

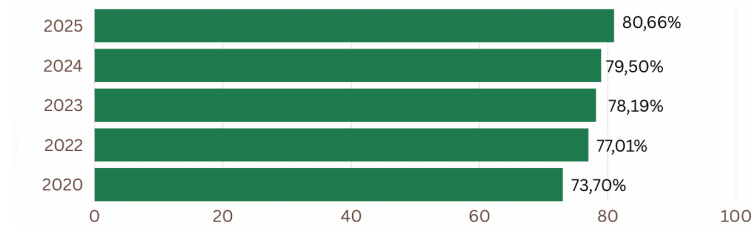
# CHAPTER I

## INTRODUCTION

### 1.1 Research Background

The advancement of communication and information technology has brought about fundamental changes in nearly every aspect of human life, including how people search for information, communicate, and shop. This massive digital revolution is also marked by a rise in global internet penetration, which is now ushering in a new era in the relationship between brands and consumers. According to the 2024 Digital Report published by We Are Social (2024), The number of internet users worldwide has reached 5.52 billion, which accounts for more than two-thirds of the global population. This figure reflects the sheer scale of the digital ecosystem that has emerged, serving as a platform for various digital marketing activities that continue to grow rapidly.

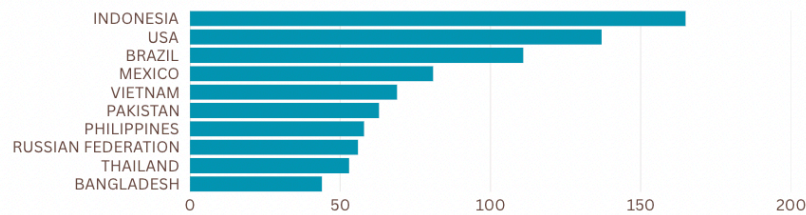
As the country with the fourth-largest population in the world, Indonesia plays a significant role in the global digital landscape. According to a survey conducted and published by *Asosiasi Penyelenggara Jasa Internet Indonesia (2025)*, regarding internet penetration in Indonesia in 2025, the number of internet users in Indonesia has reached 229.42 million out of a total population of 284.43 million, with a penetration rate of 80.6%, an increase of 1.1% compared to the previous year, when it stood at 79.5%. This survey, which involved 8,720 respondents from 38 provinces, also revealed that the highest internet penetration rate is among the millennial generation, reaching 89.12%, followed by Gen Z at 87.80%.



**Figure 1.1 Internet Penetration Rate Growth in Indonesia (2025)**

Sumber: Asosiasi Penyelenggara Jasa Internet Indonesia (2025)

According to in Figure 1.1, the data shows visually represented in a penetration trend graph covering the past six years, showing a consistent growth curve since the 64% figure in 2020. This indicates that digital adoption among Indonesia's working-age population has neared saturation, and that digital marketing strategies have become an indispensable approach for reaching all consumers in Indonesia. One of the most prominent phenomena in Indonesia's social media landscape is the dominance of the TikTok platform. According to a digital report by October Global Statshot published by We Are Social (2024), Indonesia is now the country with the largest number of TikTok users in the world, with an advertising reach of over 165 million adult users. This figure indicates that more than 82% of adults in Indonesia actively use TikTok every month.

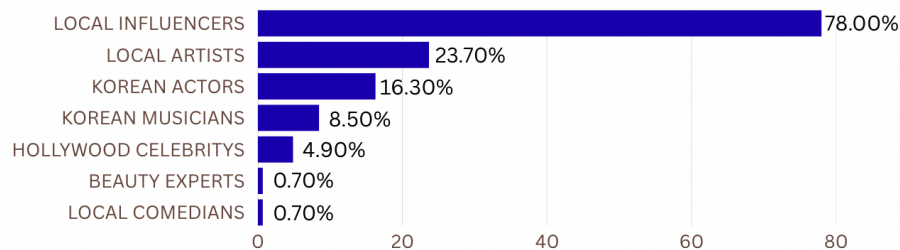


**Figure 1.2 TikTok Ad Reach Ranking (2024)**

Sumber: We Are Social (2024)

As shown in Figure 1.2, the graph of TikTok user growth in Indonesia presented in the report shows a very sharp surge, surpassing that of other countries. This makes Indonesia a highly strategic market for brands looking to leverage the platform for their digital marketing campaigns, particularly through creative influencer content and authentic product reviews. Amid the rapid growth of the digital landscape and the beauty industry, Indonesia's cosmetics sector has experienced significant growth and has become one of the most dynamic sectors in the national economy. Based on GMI Research (2024), The Indonesian cosmetics market is estimated to be worth USD 7.5 billion in 2024 and is projected to grow at a Compound Annual Growth Rate (CAGR) of 5.7% to reach USD 11.7 billion by 2032. This growth is driven by several key factors, including the expansion of Indonesia's middle class which is projected to reach 135 million people by 2030 along with increasing consumer awareness of personal care and easier access to beauty products through e-commerce platforms such as Tokopedia, Lazada, and Shopee.

