

CHAPTER I

INTRODUCTION

1.1 Background

In recent decades, the growth of internet use has fundamentally changed the way we interact with information and each other. This phenomenon has contributed greatly to the evolution of media and communications, connecting people from different parts of the world quickly and efficiently. In today's era, which is also called the digital era, internet use continues to increase, and this applies in many sectors, starting from the economic, social, political, Education, etc. Based on data obtained from BPS, there is an increase in the number of the Indonesian population who access the internet, in 2016 around 25.37% increased to 53.73% in 2020 (Sugiharto, 2020).

The emergence of social media, video sharing platforms and messaging apps has been an important turning point in this change. The growth of internet usage has significantly influenced consumer behavior. Now, people have unlimited access to information about various products and services by simply moving their fingers. They tend to look for reviews, recommendations and customer experiences before making a purchasing decision. In other words, the internet has become an irreplaceable source of information for many people, shaping their views on brands and products.

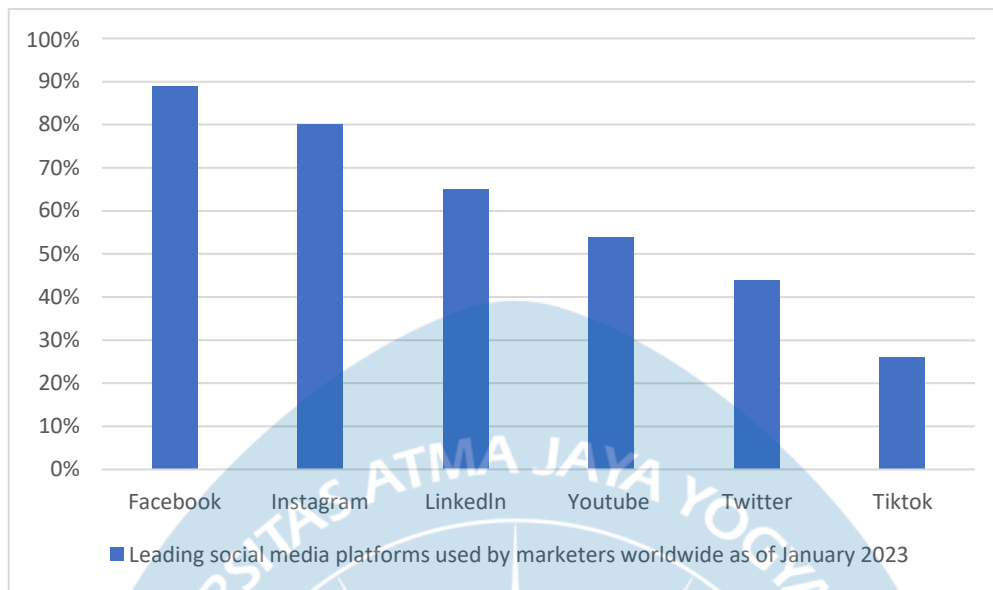
One of the most exciting aspects of the growth of the internet is society's ability to share information quickly and widely. Social media is also utilized in the economic and business sectors, business people are starting to use social media as a marketing tool to increase brand awareness (Kumar et al 2020). Social media allows individuals to share their experiences, both positive and negative, with their networks in just a few clicks. This creates a domino effect where one interesting post or piece of content can spread virally in a matter of hours or even minutes. In a marketing context, this phenomenon provides a tremendous opportunity for brands to harness the power of digital word-of-mouth to expand their reach and influence. It is important to recognize that in this internet era, trust and authority among fellow internet users have also become key factors. People are more likely to trust recommendations from friends or family than direct advertising or promotions from brands. Therefore, understanding the dynamics of information sharing behavior and how brands can influence this process is key to developing successful marketing strategies in today's digital era.

