

CHAPTER I

INTRODUCTION

A. Research Background

Social media has become a part of human life, including the scope of education, both academically and as a topic for teenagers to chat with. In January of 2023, Indonesia had a total of 167 million people who were actively involved on social media platforms (Kemp, 2023). This representation represented around 60.4% of the country's population (Kemp, 2023). People can communicate with each other about anything that interests them in this digital environment (Liu et al., 2021). Social media facilitates virtual interactions between customers and sellers, allowing companies to engage with customers, share marketing messages, and reach a wider audience (Hanaysha, 2022).

For a long time, traditional advertising has been perceived as a form of persuasive advertising designed to alter individual consumers' behaviours. Nevertheless, advertising is a highly dynamic profession that will continue to evolve (Taylor & Carlson, 2021). The advent of the internet and new media has revolutionized individuals' behaviours and interactions with advertising messages, leading to the emergence of a novel advertising concept (Kerr & Richards, 2021). Social media marketing is a versatile and adaptable instrument for entrepreneurs to adjust their tactics to evolving trends and market conditions promptly (Chen et al., 2024). This adaptability is a huge advantage over traditional marketing methods, making it easier for businesses to stay ahead and take advantage of new opportunities (Sallaku & Vigolo, 2022).

Electronic word-of-mouth (eWOM) refers to internet users freely sharing their opinions and information on specific platforms without any limitations on time or location (Bataineh, 2015). Electronic word-of-mouth is commonly recognized as a significant aspect impacting consumer behaviour (Daugherty & Hoffman, 2014). For instance, the pleasure of tourists is extremely substantial due to its impact on their behavioural decision, electronic word-of-mouth, and purchase choices. Put simply, when individuals are generally satisfied with their experience, it increases the likelihood that they will consider returning and endorsing the destination (Prasad et al., 2017). Electronic word-of-mouth has become a crucial factor that individuals consider when purchasing (Prasad et al., 2017).

Brand authenticity is a multidimensional concept that describes consumers' perceptions of the authenticity of a brand. In the tourism context, authenticity refers to the level of tourists' enjoyment and experiences that they perceive as genuine (Lude & Prüggl, 2018). Brand authenticity can also be understood as consumers' belief that brand managers are intrinsically motivated because they are passionate and dedicated to providing their products (Lude & Prüggl, 2018). In addition, brand authenticity can be defined as the extent to which a brand is considered unique, legitimate, honest about its claims, and lacking in fakeness (Akbar & Wymer, 2017).

Brand trust refers to the sense of confidence that consumers have when engaging with a brand. It is built on the belief that the brand is reliable and

prioritizes the consumer's interests and well-being, as well as the brand's perceived value (Prasad et al., 2017). In addition, buyers will get a sense of assurance while depending on genuine brands (Hanaysha, 2022). Online trust significantly impacts customer behaviour (Jadil et al., 2022). The authors suggest that fostering these relationships can be achieved through company-generated content or online comments and social media data. Companies will find it simpler to communicate their desired marketing messages and establish a favourable brand image in the minds of consumers as brand trust increases among consumers in the target market (Hanaysha, 2022).

Customer engagement refers to the emotional connection between organizations and their customers, emphasizing the relationship with customers and the value for customers (Enginkaya & Esen, 2014). The advent of the internet revolutionizes customer behaviour, expands choices, and transforms how consumers engage and communicate with businesses (Al Mamun et al., 2020). The investigation examined the assessment and many elements of online customer interaction. The importance of mobile apps in engaging customers is centred chiefly on influencing customer engagement behaviours (Bansal, 2016).

Purchase decisions are expressed as a person's decision to choose a particular product or service introduced by a company over its competitors (Hari, 2019). It is also defined as a process that begins when consumers recognize a need, search for options, evaluate alternatives, and then choose certain products and services (Hanaysha, 2022). In addition, purchase decision is defined as the extent of interest and attention that consumers give to the purchase decision task (Prasad et al., 2017).

Social media platforms have recently emerged as a cost-effective method for virtual communication and consumer interaction. Firms can enhance consumer engagement by employing social media platforms (Gkikas et al., 2022). It is simple to communicate vital marketing messages, and it is possible to quickly reach the target audience (Wei et al., 2013). In addition, customers will have the chance to influence others and share their ideas through online reviews, comments, and word-of-mouth communication due to their experiences (X. Liu et al., 2021).