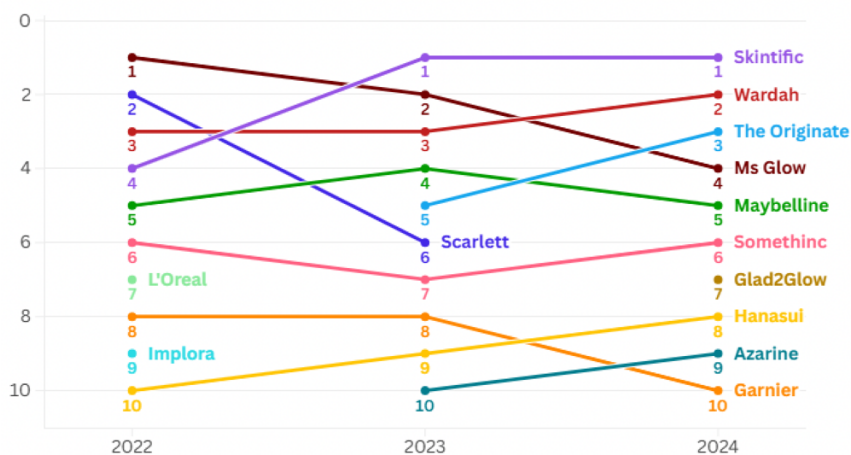
The growth of the beauty industry in Indonesia is not only benefiting international brands but is also opening up new opportunities for local beauty brands. According to data from Ken Research (2023), The beauty and personal care market in Indonesia was valued at USD 9.10 billion in 2023, with local brands such as Wardah, Emina, Somethinc, Make Over, and Luxcrime having successfully earned consumers trust by offering high-quality products tailored to the needs of Indonesian skin and the country's tropical climate.



**Figure 1.3 Influencers Types on Impacting Women's Beauty Chocices (2023)**

Source: ZAP Beauty (2023)

Figure 1.3 shows data from the 2023 ZAP Beauty Index, as cited by Tricruise Marketing Indonesia (2024) shows that 78% of Indonesian women say they are influenced by local Indonesian influencers when choosing beauty products, far surpassing the influence of Korean celebrities at 16.3% and Hollywood celebrities at 4.9%. This phenomenon underscores that Indonesian beauty consumers tend to place greater trust in representations that are closer to them both physically and culturally.



**Figure 1.4 Top 10 Best Skincare and Beauty Brands on E-Commerce (2024)**

Source: GoodStats (2024)

However, behind this growth lies intense competition among local beauty brands, and not all brands can secure a top position in consumers' minds. Based on Figure 1.4, a report compiled by Compas.co.id and analyzed by GoodStats (2024), which tracked the performance of the top 150 beauty and skincare brands across e-commerce platforms Shopee and Tokopedia from January through October 2024. From this list, the top 10 best-selling brands were consistently dominated by competitors such as Skintific, Wardah, Somehinc, Glad2Glow, and several other major brands. It is noteworthy that Luxcrime has failed to make it into this list of brands, whether in 2022, 2023, or 2024. On the other hand, during the same timeframe, Luxcrime is known to have actively implemented digital marketing strategies such as influencer marketing through collaborations with content creators on Instagram and TikTok. Luxcrime also has a relatively large eWOM base from consumer reviews across various digital platforms. This gap between the intensity of Luxcrime's digital marketing activities

and its failure to secure a spot among the top brands is a fascinating phenomenon and the driving force behind this study, which aims to determine how effective the influencer marketing and eWOM strategies implemented by Luxcrime have been in building brand awareness and, ultimately, in driving consumers toward purchase decisions.

As Indonesia's economic hub and capital city, Jakarta plays a crucial role in shaping and spreading beauty trends nationwide. According to a report from Ken Research (2023), Jakarta, Surabaya, and Bandung dominate the cosmetics market in Indonesia, driven by their large urban populations. Jakarta offers better access to a wide range of local and international beauty brands and boasts higher purchasing power. Jakarta's consumers are predominantly millennials and Gen Z, who are known to be highly active on social media and highly susceptible to the influence of digital content in their purchasing decisions. Jakarta also features urban consumers who are highly tech-savvy and possess higher purchasing power, making it the most relevant market for understanding the dynamics of consumer behavior regarding local beauty products in this digital era. Millennials and Generation Z dominate the social media user demographic in Indonesia; they exhibit consumer behavior patterns that differ from those of previous generations. According to Kotler (2021) In the book *Marketing 5.0: Technology for Humanity*, digital consumers of this new generation tend to be more discerning; they conduct extensive research before making a purchase and rely heavily on digital communities, content from influencers, and reviews from other users, whom they trust more.

