

CHAPTER I

INTRODUCTION

1.1 Research Background

In recent years, the use of smartphones in Indonesia has experienced a significant surge with the number of smartphone users projected to exceed 190 million by 2023. According to Statista Research Department (2024), Indonesia is the fourth-largest smartphone market worldwide after China, India, and the United States. This growth is attributed to several factors including the increasing affordability of smartphones and the widespread availability of mobile internet connectivity. In January 2021, there were 202.6 million internet users in Indonesia, with internet penetration standing at 73.7% caused by the usage of mobile internet has been steadily increasing and is projected to continue growing in the coming years.

Table 1.1
Number of Smartphone Users in Indonesia

No	Year	Number of Smartphone Users (in millions)
1	2018	73.18
2	2019	83.84
3	2020	159.31
4	2021	177.39
5	2022	187.62
6	2023	190.03
7	2024	194.26
8	2025	202.74
9	2026	202.74
10	2027	206.98
11	2028	211.21

Source: www.statista.com (accessed on 15th March 2024)

Macmud & Hidayat (2020) stated the presence of smartphone has transformed the lifestyle of many people in Indonesia, as smartphones meet many needs of people such as online shopping, chatting with friends or groups, using internet banking, and even job searching. According to Macmud & Hidayat (2020) approximately 82% of netizens in Indonesia access mobile web, while 9% each access the mobile web and through a desktop.

The market dominance of leading smartphone brands in Indonesia reflects their popularity and success in the Indonesian market. The top five brands command more than 80% of the market share, with Oppo leading the market with nearly 18% share, followed by Samsung, Xiaomi, Vivo, and Apple. Emanuel and Muslim (2023) stated that IDC Indonesia data statistics provide information that Chinese smartphone brands maintained a presence in the top five rankings in recent years, despite amidst a slowdown in smartphone sales. Samsung typically secured the second or third position in Indonesia's market share.

Table 1.2
Market Share of Leading Mobile Vendors in Indonesia as of January 2024

No	Smartphone Brand	Market share of mobile vendors in Indonesia (in percentage)
1	Oppo	17.99
2	Samsung	17.44
3	Xiaomi	15.25
4	Vivo	13.07
5	Apple	11.57
6	Realme	7.08
7	Infinix	3.79
8	Asus	0.4
9	Itel	0.32
10	Unknown	11.86
11	Other	1.24

Source: www.statista.com (accessed on 15th March 2024)

Aggarwal & Mittal (2022) stated that the rapid increase of mobile internet usage has led to the growth of the digital advertising industry in Indonesia. Many companies have recognized the importance of incorporating social media into their business strategies to reach their target audience. Social media platforms like Facebook, Instagram, and Twitter have become essential tools for businesses to engage with their customers, share promotional content, and drive sales.

Aggarwal & Mittal (2022) stated that social media marketing (SMM) has emerged as an of delivering distinct and unique value equity to customers, surpassing conventional advertising channels. They emphasized social media marketing (SMM)'s capacity to furnish personalized, trendy, and trustworthy information at minimum cost, time, and effort on smartphone brands. Smartphone brands are also able to engage with their loyal customers with huge discount and offers. Additionally, SMM could be a platform to provide authentic reviews about the products by way of comments, posts, forums, etc.

Furthermore, State et al (2023) brand image is one of the variables that contribute brand information, apart from providing generic information that is usually found in the content of a product such as durability, defects, serviceability, features, and performance. Additionally, Samsung's social media marketing has been proven to shape consumer value perceptions through their attitudes towards the brand.

Samsung is a leading smartphone brand Indonesia and has a diverse product range under the Samsung Galaxy series. Samsung, initially established in 1969, has since evolved and expanded its operations. Samsung.com mentioned that the brand's philosophy is derived from the word "Samsung" which means "three stars". The word "three" represents large, plentiful, and strong. Meanwhile "star" means bright, lofty, and eternally shining. The founder, Lee Byung-Chul, adopted this name as a vision for the company.

According to the Samsung website, the smartphone products include high-end devices like the Samsung Galaxy S series, the flagship series with the newest features, and the Samsung Galaxy Z series of high-end foldables. Furthermore, Samsung also offers mid-range devices through the Samsung Galaxy A series, and the Samsung Galaxy M series, which offers a slightly more budget alternative to the A series.