The growth of internet usage and information sharing behavior by society have become two important aspects shaping the modern marketing landscape. Understanding how these phenomena interact with each other and influence consumer decisions is an important first step for companies in exploiting the full potential of the internet as a marketing tool. People's desire to share information is an important element in the context of the growth of internet use and the evolution of social media. Factors that encourage people to share information include the desire to connect with others, build an online identity, gain recognition, and make positive contributions to their online communities. One of the main reasons behind people's desire to share information is social encouragement. Humans naturally have a tendency to interact with others and build social relationships. In the context of social media, sharing information provides a way to strengthen social ties and expand circles of friends virtually. This sharing activity can also be a means of gaining approval and support from others, strengthening a sense of connectedness within an online community. In addition, sharing information can also provide an opportunity for individuals to build their online identity. By selecting the content they share, people can communicate their interests, values and preferences to others. This helps in forming a digital self-image that matches their identity in real life (Kaplan & Haenlein, 2020). Not only that, the desire to gain recognition is also an important factor in the motivation to share information. When someone shares content they find interesting or useful, they may receive positive responses from their peers in the form of likes, comments, or re-shares. This provides psychological rewards that encourage individuals to continue participating in information sharing activities (Hejazi & Khamees, 2022). People often feel compelled to share information because they want to make a positive contribution to their online community. By sharing information they believe is useful or relevant, individuals can feel that they are adding value to others and enriching the shared experience within their community (Cheung et al, 2020). In a marketing context, a deep understanding of the factors that motivate people to share information is invaluable. Companies that can identify and capitalize on social drives, the desire to build an online identity, the desire for recognition, and the motivation to contribute can design more effective marketing campaigns and produce more engaging content for their audiences.

Based on the survey conducted by Ernest Dichter it can be concluded that Several factors can influence how information is shared. For starters, product involvement, which accounts for 33% of motivation, derives from the customer's sheer delight in their experience, prompting them to tell others about it. Second, self-involvement, accounting for 24%, fuels the

sharer's desire for attention and the sense of exclusivity that comes with being the carrier of secret information. Furthermore, other engagement, which accounts for 20%, illustrates the sharer's humanitarian motivation to help others by sharing useful knowledge. Finally, message participation, at 20%, emphasizes the perceived worth of the message, motivating the sharer to spread it widely. These elements together highlight the varied nature of information sharing, which includes personal delight, social approval, benevolence, and the inherent usefulness of the knowledge being given. Dichter concluded that when the consumer feels that the advertiser speak to him as a friend, the consumer will feel relax and tend to accept the recommendation or the content. The growth of internet use is closely intertwined with the rise of social media platforms, which have become pivotal in shaping online interactions and activities. Platforms like Facebook, Instagram, Twitter, LinkedIn, YouTube, and TikTok have garnered billions of active users globally, revolutionizing how people connect, share content, and engage online (Kumar et al, 2020). Social media usage encompasses various activities beyond mere sharing, including watching videos, reading news, interacting with brands, and participating in online communities, highlighting its integration into daily life as a fast, accessible communication channel (Statista, 2023). Social media's appeal lies in its ability to satisfy the human need for connection and self-expression, enabling individuals to connect with others and expressthemelves on a global scale (Newman, 2018). For businesses, social media presents opportunities to directly engage with consumers, respond to inquiries, provide relevant content, and strengthen brand loyalty (Lim Weng, 2022). However, alongside these opportunities come challenges, such as privacy concerns, security issues, and the spread of misinformation, emphasizing the importance of responsible usage. In the marketing realm, social media has emerged as a primary channel for brand promotion, offering precise audience targeting, performance measurement, and direct consumer interaction (Firdaus, 2023). Twitter and YouTube also offer various features for businesses to exploit the potential of onlinemarketing. With features like business accounts, statistical analysis, and paid advertising, businesses can use the platform to share content, expand brand reach, and increase customer engagement.

Here are the graphics that showed which social media that people usually use to do business:



Source: Statista Website (Publisher: Valentina Dencheva)

Figure 1.1 Social media that people usually use to do business

Based on the graphic above we can conclude that most of people who want to business will use facebook as their media.