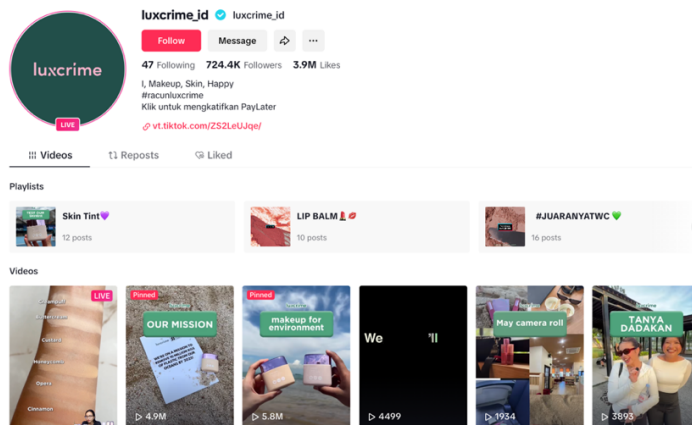
Influencer marketing has evolved into one of the most influential marketing strategies in the digital age. Kotler (2021) Influencer marketing is a form of marketing that leverages individuals with influence on social media to promote products and services to their broad, segmented audiences. In the beauty industry, influencer marketing plays a crucial role. According to a report from Sprout Social (2024) according to the Influencer Marketing Benchmarks Report, the beauty industry is the most talked-about sector on TikTok, with 3.63 million posts and an engagement rate of 2.46%. Sudha and Sheena (2017) on their study on the impact of influencers on consumer decision-making in the fashion industry found that recommendations from trusted influencers significantly influence consumers purchase intentions, as consumers view influencers as a more credible and relevant source of information than conventional advertising.

In addition to influencer marketing, electronic word of mouth is also a marketing force that cannot be ignored in this digital age. Hennig-Thurau (2004) eWOM is defined as any positive or negative statement made by potential, current, or former consumers about a product or company that is disseminated through digital platforms, making it accessible to the general public. Unlike traditional word of mouth, which is interpersonal and limited in reach, eWOM is far more widespread, persistent, and tends to be more difficult for brands to control. Cheung (2012), In their study, they found that eWOM has a significant influence on consumers' purchasing decisions, particularly for high-involvement products such as beauty products, where consumers typically conduct in-depth research before making a decision.

In Indonesia itself, the eWOM phenomenon is growing rapidly alongside increasing internet penetration and the popularity of social media platforms. Content in the form of product reviews, testimonials, and unboxing videos on platforms like YouTube, TikTok, and Instagram has become an integral part of the information-seeking process for Indonesian consumers before making a purchase. Previous research conducted by Pohan (2025) found that there is a significant correlation between Luxcrime product reviews on TikTok and consumer purchasing decisions. Meanwhile, research was also conducted by Hafiz and Maulida (2023) regarding the impact of TikTok Shop live streaming on the Luxcrime brand, the study found that this feature has a significant effect on consumer purchase intent, both partially and simultaneously.

Meanwhile, brand awareness is defined by an expert named Longwell (1994) as consumers' ability to recognize or recall a brand within a product category, which can be classified into four levels, ranging from "unaware of the brand" to the highest level, which is being "top of mind" for consumers. Keller (2013) also emphasizes that strong brand awareness serves as the primary foundation of brand equity and acts as a mediator between digital marketing activities and consumer purchasing behavior. Furthermore, Subagyo (2024) found that the campaign conducted by Luxcrime increased brand awareness by 52.2%. In the five-stage purchasing decision process Kotler (2016) the information-gathering and alternative-evaluation stages are now heavily influenced by content created by influencers and eWOM, both of which work together to build brand awareness, which ultimately drives consumers to make purchasing decisions.

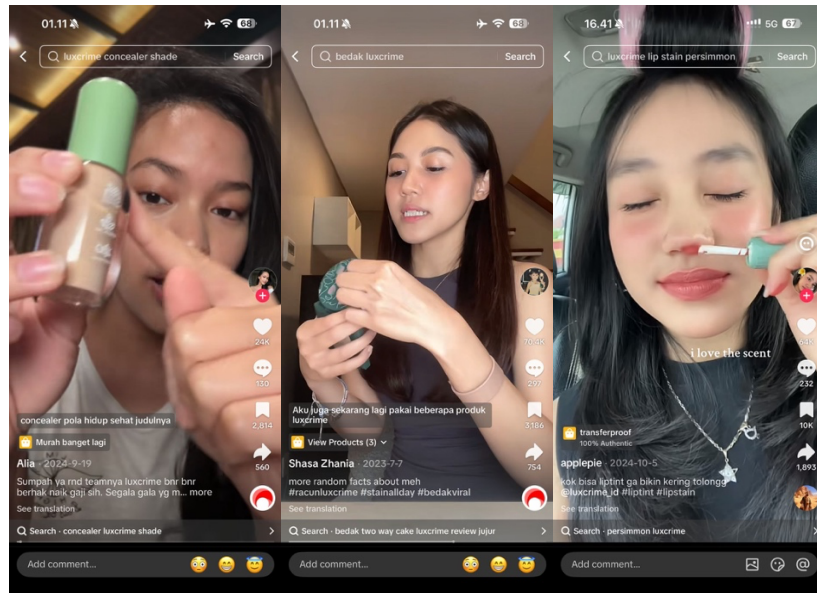
Luxcrime (PT. Luxury Cantika Indonesia) is a local Indonesian skincare and cosmetics brand founded in 2015. Luxcrime offers products ranging from skincare to makeup, with its best-selling product being the Blur & Cover Two Way Cake, which has now been expanded to include the Silk Glow and Oil Control variants Hafiz and Maulida (2023). In terms of performance, Luxcrime founder Ahmad Nurul Fajri revealed during a seminar he gave at BINUS University (2023) that the brand recorded revenue of approximately Rp 95 billion in 2021.



