CHAPTER 1

INTRODUCTION

1.1. Research Background

The internet changed the way we do things. It has changed so much that we use the internet all the time. All that we are doing, we utilize the Internet. ordering pizza, purchasing television, sending an image over texting. Before the Internet, if we need to be aware of news around us, you need to go to the store when it opens in the first part of the day and purchase the latest magazine of today. In any case, today we do not need to go to the store first thing in the morning and we are able to get any news source from anywhere, updated regularly.

The Internet was at this point not worried about data trade alone: it was a place to empower people to make content, speak with each other, and even change the reality based on Tuenti (2014). Today, we can send information from one message to the next surprisingly fast, make online introductions, live in equal "game universes," and use pictures, video, sound, and message to share our genuine lives, our individual character. Individual stories open up to the world; neighborhood issues become worldwide.
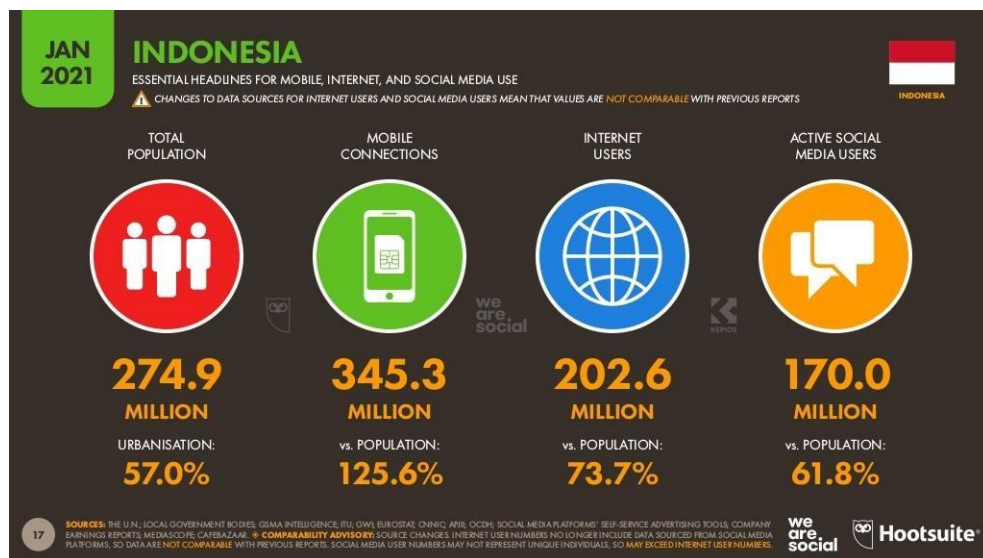

Figure 1.1 (Source: Hootsuite, 2021)

The web has now turned into a need for the world's local area, not aside from the Indonesian public. As per research on social media, the executives staged HootSuite and social advertising office We Are Social named "Worldwide Digital Reports 2021". Almost 57 percent of Indonesia's populace is associated with a web organization. Also, there are around 170 million clients that exist in Indonesia based on Kemp, S (2021).

Social media has turned into a significant, if not the main, part of computerized marketing techniques for brands and organizations, all things considered based on Irmas. Utilizing the force of social media necessitates that you keep awake to date with its steadily changing landscape. The techniques that were successful several months prior will not really produce similar outcomes today. Why? Customer conduct changes, social media stages change, and new stages advance and become more popular. As customer change how they utilize and draw in with social media, advertisers should change to arrive at their interest group. Staying at the front line of social media guarantees your procedure is consistently current and furnishes you with an upper hand.

Influencer marketing empowering the use of influencers to drive a brand's message to reach the target segment based on Lou, C. (2019). In the internet era, influencer hosts arose as a powerful group gathering endorser based on Freberg et al. (2011). Utilizing many types of social media stages like Facebook, Instagram, Twitter and Youtube, social media influencers are suitably used to expose item data and most recent advancements to online supporters based on Markethub (2016). Social media influencers typically engage with their followers by regularly posting and giving them the latest information based on Liu et al. (2012).

In marketing, endorsement plays a big role in being able to achieve a company's good reputation and business goals. Lately, social media celebrities have secured themselves as expected endorsers by creating a scope of popular expressions when contrasted with other marketing methodologies (for example: celebrity endorsement), and are considered to be the most expense proficient and - viable advertising patterns based on Harrison (2017). Additionally, social media influencers can also show compelling outcomes in both media coverage and consumer persuasion.

