewers, such as animated series and films featuring Indonesian culture and celebrities. They also used influencer marketing to promote their service and offer exclusive discounts and promotions. This has been successful in building a loyal customer base in Indonesia.

The connection between brand loyalty and social media marketing is clear. Social media platforms provide companies with the opportunity to create content tailored to their target audience, engage with them directly, and offer exclusive discounts and promotions. This helps to build a loyal customer base, as customers feel like they are part of the company.

The writer will be studying the effectiveness of social media marketing to maintain brand loyalty, which is important because it can help businesses or companies strategies how to market their product or services and do the cost-benefit analysis of using social media to market their product or services. This literature review will cover a topic that relates to social media, marketing, brand loyalty and much more. Business is evolving with the rapid development of technology. Businesses are used only to sell services or products in a physical store. However, right now, many businesses also have an online store. Even some companies did not have any physical stores, just an online stores. A business that cannot follow or adapt to the evolution of technology will likely be left behind and possibly close its business. One of the examples of technology that is needed to survive in this era is the internet, more specifically, social media. Right now, social media is becoming the centre of the world. Almost

all people in the world have social media. Social media know no age. Starting from a toddler to adults, people use social media. Because of that, businesses need to capitalise on these opportunities. Using social media to promote the business is the best way to get a customer. There is also another function of social media for business. The other function is to maintain the customer to stay loyal to the business. Many people, especially young people, rely on social media to choose what products they will buy or what services they will use. However, not all people rely on social media to choose a brand based on their social media activity. Because of that, there are arguments about how effective social media can be in maintaining that brand loyalty. This topic of how social media marketing impact brand loyalty has already been researched by the likes of Erdoğmuş and Cicek (2012). In those research (Erdoğmuş and Cicek, 2012) focus their research on a global scale. Because the research they conducted was too general, the conclusion of the research cannot be applied to an individual country. That is why the writer wants to expand this research to be more specific. The writer wants to research this topic in Indonesia. That gap is what the writer wants to explore more. As far as the writer knows, there is no debate or controversy on the topic of the effectiveness of social media marketing in maintaining brand loyalty.

1.2 Research aims

This research aims to know the effectiveness of social media marketing in maintaining brand loyalty of Netflix Indonesia and Disney+ Hotstar Indonesia and to analyse how to utilise social media marketing for brand loyalty.

1.3 Research objectives

• To identify the effectiveness of social media marketing to maintain brand loyalty Netflix and Disney+ Hotstar

• To measure the effectiveness of social media marketing to maintain brand loyalty

1.4 Background about Netflix and Disney+ Hotstar

Netflix is a streaming service that was founded in 1997 and initially offered DVD rentals by mail (Netflix). It later expanded to streaming video content and has since become one of the most popular streaming services in the world, with over 200 million subscribers in 190 countries. Netflix offers a wide range of TV shows, movies, and documentaries, including many original productions.

Disney+ Hotstar, on the other hand, is a newer streaming service that was launched in 2019. It is owned by The Walt Disney Company and offers a variety of content from Disney, Pixar, Marvel, Star Wars, and National Geographic, as well as original productions. Disney+ Hotstar has quickly gained popularity, with over 161 million subscribers as of December 2022(The Walt Disney Company, 2023). It is known for its family-friendly content and has been a popular choice for parents with young children.

Both Netflix and Disney+ Hotstar offer a variety of content and have their own unique features and user interfaces. While Netflix has been around for much longer and has a larger subscriber base, Disney+ Hotstar has seen rapid growth since its launch and has become a major player in the streaming industry.

2. Literature Review

2.1 Marketing