

CHAPTER I

PRELIMINARY

1.1 Background of Study

At this time, human needs are becoming more complex, physical appearance care and beauty are now a primary priority and have been considered as the main needs that must be met, especially for women, not only trying to fulfill basic needs such as education, food, shelter, and clothing. This is what causes cosmetic products to be sought after by women and even men to beautify their appearance. According to Indonesian ministry of Industry (2013) the cosmetic industry has recorded an increase since 2012, as evidenced by sales of cosmetic products which reached from Rp. 8.5 trillion to Rp. 9.76 trillion. In the first quarter of 2018, the growth rate of the domestic cosmetics industry was 7.36%. This number increased compared to 2017 which increased by 6.35%. The increase is believed to be because the company that originally targeted women began to innovate by launching products aimed at men. However, in 2020, it dropped to 4%. (based on data from Euromonitor). And in 2021, there will be an increase in changes in the beauty industry, especially an increase in consumer interest in skincare products during the first quarter of 2021. In Inventure-Alvara's January 2022 research, this happened because it was driven by trends brought by South Korean dramas.

Currently, the Korean wave or Hallyu Korean which people usually call Korean fever, ranging from Korean Drama (*drakor*), fashion, to K-Pop, has become a phenomenon that occurs in all circles of society, especially young people in Indonesia. One of the interesting things is that this trend has an impact on the widespread use of South Korean celebrities who become brand ambassadors for local skincare products. One of the Korean celebrities who also collaborated with local products is Girlgroup Twice and Actor Song Joong Ki who was appointed as the Brand Ambassador for the Indonesian artist's Scarlett Whitening skincare product, Felicya Angelista. The brand that was founded in 2017 has a variety of products such as bodycare, haircare and skincare that have been registered with BPOM and are safe for use by various groups, including pregnant and lactating women. Scarlett Whitening worked with a number of Indonesian artists before hiring Korean artists as brand ambassadors.

The phenomenon of local brands taking South Korean celebrities as the face of their brand cannot be separated from the marketing strategy of the brand. According to Lea-Greenwood (2012) In Fashion Marketing Communication with the Brand Ambassador,

communication between companies and consumers can take place, so that messages about promotions and the superiority of brand products can be conveyed to consumers. In marketing their products, these brands promote through internet media such as Google AdSense paid advertising programs, social media such as Facebook, Blogs, Instagram, and marketplaces like Shopee.

As a local brand, Scarlett Whitening wants to position its products as one of the quality skincare products, has advantages that are not inferior to other brands and of course with affordable prices that could be reached by everyone. According to Alma (2014) price is a monetary unit or other measure including other commodities and services that is exchanged in order to secure ownership rights or use of goods and services in order to satisfy customers.

Based on the above background, the researcher is interested in submitting a research entitled "**The Influence of Korean Brand Ambassador, Korean Wave, Price, and Promotion on Purchase Decisions of Scralett Whitening**".

1.2 Formulation of problem

The formulation of the problem in this study are:

1. Does Korean brand ambassador partially have a significant effect on purchasing decisions?
2. Does Korean wave partially have a significant effect on purchasing decisions?
3. Does price partially have a significant effect on purchasing decisions?
4. Does promotion partially have a significant effect on purchasing decisions?
5. Do Korean brand ambassador, Korean wave, price, and promotion simultaneously have a significant effect on purchasing decisions?

1.3 Research purposes

The aim of this research are:

1. To test and analyze whether the Korean brand ambassador has a significant effect on purchasing decisions.
2. To test and analyze whether the Korean wave has a significant effect on purchasing decisions.
3. To test and analyze whether the price has a significant effect on purchasing decisions.
4. To test and analyze whether the promotion has a significant effect on purchasing decisions.

5. To test and analyze whether Korean brand ambassador, Korean wave, price, and promotion simultaneously have a significant effect on purchasing decisions.

1.4 Research Benefits

1. Theoretical Benefits

The researcher hopes that the results of this study can contribute ideas to broaden the concept of consumer behavior practice, especially on consumer behavior in making purchasing decisions.

2. Practical Benefits

It can be useful as a basis for companies to determine strategies to improve consumer purchasing decisions for company brands in the midst of tight competition in the cosmetics industry and can find out which factors have a dominant influence, causing consumers to decide to buy.

3. Benefits for Writers

To increase the author's knowledge in the field of marketing, especially in the field of consumer behavior regarding purchasing decision behavior. In addition, it is hoped that the author can study the problems faced by the company and find solutions by applying the marketing theory that has been studied in lecture activities.

1.5 Research Limitations

In this study the authors set research boundaries to clarify the scope of the research, the research limitations used in this study are as follows:

1. This research was conducted from September 2022 - February 2023
2. This research was conducted to examine and analyze the influence of Korean brand ambassador, Korean wave, price, and promotion on consumer purchasing decisions in Instagram and Shopee.