Figure 1.1 The Evolution of Samsung Smartphone Galaxy Series
Sourced: www.farih.co.id (accessed on 22th March 2024)

Ardiansyah & Nilowardono (2019) stated that due to the substantial number of competitors, Samsung witnessed a decline in its smartphone sales in 2018. Nevertheless, Samsung continues to maintain its brand image as the foremost smartphone brand in Indonesia. Hence, it is imperative to uphold the brand's image and reputation through effective marketing strategies. Social media marketing (SMM) offers the highest advantage as it is easier to implement due to its lower promotional costs.



Figure 1.2 Samsung Galaxy S24 Release on Samsung Official Youtube
Sourced: www.youtube.com (accessed on 22 March 2024)

Samsung uses Youtube as a social media marketing platform to showcase its products and campaigns. The company has a dedicated Youtube channel where it shares various types of content, including product demonstrations, user-generated content, and promotional videos. One of Samsung's latest effective social video successes on Youtube is the Galaxy S24 Ultra: Official Introduction Film. Through the video, Samsung introduces the Samsung Galaxy S24 Ultra, which is the first Samsung Galaxy AI phone. The video showcases two main features of the device: Circle to Search and live translate.

Furthermore, Samsung has masterfully leveraged Instagram as a platform for its social media marketing strategy. The brand's presence on Instagram is not only extensive but also highly engaging, with a focus on creating content that resonates with its diverse audience. Moreover, Samsung's Instagram is not limited to any one type of content. Samsung uses a mix of videos, reels, highlights, static posts, and interactive posts, ensuring that their content remains engaging and varied. Samsung's content marketing strategy creates a buzz and increase the anticipation around new products, keeping audiences engaged and excited.

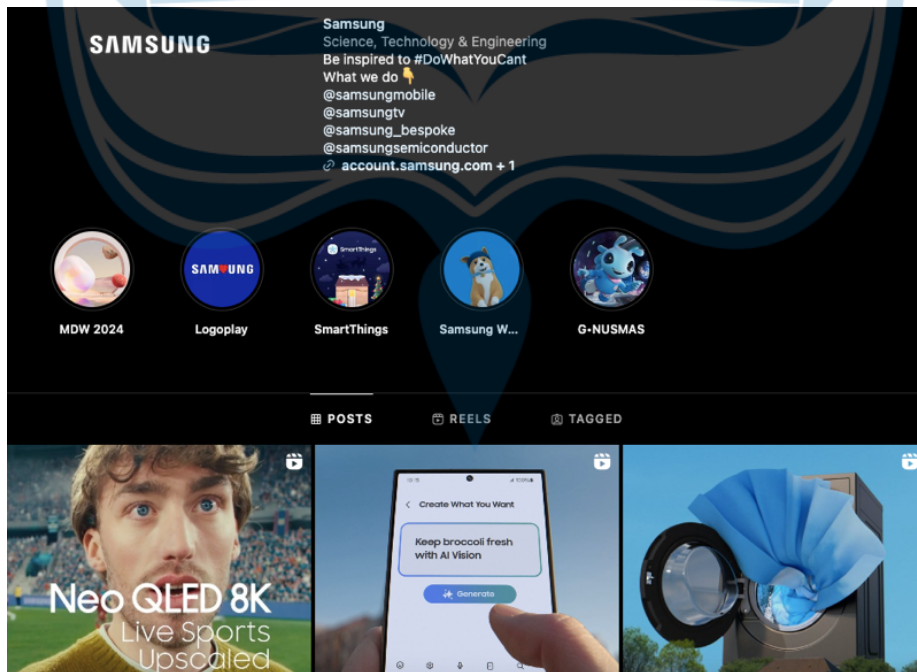


Figure 1.3 Samsung Instagram Account
Sourced: www.instagram.com (accessed on 22 March 2024)

In addition, Samsung's marketing strategy is tailored to different regions, with separate accounts for the US, UK, Australia, India. This regional focus allows the brand to connect better with its target audience by giving their posts a local flavor while maintaining a consistent brand image. Furthermore, by using local language and adapting the tone of communication to suit regional preferences ensures that messages resonate more effectively with consumers. In addition, by separating accounts for different regions, Samsung can collect data and insights specific to each region which can provide more targeted marketing campaigns and product offerings.