In view of the precepts of influencer marketing, companies usually create a contract with social media influencers such as bloggers with thousands of followers in their social media accounts as their brand ambassador. Messages that are shown by social media influencers are often perceived as more reliable and compelling to consumers, and have been substantiated by 82% of followers' polls, in which consumers are reported to be more likely to follow their favorite influences' recommendations based on Lim et al (2017). Brand credibility is also a big factor in purchasing intention. Brand credibility refers to credibility in characteristics of brand product information. It has three elements: trustworthiness, expertise and attractiveness.

Past examinations have analyzed the significance of endorser credibility like reliability, ability, and appeal on customer's Purchase Intention with regards to the style business, skincare items, footwear industry, competitor clothing industry, aircraft area, and coffeehouse promoting. Nonetheless, a few investigations in Malaysia found that endorsers further develop organization and item or brand picture yet not the expectation to purchase based on Chin et al (2019). Besides, the majority of the explorers on supports inside the design business expect that supports just occur as ads and the demeanor towards notices.

Grab Holdings Inc., commonly known as Grab, is a Southeast Asian technology company headquartered in Singapore and Indonesia. In addition to transportation, the company offers food delivery and digital payments services via a mobile app. Today, Grab is the leader of ride-hailing platform and most of the drivers and passengers in Southeast Asia prefer to use Grab application. Grab has accumulated up to 2.5 million rides daily and has been downloaded onto over 45 million devices in 55 cities across Southeast Asia (Grab Press Centre, 2017). In Indonesia, Grab has become one of the lead tech companies. Grab is famous not only from the application or companies but also from they marketing their product. Grab has many types of marketing and one of them is social media marketing. Grab is still growing as a brand in Indonesia and Grab would hire influencer such as Indro Warkop or Kak Seto to represent the Grab brand.

Marketing with social media isn't constantly identified with direct purchasing and selling. In this promotion, Grab can advertise content identified with the items or administrations advertised. By presenting the brand and giving it

a decent impression, the public's trust will increment and increment deals change to deals. Seeing the expected job of Instagram made analysts keen on surveying Instagram from Grab based on Bismoaziiz, B. (2021). Recorded Instagram Grab presents during 2019 measured at 399 posts. The posts are isolated into three sorts, specifically Picture, Video, and Carousel. The quantity of recordings posted by Instagram Grab in 2019 was 157 recordings. Posts distributed by Grab can be grouped into five distinct topics: Events, Infographics, Grab Stories, Promos, and Quizzes. Snatch's five topics, the most reduced normal number of Likes and perspectives, were on Instagram posts with an infographic subject. Note that, Infographic posts just brought about 1,204 Likes and 19,500 impressions.

In this research, we want to focus on Grab in Surabaya and the use of social media influencer marketing, brand credibility, and customer attitude as the main topic. From this research, we want to discuss the impacts of social media influencer marketing and brand credibility, and customer attitude toward purchase intention of Grab services in Surabaya.

1.2. Significance of the study

1. Practical Significance

   Grab in Surabaya can use this research as a reference for learning and research so that it can develop purchase intention marketing plans within its company and so that Grab can improve social media influencer marketing and brand credibility which ultimately can meet customer wants and help provide what customers need.

2. Academic Significance

   It is hoped that research can be used as a reference in further learning and research on social media influencer marketing and brand credibility variables which will have an influence on customer attitude, and which will ultimately affect purchase intention.

1.3. Research Questions

Based on the background of the study, research questions are stated as follows:

1. Does social media influencer marketing affect customer attitude?
2. Does brand credibility affect customer attitude?
3. Does customer attitude affect purchase intention?

1.4. Research Objectives

1. To analyze the effects of social media influencer marketing towards customer attitude.
2. To analyze the effects of brand credibility towards customer attitude.
3. To analyze the effects of customer attitude towards purchase intention.

1.5 Systematic Thesis Writings

This thesis consists of five chapters to clarify the reading of research results, as follows:

CHAPTER 1: INTRODUCTION

In the introductory section, the background of the research is explained, the formulation of the problem in the research, the objectives and benefits of the research.

CHAPTER 2: THEORITICAL REVIEW

In this section, it covers the theory and concepts to underlie the research, a summary of previous research regarding its relationship to research, developing Hypothesis, and the research framework used as model analysis in this study.

CHAPTER 3: RESEARCH METHODOLOGY

In this section, it describes the form of research, measurement of variability in research, as well as sources of data taken for research, population and research samples based on established criteria and how data collection methods are applied.

CHAPTER 4: ANALYSIS AND DISCUSSION

This chapter outlines the general description, data display obtained from the results of research, analysis and discussion, testing hypothesis and discussion of research results.

CHAPTER 5: CONCLUSIONS AND SUGGESTIONS

This chapter describes conclusions from the descriptions as a whole by including the suggestions considered necessary