Starbucks, founded in 1971 in Seattle, Washington, by three partners: Jerry Baldwin, Zev Siegl, and Gordon Bowker, has grown into one of the leading global coffee brands. With a vision to be the world's most inspiring coffee company, Starbucks is committed to delighting customers with high-quality products and unique experiences. They prioritize values such as quality, ethics, social responsibility and sustainability, and continue to support sustainable coffee farmers. Starbucks offers a variety of coffee products, espresso drinks, teas, handcrafted beverages, as well as snacks and cakes, with a broad and varied menu, including signature drinks such as Caffe Latte, Cappuccino, Frappuccino and more. With thousands of stores worldwide, Starbucks has created a strong global presence, serving customers from the United States to Europe, Asia, Africa and the Middle East, while maintaining its commitment to quality, customer experience and social responsibility

Starbucks use of social media has become an integral part of the brand's marketing strategy and interactions with customers. Starbucks uses social media for a variety of purposes, including expanding brand reach, increasing customer engagement, promoting products and events, and building closer relationships with the community. One of the social media

platforms most frequently used by Starbucks is Instagram. Through its official Instagram account, Starbucks shares interesting images and videos, including visual content about their products, special cup branding, and content showcasing customer experiences at their stores. They also use features like Instagram Stories and IGTV to provide more engaging and interactive content to their followers.

Starbucks also has an active presence on several social media sites, including Facebook, Twitter, YouTube, and LinkedIn. Starbucks uses these channels to not only provide the most recent product and event news, promote special offers, and engage with consumers in a welcoming manner, but also to interact with local communities, share inspiring tales, and support social causes. Furthermore, Starbucks uses YouTube to provide promotional films, lessons, and event footage, whereas LinkedIn emphasizes the brand's professional features, such as sustainability, leadership, and innovation in the coffee sector. Starbucks' multi-platform approach enables them to effectively interact with varied consumers and communicate brand values across multiple media.

Overall, Starbucks use of social media is not only aimed at promoting their products, but also to build a strong community, encourage customer engagement, and convey their brand values. With an integrated and consistent marketing strategy across various social media platforms, Starbucks has managed to maintain their position as one of the world's leading coffee brands while still connecting with their customers in a direct and meaningful way.

Viral marketing has become an increasingly important marketing strategy in today's digital era, by taking advantage of the natural and rapid spread of messages or content among consumers via social media and other online platforms. According to Kotler and Armstrong, Viral Marketing is: Viral marketing is the Internet version of word-of-mouth marketing, which involves creating an E-Mail message or other marketing event that is so infectious that customers will want to pass it along to their friends. It can more or less be interpreted as the internet version of the marketing use of mouth to mouth, which is very relates to creating an E-Mail or marketing event that is so contagious that customers want to share it with their friends (Sandala, et al. 2019).

In the context of Starbucks, where brand presence and interactions with consumers online play a significant role, understanding how viral marketing influences consumer purchasing decisions for Starbucks products and services is crucial. Through a holistic research approach, including analysis of content creativity, consumer engagement, social networks, and

aspects of credibility and trust, this thesis aims to investigate the impact of viral marketing in creating positive perceptions, interest, and purchase intentions among Starbucks consumers. Thus, it is hoped that this research can provide in-depth insight into the role of viral marketing in the context of the Starbucks brand and its implications for more effective marketing strategies in the current digital era.

In addition, this thesis will also examine how Starbucks consumers use Starbucks social media and how this influences purchasing decisions. In the context of interactions between consumers and brands, Starbucks social media functions as a two-way communication channel where consumers can actively engage with brand. Through social media platforms such as Instagram, Facebook, Twitter and the Starbucks mobile app, consumers have access to a variety of content, promotions and information about products and other customer experiences. By participating in content shared by Starbucks, such as commenting, liking, or sharing posts, consumers not only expand their social networks with other fans, but also indirectly strengthen the relationship with the brand. This process can increase consumers sense of engagement and affiliation with the brand, which in turn can influence their purchasing decisions. Through interaction analysis consumers with Starbucks social media and surveys about their purchasing behavior, this thesis aims to identify consumer engagement patterns, the types of content that are most effective in influencing purchasing decisions, and their impact on brand loyalty. "As such, this research will provide a better understanding of how consumers use of Starbucks social media contributes to the purchasing decision process and how Starbucks can optimize their social media strategy to increase consumer engagement and influence more positive purchasing decisions.