**Figure 1.5 Luxcrime's Official TikTok Account**

Source: TikTok (2026)

Currently, Luxcrime's official TikTok account has over 700,000 followers and regularly posts content, making it one of the local beauty brands with a digital community that is not only large but also active. Luxcrime's digital presence is most prominent on Instagram and TikTok.



**Figure 1.6 Influencer’s Collaboration Video with Highest Engagement**

Source: TikTok (2024)

Luxcrime actively utilizes influencer marketing as one of its digital marketing strategies to increase consumer awareness and engagement. One of the influencers with the highest engagement in Luxcrime’s promotional activities is Applepie. Through collaboration content on TikTok, Applepie promotes Luxcrime products through product reviews, makeup tutorials, and product demonstrations. The high level of interaction generated from the content, reflected through views, likes, comments, and shares, shows that influencer collaboration has the potential to increase consumer attention and strengthen brand exposure. Previous research also found that influencer marketing activities on TikTok significantly contribute to generating purchase intention for Luxcrime products. However, compared to several established local beauty brands such as Wardah, Luxcrime’s influencer marketing activities are still relatively limited

in terms of consistency and intensity of collaborations. Wardah has implemented influencer marketing as part of its communication strategy to strengthen brand awareness by collaborating with influencers who align with its target consumers. This comparison indicates that influencer marketing intensity remains an important factor for beauty brands in increasing consumer recognition and consideration, especially among social media users.

In addition, influencer collaboration activities also generate electronic word of mouth (e-WOM) through consumer interactions in the comment section of influencer videos. The comment section becomes a space where consumers share their experiences, provide product reviews, ask questions, and give recommendations to other potential buyers. Positive comments and testimonials from users can strengthen consumer trust, while negative feedback may influence consumer perceptions before making a purchase decision.



**Figure 1.7 Positive and Negative Comments on Luxcrime's Products**

Source: TikTok (2024)

Therefore, influencer marketing and e-WOM play an important role in shaping consumer perceptions and purchase decisions. The interaction between influencer-generated content and consumer-generated reviews creates a digital environment where brand awareness can be formed before consumers decide to purchase Luxcrime products.

Several previous studies have examined Luxcrime's marketing strategies from various perspectives. Salsabila (2023) found that brand image and social media marketing simultaneously have a positive and significant effect on the purchasing decisions of Luxcrime consumers in Bandung. Furthermore, Pohan (2025) A study in Medan found a significant correlation between Luxcrime product reviews on TikTok and purchasing decisions.

Based on previous research, there are several significant research gaps. First, previous studies have primarily examined brand image and social media marketing in general, but none have specifically examined influencer marketing as a standalone independent variable. Second, research on the role of brand awareness as a mediating variable between influencer marketing, eWOM, and purchase decisions regarding local Indonesian beauty brands remains very limited. Third, there has been no research specifically focused on Luxcrime consumers in Jakarta, a city with the leading beauty trends and the highest cosmetics consumption in Indonesia. Taken together, these gaps indicate the importance of further research.

Theoretically, this study will contribute to enriching the digital marketing literature by providing empirical evidence of a brand awareness mediation model in

the relationship between influencer marketing, eWOM, and purchase decisions in the context of local Indonesian beauty brands. Meanwhile, the urgency of this research is further underscored by the increasingly fierce competition in the Indonesian beauty industry, as evidenced by data released by Statista (2024), the beauty market in Indonesia is growing at a CAGR of 5.7% per year, reflecting an increasingly intense competitive landscape between local and international brands. In this context, Luxcrime's ability to optimize influencer marketing and eWOM to build even stronger brand awareness could be the key to competing with local brands that have dominated the market.

Based on the description of the phenomenon and the theoretical review discussed above, this study will focus on the effect of influencer marketing and electronic word of mouth, mediated by brand awareness, on purchasing decisions. Therefore, the author intends to conduct a study titled **“The Influence of Influencer Marketing and Electronic Word of Mouth Through Brand Awareness on Purchase Decision (Study on Consumers of Luxcrime in Jakarta)”**.

## **1.2 Research Problems**

As outlined in the background section, Luxcrime is a local Indonesian beauty brand that has actively implemented digital marketing strategies such as influencer marketing and has a strong foundation in electronic word of mouth (eWOM) on digital platforms. Nevertheless, Luxcrime has not yet managed to enter the ranks of the top 10 best-selling beauty brands on Indonesian e-commerce platforms over the past three years

(2022–2024), indicating a gap between the intensity of its digital marketing activities and the level of brand awareness as well as consumers' purchasing decisions. Based on the phenomenon described, the research questions to be addressed in this study are as follows:

1. Does influencer marketing affect Luxcrime's brand awareness?
2. Does electronic word of mouth affect Luxcrime's brand awareness?
3. Does brand awareness affect Luxcrime's customers purchase decision?
4. Does influencer marketing affect Luxcrime's customers purchase decision?
5. Does electronic word of mouth affect Luxcrime's customers purchase decision?
6. Does influencer marketing affect Luxcrime's customers purchase decision through brand awareness?
7. Does electronic word of mouth affect Luxcrime's customers purchase decision through brand awareness?