The one of social media is TikTok. The number of people using TikTok on the internet in Indonesia is exceptionally significant, making it one of the most frequently utilized social media platforms. It is estimated that roughly 126.8 million TikTok users will be in Indonesia in January 2024 is an increase compared to the same month in the previous year (Statista, 2024). In addition, TikTok is a tool used for marketing on social media (Chen et al., 2024). TikTok plays a crucial role in business due to its global reach, sharing capabilities, and extensive user base (Aiolfi et al., 2021). It offers immediate access to digital marketplaces, enabling businesses to promote products across distances (Park & Namkung, 2022).

TikTok's unique features, such as its algorithm-driven content curation and focus on video content, make it a platform of interest for specialized research (Anderson, 2020). The unpredictable nature of the algorithm keeps users engaged as they seek out new and diverse content (Anderson, 2020). Additionally, the lack of a following-based model means even users without followers have the potential to reach a large audience Tolentino, (2019) suggests that entrepreneurs may need

strategies different from those on TikTok and other social media platforms to succeed.

One of the products sold on the TikTok platform is bird's nest drink. Currently, bird's nest drinks are widely available on the TikTok platform, including realfood.id with a total of 127 thousand followers with a total of 209.8 thousand post likes, JN3Birdnest with a total of 2.671 followers with a total of 56.5 thousand likes (JN3 Bird Nest, 2024), Birdsnestdrink with a total of 590 followers with a total of 129 likes (Bird Nest Drink, 2024), and Equator. Birdnest with a total of 168 followers with a total of 1.904 likes (Equator Birdnest, 2024).



Figure 1. 1 Realfood's Tiktok Account

The study is set in the TikTok account @realfood.id, representing Realfood's products. This author chose Realfood over other competitors because Realfood is the first swallow's nest drink in Indonesia which is packaged in a sterile and modern manner (Realfood, 2022). Realfood has the most followers among all swallow's nest drink products on TikTok. Apart from that, Realfood has the highest

number of likes compared to other products, which shows that the content created by Realfood is really liked and interested by TikTok users.

The goal of the Realfood TikTok account is to keep up with the times by utilizing the platform as a tool for online buying, selling transactions, and promotion. One of them is Realfood which has a TikTok account with 127,000 followers as of May 14, 2024 with 173 thousand likes, 325 likes per post, and an average of 200 comments per post (Realfood Tiktok, 2024). Realfood's success cannot be separated from its efforts to build messages through content on TikTok. The primary aim of this study is to investigate the influence of the independent variables of social media marketing, electronic word-of-mouth, brand authenticity on the dependent variable of purchase decisions. The study will examine the influence of TikTok's social media marketing, electronic word-of-mouth, and brand authenticity on purchase decisions. It will also consider brand trust and customer engagement as mediating variables in this relationship.

Realfood is a bird's nest drink or bird's nest concentrate, which has been processed into a healthy drink that is ready to drink and packaged sterilely in glass bottles (Realfood, 2022). Realfood is present in 2 categories, namely Fit with Realfood and Realfood Up (Realfood, 2022). Meanwhile, the Realfood Up category is a swallow's nest drink made specifically for millennials and Gen-Z who are active in activities (Realfood, 2022). The choice of this particular setting was intentional, driven by the author's desire to contribute research to improve further the way brands sell using social media marketing, electronic word-of-mouth, brand

authenticity, and what factors encourage customers to interact, trust, and engage with Realfood products.

This research has several differences from previous research. First, this research focuses on the TikTok platform, while previous research has focused more on more established social media platforms such as Facebook and Instagram. Second, this research uses Realfood, a bird's nest drink brand, as a case study, contributing to the marketing literature by providing insight into how health brands can successfully market their products on TikTok.

Third, this research modifies and replicates models from previous research (Hanaysha, 2022; Kristia, 2021; Kumar & Kaushik, 2022) (Hanaysha, 2022; Kristia, 2021; Kumar & Kaushik, 2022) stated that social media marketing, electronic word-of-mouth, and brand authenticity with hundreds of millions of customers making purchasing decisions every year and brand and customer engagement trust plays an important role. This research provides benefits by helping develop marketing of health products from bird's nest wallets through buyer trust and engagement, tailored to specific drivers that influence customers to make purchasing decisions by understanding driving factors such as social media marketing, electronic word-of-mouth, brand authenticity, brand trust and customer engagement on Realfood. Fourth, this research provides new insights into how social media marketing, eWOM, and brand authenticity can influence brand trust and customer engagement, which can ultimately improve purchasing decisions.