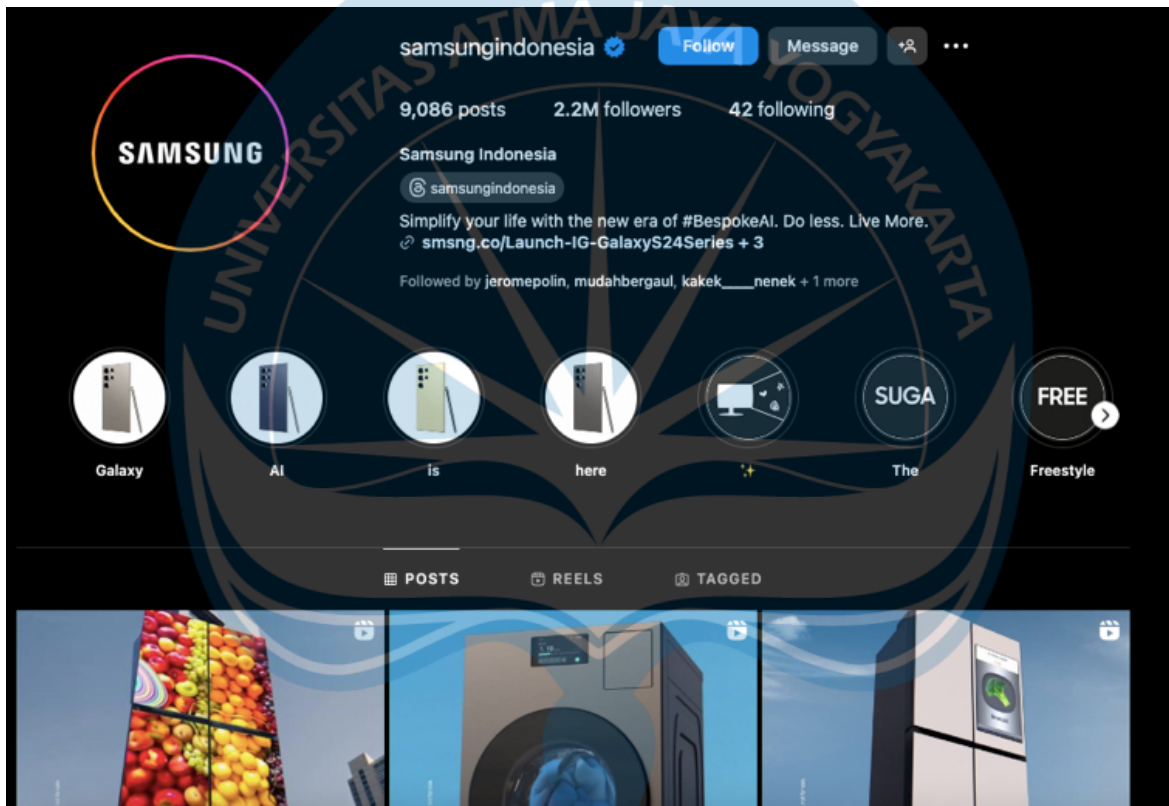


Figure 1.4 Samsung Indonesia Instagram Account
Sourced: www.instagram.com (accessed on 3rd April 2024)

Samsung leverages Instagram as a dynamic platform for engaging with its customers, exemplifying a proactive approach to fostering meaningful connections. By actively responding to comments on their posts, Samsung demonstrates a commitment to open dialogue and customer satisfaction. This interactive engagement not only humanizes the brand but also creates a sense of community among its followers.



Figure 1.5 Samsung Instagram Engagement
Sourced: www.instagram.com (accessed on 10 April 2024)

Through personalized responses, Samsung acknowledges the voices of its customers, addressing inquiries, feedback, and concerns in a timely and empathetic manner. Such interactions not only strengthen the bond between the brand and its audience but also serve as a valuable opportunity for Samsung to gather insights, understand consumer sentiment, and tailor its offerings to better meet the needs and preferences of its customer base. As a result, Samsung's strategic use of Instagram as a platform for customer interaction not only enhances brand loyalty but also contributes to a more informed and engaged consumer community.