### **1.3 Research Purposes**

The purpose of this study is to obtain a comprehensive overview and provide empirical evidence regarding the influence of influencer marketing and electronic word of mouth, through brand awareness, on customers' purchase decisions. Based on this explanation, the objectives of this study include: Determine the influence of influencer marketing on brand awareness on Luxcrime consumers.

1. Determine the influence of electronic word of mouth on brand awareness on Luxcrime consumers.

2. Determine the influence of brand awareness on Luxcrime consumers purchase decision.
3. Determine the influence of influencer marketing on Luxcrime consumers purchase decision.
4. Determine the influence of electronic word of mouth on Luxcrime consumers purchase decision.
5. Determine the influence of influencer marketing on Luxcrime consumers purchase decision through their brand awareness.
6. Determine the influence of electronic word of mouth on Luxcrime consumers purchase decision through their brand awareness.

#### **1.4 Research Benefits**

The purpose of this study is to identify and thoroughly investigate the influence of influencer marketing and electronic word of mouth, through brand awareness, on customers' purchasing decisions. The following are some of the potential benefits that may be derived from this study:

- a. For Author

To expand knowledge and broaden perspectives as part of an effort to prepare for the application of the knowledge gained during college. It also serves as an effort to apply the material and insights acquired during the learning process to everyday life.

b. For Readers

It is hoped that this research will provide readers with new insights and knowledge, thereby generating better references and serving as a more reliable basis for future research. It is also hoped that readers will gain new insights into the topics discussed.

## **1.5 Theoretical Framework**

### **1.5.1 Consumer Behavior**

Consumer behavior is one of the most important concepts in marketing. Consumer behavior essentially serves as the foundation for understanding how individuals make decisions regarding the use of their resources when purchasing products or services. Consumer behavior is also defined as the behavior exhibited by consumers in seeking, purchasing, using, evaluating, and disposing of products and services they expect to satisfy them, according to Schiffman (2019) This definition emphasizes that consumer behavior encompasses not only the act of purchasing itself but also the entire process preceding and following it.

Meanwhile, Keller, (2016) define consumer behavior as the study of how individuals, groups, and organizations select, purchase, and use goods, services, ideas, or experiences to satisfy their needs and desires. This perspective is broader, viewing consumer behavior not only as individual actions but also as a social phenomenon influenced by the groups and environment surrounding the individual.

Kotler (2021) in *Marketing 5.0: Technology for Humanity* also introduce a new dimension to the field of consumer behavior in the digital age. They explain that the new generation of digital consumers possesses fundamentally different characteristics, such as being more critical of information, conducting more research before making a purchase, relying heavily on recommendations from digital communities, and being significantly influenced by content from influencers they trust.

### **1.5.2 Influencer Marketing**

Influencer marketing is one of the fastest-growing marketing strategies in today's digital age. Kotler (2021) define influencer marketing as a form of marketing that leverages individuals with strong influence on social media to promote products to their broad and segmented audiences. These individuals are known as influencers because, due to their knowledge, position, or connections, they have the ability to significantly influence others' purchasing decisions.

In their study on the impact of influencers on consumer decision-making in the fashion industry, Sudha and Sheena (2017) explain that influencer marketing operates through social trust. Consumers view recommendations from influencers they trust as a more relevant and credible source of information compared to traditional advertising. This is because consumers perceive influencers as individuals who have firsthand experience with the products they promote, even though, in practice, many of these collaborations are paid endorsements.

### **1.5.3 Electronic Word of Mouth**

Electronic word of mouth (eWOM) is the digital counterpart of traditional word of mouth (WOM), which has long been recognized as one of the most influential forms of marketing communication. Hennig-Thurau (2004) in their study published in the *Journal of Interactive Marketing*, define eWOM as positive or negative statements made by actual, potential, or former consumers regarding a product or company, which are disseminated via the internet and thus accessible to the general public. This definition has served as the primary reference in various eWOM studies over the past two decades.

In the world of beauty product marketing, Kristyani (2023) also define eWOM as positive or negative statements in the form of comments from buyers that are widely accessible and can be used as a basis for consideration before purchasing a product. Their research on Luxcrime consumers in the Greater Jakarta area found that the most dominant factor influencing consumers in the context of eWOM is the volume of reviews and comments from social media users on Instagram and TikTok, while direct recommendations have a relatively lower influence.

### **1.5.4 Brand Awareness**

Brand awareness is the most important aspect of marketing. In his book *Managing Brand Equity*, Longwell (1994) defines brand awareness as a potential buyer's ability to recognize or recall a brand as part of a specific product category. This definition highlights two distinct consumer abilities: recognition refers to a consumer's ability to

identify a brand when presented with a cue, while recall refers to a consumer's ability to recall a brand from memory without any cue.