The research gap in this research lies in the lack of in-depth understanding of how the TikTok Platform specifically influences consumer purchasing decisions,

especially in the context of the Realfood brand. Although many studies examine the influence of social media on consumer behavior, research focusing on TikTok is still limited. Most platforms previously, many have studied platforms such as Instagram & Facebook. Apart from that, there are not many studies that combine research on social media marketing, electronic word of mouth, and brand authenticity on TikTok which can detect brand trust & customer engagement.

This research paper investigates the role of social media marketing, electronic word-of-mouth, and brand authenticity on bird's nest drinks, this research modifies and replicates the model by (Hanaysha, 2022; Kristia, 2021; Kumar & Kaushik, 2022) while explaining aspects marketing. Realfood is a health drink product made from swallow's nest which has the most sales and the most followers on TikTok. This research aims to find out and help improve marketing aspects through social media marketing, electronic word-of-mouth, brand authenticity, brand trust, customer engagement and purchase decisions on Realfood. Through this research, the author hopes to fill gap by providing new insights into how TikTok & Realfood content can influence purchasing decisions. Besides that, this research aims to include business research references. In addition, This research is expected to provide valuable insights for companies in improving the effectiveness and efficiency of their marketing management methods.

B. Research Question

After describing the background in this study, the following is the formulation of the problems in this study as follows:

1. Does social media marketing effect on brand trust?
2. Does social media marketing effect on customer engagement?
3. Does electronic word-of-mouth effect on brand trust?
4. Does electronic word-of-mouth effect on customer engagement?
5. Does brand authenticity effect on brand trust?

6. Does brand authenticity effect on customer engagement?
7. Does brand trust effect on purchase decision?
8. Does brand trust effect on customer engagement?
9. Does customer engagement effect on purchase decision?
10. Does brand trust mediate the effect of social media marketing on purchase decision?
11. Does customer engagement mediate the affect of social media marketing on purchase decision?
12. Does brand trust mediate the effect of electronic word-of-mouth on purchase decision?
13. Does customer engagement mediate the effect of electronic word-of-mouth on purchase decision?
14. Does brand trust mediate the effect of brand authenticity on purchase decision?
15. Does customer engagement mediate the effect of brand authenticity on purchase decision?

C. Research Objective

Based on the formulation of the problem that has been described, the purpose of this study is to :

1. To examine the effect of social media marketing on brand trust.
2. To investigate the effect of social media marketing on customer engagement.
3. To assess electronic word of mouth on brand trust.

4. To determine the effect of electronic word of mouth on customer engagement.
5. To explore the effect of brand authenticity on brand trust.
6. To analyze the effect of brand authenticity on customer engagement.
7. To establish the effect of brand trust on purchase decision.
8. To examine the effect of brand trust on customer engagement.
9. To investigate the effect of customer engagement on purchasing decision.
10. To measure the effect of brand trust mediate social media marketing on purchase decision.
11. To measure the effect of customer engagement mediate social media marketing on purchase decision.
12. To measure the effect of brand trust mediate electronic word-of-mouth on purchase decision.
13. To measure the effect of customer engagement mediate electronic word-of-mouth on purchase decision.
14. To measure the effect of brand trust mediate brand authenticity on purchase decision.
15. To measure the effect of customer engagement mediate brand authenticity on purchase decision.

D. Research Benefit

1. Theoretical Benefits

The findings of this study can contribute to the existing knowledge, particularly in the field of social media marketing, electronic word-of-mouth,

and brand authenticity. The results of this study can be used as reference material or references for similar research in the future and improve weaknesses in this study. Research can provide benefits in managing brand trust and customer engagement to improve purchase decisions.

2. Practical Benefit

This research is anticipated to enhance the academic community's understanding of the effects of social media marketing, electronic word-of-mouth, brand authenticity on TikTok (study on Realfood). For further study, this research is expected to add insight regarding brand trust and customer engagement features of Realfood to increase purchase decisions and automatically increase sales. For authors, this research can implement the author's knowledge and add to the researcher's insight into the world of work.