Nowadays, there is a research gap that needs to be further explored in the context of Starbucks consumers' social media use and its impact on purchasing decisions. While some previous research may have investigated the use of social media by specific brands or its impact on consumer purchasing in general, few have specifically focused on Starbucks consumers and their interactions with Starbucks social media. Therefore, this study aims to fill this gap by investigating in more depth how Starbucks consumers use Starbucks social media platforms and how it influences their purchasing behavior. Additionally, this research will also consider differences in consumer preferences and behavior based on demographics, product preferences, and level of engagement with the brand, which could provide valuable insight for Starbucks in designing more targeted and effective marketing strategies. By bridging this gap in research, it is hoped that this thesis will make a significant contribution to our understanding of the role of

social media in influencing consumer behavior and help Starbucks increase consumer engagement and strengthen their brand position in the market.

1.2 Research Questions

1. Does viral marketing has a positive and significant influence toward purchase decision on Starbucks?
2. Does social media marketing has a positive and significant influence to purchase decision of Starbucks?

1.3 Research Objective

1. To analyze the influence between viral marketing to consumers purchase decision of Starbucks
2. To analyze the influence of social media marketing to consumers purchase decision of Starbucks

1.4 Research Benefits

A. Theoretical Benefits

This research is expected to make an important contribution to the understanding of viral marketing, social media, and consumer behavior. By exploring the relationship between consumers' use of Starbucks social media and its impact on purchasing decisions, this research will enrich the existing literature in this area.

B. Practical Benefits

This research will provide direct practical benefits to Starbucks and similar companies in the coffee industry that use social media marketing. By understanding consumer interaction patterns with Starbucks social media and how it influences purchasing decisions, Starbucks can improve the effectiveness of their marketing strategy. The findings from this research may also provide valuable insights for other companies in similar industries to increase consumer engagement and sales results through social media marketing.

1.5 Writing Systematic

CHAPTER I INTRODUCTION

The initial chapter of this study provides an overview of the contextual framework. Through comprehensive elucidations, readers will acquire a more profound comprehension of the context and immediacy of the conducted research. The introduction will encompass several Components, including the backdrop, problem statement, research aims, research benefits, and research systematics.

CHAPTER II LITERATURE REVIEW

The second chapter will provide a comprehensive explanation of the fundamental theories that serve as the foundation for the forthcoming research. Through the utilization of the constructed conceptual framework, readers will be able to discern the interconnections among the concepts that comprise the subject of investigation. Literature review pertaining to research variable definitions, sources, and theories; table of prior research; development of hypotheses and research frameworks.

CHAPTER III RESEARCH METHODOLOGY

The methods employed in this research study are delineated in the third chapter. These methods comprise the research scope, sampling protocols, data acquisition strategies, and instrument testing. In addition, the procedure for analyzing the data utilized in the research is described in this chapter. The research methodology section encompasses various aspects, including populations and samples, research objects, subjects, and locations, data collection methods, operational definitions, measurement data, and data analysis techniques.

CHAPTER IV DATA ANALYSIS AND DISCUSSION

In this chapter, the findings derived from the conducted research will be presented and subsequently subjected to a comprehensive analysis. Discussions pertaining to the research objectives will also be given in order to enhance comprehension of the obtained findings. Includes data analysis and analysis, including descriptive statistics, outcomes of data analysis, and further analysis.

CHAPTER V CLOSING

In this study, the concluding chapter provides a thorough examination of the results

obtained from the performed research, accompanied with relevant suggestions for the progression of future research initiatives. As a result, the readers will conduct a comprehensive analysis of the implications of the research findings, accompanied with recommendations for future research attempts. Includes ending components such as a summary, managerial implications, limits of the research, recommendations for future research, and a bibliography.