In *Strategic Brand Management*, Keller (2013) expands on the concept of brand awareness by emphasizing its role as the foundation for building sustainable brand equity. Keller explains that brand awareness is not merely about consumers knowing a brand's name, but also about how strongly that brand is embedded in consumers' memories. Consumers with high brand awareness of a particular brand are more likely to consider, evaluate, and ultimately choose that brand during the purchasing process. In digital marketing, every consumer interaction with brand content contributes to building and strengthening brand awareness.

### **1.5.5 Purchase Decision**

The purchase decision is a crucial stage in the consumer behavior process that has drawn the attention of researchers. Keller (2016) define the purchase decision as the consumer's action in making a final choice regarding the product or service to be purchased from among various available alternatives that have been previously evaluated. Kotler and Keller also explain that during the evaluation stage, consumers form preferences among the brands in their set of choices, develop an intention to purchase the most preferred brand, and subsequently make a purchase decision.

Schiffman (2019) define the purchase decision as the process individuals go through in searching for, selecting, purchasing, using, and evaluating products and services to satisfy their needs and desires. This definition emphasizes that the

purchasing decision process does not occur instantly but rather through structured stages. Hidayat (2025) in their study on consumers of Somethinc skincare products, add that a purchasing decision is a consumer action or behavior that determines whether they will make a purchase or transaction, and that consumers perceptions need to be stimulated to generate the motivation to translate this into a purchasing action.

## 1.6 Previous Research

**Table 1. 1 Previous Research**

<b>No.</b>	<b>Author</b>	<b>Title</b>	<b>Variables</b>	<b>Results</b>
1.	Hidayat & Istikomah (2025)	<i>Pengaruh Brand Image, Persepsi Harga, dan Customer Review Terhadap Keputusan Pembelian Produk Skincare Somethinc.</i>	Brand Image, Price Perception, Customer Review, Purchase Decision	Brand image, price perception, and customer reviews have a significant contribution in influencing a consumer's decision to purchase skincare brand products from Somethinc among Generation Z in South Tangerang City.
2.	Nabila et. Al. (2024)	<i>Pengaruh Citra Merek (Brand Image) Terhadap Keputusan Pembelian Online Kosmetik Perawatan Wajah Skintific.</i>	Brand Image, Purchase Decision	Brand Image has a positive influence on online purchase decisions for cosmetics and facial care from the Skintific brand.

<b>No.</b>	<b>Author</b>	<b>Title</b>	<b>Variables</b>	<b>Results</b>
3.	N.T. Imung. (2025)	<i>Pengaruh Label Halal, Gaya Hidup, dan Word of Mouth Terhadap Keputusan Pembelian Kosmetik Wardah di Kota Manado</i>	Halal Label, Life Style, Word of Mouth, Purchase Decision	The halal label on a product, lifestyle, and word of mouth play an important role in the decision to purchase Wardah brand cosmetics.
4.	Md Shamim Hossain et. Al. (2025)	The influence of celebrity credibility, attractiveness, and social media influence on trustworthiness, perceived quality, and purchase intention for natural beauty care products	Celebrity credibility, Attractiveness, Social media influence, Trustworthiness, Perceived quality, Purchase intention	Celebrity credibility and attractiveness has a positive impact purchase intention, with trustworthiness and perceived quality as important variables in purchasing decisions.
5.	I.K. Yahya et al. (2025)	<i>Pengaruh Brand Image dan Kualitas Produk terhadap Keputusan Pembelian Varian Kosmetik Wardah melalui Minat Beli sebagai Variabel Intervening</i>	Brand Image, Product Quality, Purchase Decision, Purchase Intention	Brand image and product quality have a positive and role in influencing consumer purchase intention and decision-making. Purchase intention also significant as a mediator decisions for Wardah brand.

<b>No.</b>	<b>Author</b>	<b>Title</b>	<b>Variables</b>	<b>Results</b>
6.	Caroline et al. (2025)	<i>Analisis Dampak Pemasaran Media Sosial, Citra Merek, dan Kualitas Produk Terhadap Keputusan Pembelian Produk Kecantikan</i>	Social Media Marketing, Brand Image, Product Quality, Purchase Decision	Social media marketing and product quality have a partial influence on purchasing decisions, brand image does not have a partial influence on purchasing decisions but simultaneously has an influence among all variables.
7.	Kristyani & Jatmiko (2023)	<i>Pengaruh Electronic Word of Mouth dan Kualitas Produk Terhadap Keputusan Pembelian Produk Luxcrime</i>	e-WOM, Product Quality, Purchase Decision	E-WOM and product quality have an influence on purchasing decisions with product quality as the dominant variable in purchasing decisions for Luxcrime products.
8.	Diba & Amina (2024)	The Effect of Content Marketing and Influencer Marketing on Purchase Intention for Luxcrime Products on The TikTok Application in Surabaya	Content Marketing, Influencer Marketing, Purchase Intention	There is an influence between content marketing and purchasing interest, there is also the influence of influencer marketing on purchasing interest.