The research gap lies in the specificity and practical application of this research compared to the more theoretical and general approach of the main journal article. The research focuses on one specific brand, by which is Samsung smartphone, and examines its impact within a specific audience who follow the official social media account of Samsung Indonesia and Samsung Mobile in Indonesia. Meanwhile, the main journal focuses more on a broader range of smartphone brands and addresses a general audience of social media users without specifying the geographic location. Furthermore, the main journal examines Consumer-Brand Engagement and brand knowledge which influenced by social media marketing elements. This research explores that social media marketing elements not only influence Consumer-Brand Engagement, but also extends to brand awareness and brand image.

In conclusion, Samsung has implemented social media marketing to influence brand perception and increase customer engagement. Both companies have effectively used social media to enhance their brand presence and cultivate meaningful connections with their audience. Samsung are well-positioned to maintain their leadership positions in the digital landscape and they should continue to adjust in changing trends and technology to maintain the standard for social media excellence in the tech industry.

1.2 Problem Statement

1. Does entertainment of Social Media Marketing have positive influence on Consumer-Brand Engagement of Samsung smartphone?
2. Does customization of Social Media Marketing have positive influence on Consumer-Brand Engagement of Samsung smartphone?
3. Does interaction of Social Media Marketing have positive influence on Consumer-Brand Engagement of Samsung smartphone?
4. Does electronic word-of-mouth (EWOM) of Social Media Marketing have positive influence on Consumer-Brand Engagement of Samsung smartphone?
5. Does trendiness of Social Media Marketing have positive influence on Consumer-Brand Engagement of Samsung smartphone?
6. Does Consumer-Brand Engagement have positive influence on Brand awareness of Samsung smartphone?
7. Does Consumer-Brand Engagement have positive influence on Brand image of Samsung smartphone?

1.3 Research Objectives

1. To analyze the effect of entertainment towards Consumer-Brand Engagement of Samsung smartphone.
2. To analyze the effect of customization towards Consumer-Brand Engagement of Samsung smartphone.
3. To analyze the effect of interaction towards Consumer-Brand Engagement of Samsung smartphone.

4. To analyze the effect of electronic word-of-mouth towards Consumer-Brand Engagement of Samsung smartphone.
5. To analyze the effect of trendiness towards Consumer-Brand Engagement of Samsung smartphone.
6. To analyze the effect of Consumer-Brand Engagement towards brand awareness of Samsung smartphone.
7. To analyze the effect of Consumer-Brand Engagement towards brand image of Samsung smartphone.

1.4 Research Benefit

a. Theoretical Benefit

This research aims to contribute to developing a stronger relationship between consumer and brands through social media marketing, by providing a unique opportunity for brands to engage with their audience in a more personal and interactive manner. Furthermore, the use of social media marketing activities can also enhance consumer-brand equity by increasing brand awareness which can influence overall brand knowledge.

b. Practical Benefit

This research aims to understand how social media marketing influences Consumer-Brand Engagement and brand knowledge can provide valuable insights for Samsung company. The findings of this research are useful to tailor the brands' social media strategies to effectively engage with their target audience and enhance brand awareness and image.

1.5 Writing Systematic

This research has five chapters consisting of the following:

Chapter I Introduction

This chapter introduces the research problem and the evidence supporting its existence. This chapter also outlines the specific questions the research aims to answer. This section explains how the research contributes to the field and its practical implications.

Chapter II Literature Review

This chapter discusses the underlying theories or frameworks that guide the research. This chapter also provides comprehensive review of the literature on the study topic, highlighting the original ideas and relevant theoretical analysis.

Chapter III Research Methodology

This chapter presents a detailed methodology which involves selecting an appropriate research design, such as survey, experiment, or case study. This chapter also provides information on detailed research plan that outlines the methods, procedures, and data collection techniques to be used.

Chapter IV Data Analysis

This chapter contains the results acquired after conducting the analyses described in the previous chapter. This chapter also provides interpretations in the context of existing studies, explains the limitations and implications of the findings, and integrates the findings of the existing studies.

Chapter V Conclusion & Managerial Implication

This chapter summarizes the main findings of the research and their implications for practice and future research. This chapter also provides the managerial implications that can be applied in practice.