

CHAPTER I

INTRODUCTION

1.1 Research Background

In today's business world, marketing plays a very important role and is used by many companies to stand out, to provide awareness and make a connection with consumers. Apart from creating awareness, marketing can also help the sales team and various company departments in conveying the value proposition effectively to consumers. This method is crucial for increasing brand identification and familiarity. In today's competitive business world, effective marketing is essential for companies to stand out and capture consumer attention.

In the current business of beauty industry, the skincare industry in Indonesia is rapidly growing, with projections from Media Indonesia adapt from Euromonitor International, indicating that Indonesia is the second-largest contributor to global skincare market growth. The emerging markets' growth rates have the potential to dominate the global beauty market which is expected to reach US\$130 billion in 2019. This increase in skincare products has led to the introduction of various brands, underscoring Indonesian consumers are aware of skincare's importance for overall skin health and beauty. In current business of beauty company, Scarlett Whitening brand has caught public eye's attention for its skincare products aimed at brightening and maintaining skin health since its establishment in 2017 by Felicya Angelista. Specializing in skincare, Scarlett Whitening offers products designed to brighten and maintain skin health. Despite Felicya Angelista's are a celebrity status and can boosting the brand's visibility, however Scarlett Whitening's popularity primarily is from its good and high-quality products. With a focus on both online and offline sales, their most famous products, like Scarlett Body Lotion and Face Serum, have become popular with social media users and beauty influencers. This has made Scarlett Whitening even more well-known in the beauty industry.

Recently, many businesses used brand ambassadors as a marketing tool to connect better with customers. In this marketing approach, the brand partners with people who love the brand and share its values and objectives. These ambassadors

then act as influential channels to reach and interact with the target market. Ambassador marketing programs are most effective when they increase brand awareness, build trust, and encourage customer engagement, ultimately driving more sales and revenue.



Figure 1.1

EXO Group Idol as a Brand Ambassador for Scarlett Whitening

(Source: www.beautyhaul.com)

In line with this, on August 30, 2023, Scarlett Whitening announced EXO as their brand ambassador. EXO is a renowned K-pop group formed by SM Entertainment in 2011, that has known for their diverse music genres and unique style. Their recognition as one of the top five most influential celebrities by the Forbes Korea Power Celebrity list from 2014 until 2018, this underscores their widespread popularity. The intention of collaboration involves EXO endorsing Scarlett's newly to launched tube-form body lotion, featuring variants like Freshy, Romansa, Fantasia, Jolly, and Charming for maintaining skin health. This partnership not only enhances Scarlett Whitening's brand image but also strengthens their connection with fans through various promotional activities.

Additionally in recent times, the Korean culture, such as music and fashion industry in Korea or known as Korean Wave has become extremely popular around the world, including in Indonesia. According to Indonesia's Ministry of Communication and Information, Korean entertainment products like TV shows, hip-hop music, and food have seen a big increase in popularity across Indonesia over the past ten years, not just in the capital city of Jakarta. This shows the growing influence of Korean popular culture in the country. Research by Putri & Reese, (2018) found that young Indonesian female fans mainly use the internet, social media, and special websites to follow and engage with Korean Wave content. Additionally, a study by Hua et al. (2020), showed that using Korean celebrities as brand ambassadors boosted product sales, highlighting the economic effects of the Korean Wave phenomenon in the current business.

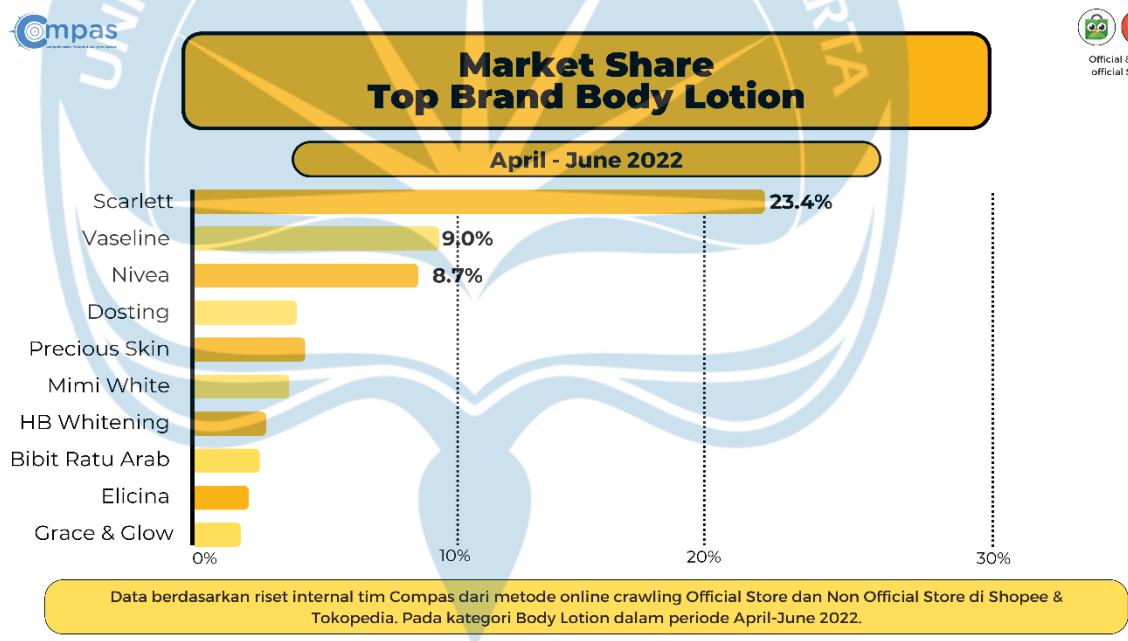


Figure 1.2
Market Share Top Brand Body Lotion (April-June 2022)