No.	Author	Title	Variables	Results
9.	Lestari & Puddin (2025)	<i>Pengaruh Brand Community dan Brand Image Terhadap Keputusan Pembelian Konsumen Kosmetik Emina di Kota Medan</i>	Brand Community, Brand Image, Purchase Decision	Brand community and brand image significantly impact consumer perceptions of Emina products. Both brand community and brand image simultaneously and significantly influence consumer demand for Emina in Medan.
10.	Firmansyah et al. (2025)	<i>Citra Merek, Konten Peasaran dan e-WOM Terhadap Keputusan Pembelian Produk Skincare Azarine</i>	Brand Image, Content Marketing, Purchase Decision	Brand image, content marketing, and e-WOM partially have a significant influence on the purchasing decision of Azarine skincare products.

Based on previous studies, most research has examined the direct influence of influencer marketing, electronic word of mouth (e-WOM), brand image, content marketing, and product quality on purchase intention and purchase decisions in the beauty industry. However, limited studies have discussed how these marketing strategies influence purchase decisions through brand awareness as a mediating variable. Furthermore, studies related to Luxcrime have mainly focused on e-WOM, product quality, content marketing, and influencer marketing, while the role of brand

awareness in connecting marketing activities with consumer purchase decisions has not been widely explored. Therefore, this study aims to address this gap by analyzing the influence of influencer marketing and e-WOM through brand awareness on purchase decisions among Luxcrime consumers in Jakarta.

### **1.7 Hypothesis and Hypothesis Model**

H<sub>1</sub>: It is suspected that influencer marketing has a positive and significant influence on brand awareness.

H<sub>2</sub>: It is suspected that electronic word of mouth has a positive influence on brand awareness.

H<sub>3</sub>: It is suspected that brand awareness has a positive influence on purchase decisions.

H<sub>4</sub>: It is suspected that influencer marketing has a positive influence on purchasing decisions.

H<sub>5</sub>: It is suspected that electronic word of mouth has a positive influence on purchase decisions.

H<sub>6</sub>: It is suspected that influencer marketing has a positive influence on purchase decisions through brand awareness as a mediating variable.

H<sub>7</sub>: It is suspected that electronic word of mouth has a positive influence on purchase decisions through brand awareness as a mediating variable.

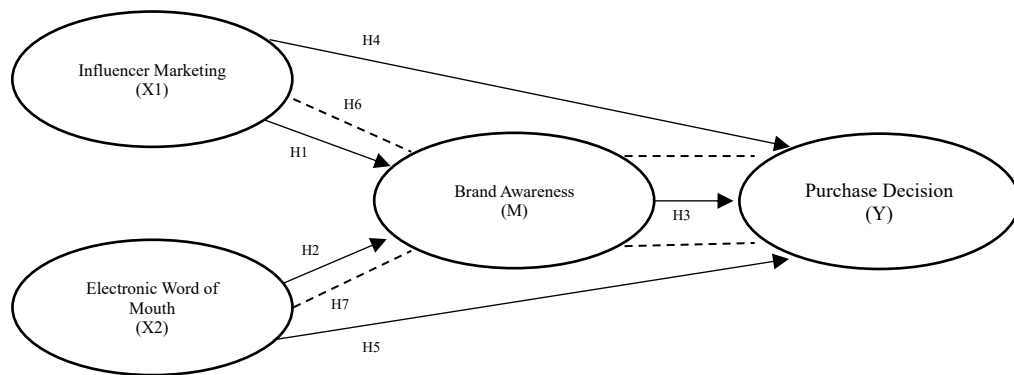


Figure 1. 8 Hypothesis Research Model

## 1.8 Conceptual Definition

Concept definition is a more abstract explanation or description of the variables or terms used in the research. Concept definition has the function of providing an understanding of the phenomenon or variable being studied, but is not directly related to how the variable will be measured or tested.

### 1.8.2 Influencer Marketing

According to Sokolova and Kefi (2020) influencer marketing is a digital marketing communication method where the credibility and attractiveness of influencers play a very important role in shaping consumer purchasing intentions through social media.

### 1.8.3 Electronic Word of Mouth

Goyette (2010) argues that electronic word of mouth can be defined as a form of informal communication between consumers about a product or service that is carried out via digital media such as sites, the web, or discussion forums.

#### **1.8.4 Brand Awareness**

Brand awareness can be defined as a consumer's ability to recognize and remember a brand in various purchasing situations, which can be reflected in brand performance and recall, Keller (2013).

#### **1.8.5 Purchase Decision**

According to Kotler (2016) a purchasing decision can be defined as a stage in the consumer decision process where a consumer actually decides to buy a product after evaluating various existing alternatives.

### **1.9 Operational Definition**

Operational definition is an explanation of a concept to be measured or tested, this definition focuses on the procedures or indicators that will be used to measure the concept. This aims to provide limitations on the variables used and how to obtain the necessary data.

#### **1.9.2 Influencer Marketing**

Sokolova and Kefi (2020) argues that the effectiveness of influencer marketing can be measured through the following indicators:

1. Influencer's Credibility: The level of audience trust in the influencer.
2. Influencer's Attractiveness: The extent to which the audience is attracted to the influencer's personality or appearance.
3. Influencer's Expertise: The influencer's knowledge and skills regarding the product being promoted.