(Source: <https://compas.co.id>)

According to market share data from Compas, Scarlett Whitening is one of the top brand in the body lotion category with a 23.42% market share. The brand's success stems from its strong reputation for providing effective, high-quality

whitening products. Therefore, Scarlett was chosen for this research because their product leads the body lotion whitening market with its positive brand image and diverse product range. By studying Scarlett marketing, it can give us key insights into what attracts consumers to buy the products, due to Scarlett leads the market in this category, it's the perfect choice for this research.

This study aims to help readers and companies understand how marketing strategies affect whether people want to buy things. As we know companies spend a lot of money on brand ambassadors, so it's important to know how they influence customers. Understanding this connection can help improve marketing and make more money. In light of this, this study appears to investigate the impact of these elements on purchase intentions, exploring the relationship between brand ambassador, brand image and purchase intention in the context of Scarlett Whitening brand.

Empirical evidence conducted by Hong et al. (2022), indicate a favourable correlation between brand ambassadors and brand image in relation to purchase intention based on the study of Hong et al. (2023). Brand ambassadors are not only can enhance the intention for people to buy but they also can communicate the company's desire for consumers to become aware with their brand according to Hua et al. (2020). Utilizing brand ambassadors can boost the brand image, which can make people more likely to have the intention or the urge to buy. This helps companies improve their marketing by using ambassadors and improve their brand image.

1.2 Research Questions

This research investigate into the influence of various factors brand ambassadors elements such as credibility, specialty, attractiveness and congruence, toward brand image, and purchase intention, aiming to explains their interconnected roles in shaping consumer behavior and brand image from brand ambassador. Based on the existing research background and the need to delve deeper into these relationships, our study focuses on the following research questions:

1. Does brand ambassador credibility influence brand image?
2. Does brand ambassador specialty influence brand image?
3. Does brand ambassador attractiveness influence brand image?
4. Does brand ambassador congruence influence brand image?
5. Does brand ambassador credibility influence purchase intention?
6. Does brand ambassador specialty influence purchase intention?
7. Does brand ambassador attractiveness influence purchase intention?
8. Does brand ambassador congruence influence purchase intention?
9. Does brand image positively and directly influence purchase intention?
10. Does brand image positively mediate brand ambassador and directly influence purchase intention?

1.3 Research Objective

1. To examine whether brand ambassador credibility have a positive influence on brand image.
2. To examine whether brand ambassador specialty have a positive influence on brand image.
3. To examine whether brand ambassador attractiveness have a positive influence on brand image.
4. To examine whether brand ambassador congruence have a positive influence on brand image.
5. To examine whether brand ambassador credibility have a positive influence on purchase intention.

6. To examine whether brand ambassador specialty have a positive influence on purchase intention.
7. To examine whether brand ambassador attractiveness have a positive influence on purchase intention.
8. To examine whether brand ambassador congruence have a positive influence on purchase intention.
9. To examine whether brand image positively have a positive influence on purchase intention.
10. To examine whether brand image positively mediate brand ambassador and directly influence purchase intention?

1.4 Research Benefit

1. Academic Benefit:

The findings of this study can be utilized as a guide for students, teacher, emerging researchers, and also as a reference for others investigating similar variables or topics. This research is expected to be useful in contributing for the field of marketing science related to marketing activities, especially regarding the influence of brand ambassador, brand image and purchase intention.

2. Practical Benefit:

For beauty companies, particularly those specializing in Scarlett Whitening company, this research provides practical insights to refine their branding strategies. By understanding the influence of Brand Ambassadors, Brand Image and Purchase Intentions, firms can optimize their marketing tactics, choose appropriate brand ambassadors, and tailor branding efforts to better resonate with their target audience. Ultimately, this can result in improved brand perception, increased sales, and a stronger market position.

1.5 Research Systematic

Chapter I: Introduction

In chapter one, will discusses the influence of brand ambassador in shaping brand image in driving consumer purchase intentions.

Chapter II: Literature Review and Hypothesis Development

A comprehensive literature assessment of brand ambassadors, brand images, and purchase intention will be conducted in this section. This section also includes any particular concepts, theories, and previous research that relate with this subject with established hypotheses or research aims that relate to the research question.

Chapter III : Research Methodology

In this part will discuss about the study methods that will be used, such as quantitative methods, to look at how brand ambassadors affect brand image and people's consumer intention. There will also be descriptions of the study's subjects and objects, sampling methods, and ways to collect data from the target population. It will also include operational definition, ways to measure data, and ways to analyze the data.

Chapter IV: Data Analysis & Findings

Discussion and statistical analysis of the data are presented in chapter four. Included descriptions that are in line with existing hypotheses and interpretations of the results based on the use of descriptive statistics. This section also included data analysis utilizing methodologies and study findings are also covered in the chapter.

Chapter V: Conclusion

All of the research is summarized in the final chapter. It covers each detail from the research's results and management implications to its limitations and suggestions for future studies.