4. Match-up: The degree to which the influencer's image matches the product or brand being promoted.
5. Engagement: Audience engagement with the influencer's content, such as likes, comments, and shares.

The above indicators can be used to measure the extent to which influencers influence purchasing decisions and consumer awareness of Luxcrime products on social media. These indicators will be measured using questionnaire questions.

### **1.9.3 Electronic Word of Mouth**

According to Goyette (2010), e-WOM has several indicators as follows:

1. Intensity: Refers to how often information or opinions about a product are shared online
2. Valence of opinion: The nature of the opinions shared by consumers, whether positive, negative or neutral.
3. Content: The quality and relevance of the information shared in the consumer's opinion.

The indicator can be measured through questions in a questionnaire that assesses the frequency, nature, and quality of e-WOM received by consumers related to Luxcrime products.

### **1.9.4 Brand Awareness**

According to Kotler (2016), brand awareness indicators can be as follows:

1. Brand Recall: This is the ability of consumers to remember a brand without assistance.
2. Brand Recognition: The ability of consumers to recognize a brand without assistance.
3. Top of Mind: The first brand that comes to mind when consumers think of a particular product category.
4. Brand Dominance: The level of dominance of a brand in consumer memory compared to other brands in the same category.

Measurement can be done by assessing the extent to which consumers know and remember Luxcrime products, as well as the information they have about Luxcrime products.

### **1.9.5 Purchase Decision**

According to (Kotler (2016) purchasing decision indicators include:

1. Product Choice: Consumer decisions about what products to buy.
2. Brand Choice: Consumer decisions about which brands they will choose.
3. Dealer Choice: Consumer decisions about where or distribution channels to buy a particular product.
4. Purchase Timing: When consumers decide to make a purchase.
5. Purchase Amount: How many products are purchased by consumers.
6. Payment Method: The payment method chosen by consumers.

Indicators can be measured by assessing consumer behavior in a Luxcrime product purchasing process, including consumer preferences for products, brands, quantities, and payment methods used.

### **1.10 Research Methods**

This study is an explanatory study. Sekaran (2016), in *Research Methods for Business: A Skill Building Approach*, state that explanatory research aims to explain the cause-and-effect relationships among the variables under study while identifying the conditions underlying the occurrence of a phenomenon.

The data collected in this study will be analyzed using quantitative methods. Hair (2019), in *Multivariate Data Analysis*, state that a quantitative approach is a method used to measure phenomena numerically and test relationships between variables through standardized statistical procedures, thereby ensuring that the research results are objective and replicable.

#### **1.10.1 Research Type**

The type of research method that will be used for data collection in this study is using a quantitative approach. Quantitative research can be interpreted as a scientific approach whose purpose is to find, collect, analyze, and interpret data in the form of numbers and statistics, which aims to understand phenomena or answer questions from a study. Quantitative research is a research method that uses data in the form of numbers that are analyzed using statistical methods to test hypotheses that have been formulated. Quantitative research focuses on generalization and objectivity.

### 1.10.2 Population and Research Sample

#### a. Population

Sekaran (2016) define a population as the entire group of people, events, or phenomena that a researcher wishes to investigate, encompassing all elements that possess characteristics relevant to the research objectives. The population in this study consists of all consumers who have purchased Luxcrime products and reside in Jakarta.

#### b. Sample

According to Sekaran (2016), a sample is a portion of a population selected to represent the entire population in a study. The use of a sample is necessary given the limitations of time, resources, and cost involved in studying the entire population. In this study, the population used is all consumers of Luxcrime products who live in the DKI Jakarta area and know or have been exposed to promotions through influencers or e-WOM on social media. Determination of the number of samples in this study uses the formula of Hair (2019). There are 18 indicators in this study, based on the formula from Hair (2019) which states that a feasible sample size in quantitative research is 5-10 times the number of variable indicators, so that we get  $18 \times 6 = 108$ . So based on this formula, the number of samples determined in this study is 108 respondents, because this number is considered sufficient to represent the population and meets the requirements of quantitative analysis and model testing using regression analysis or SEM (Structural Equation Modeling).

### **1.10.3 Sampling Techniques**

The sampling technique used in this study is non-probability sampling, specifically purposive sampling. Sekaran (2016) define non-probability sampling as a technique in which not all members of the population have an equal chance of being selected as respondents. Purposive sampling was chosen because the researchers established specific criteria to ensure that the selected respondents were relevant to the research objectives. The criteria for respondents in this study are as follows:

1. Domiciled in DKI Jakarta.
2. Aged 15-35 years.
3. Have purchased or used Luxcrime products at least once.
4. Have purchased a Luxcrime product at least once in the past 12 months.
5. Have seen promotional content for Luxcrime products via influencers on social media (Instagram, TikTok, YouTube, or other platforms).
6. Have read or been exposed to reviews, ratings, or comments about Luxcrime products online.

### **1.10.4 Type and Data Source**

#### **1.10.4.1 Data Source**

##### **a. Primary Data**

Sekaran (2016) define primary data as data collected directly by researchers from first-hand sources to answer specific research questions or hypotheses. In this study,

primary data was obtained by distributing an online questionnaire to Luxcrime consumers in Jakarta who met the sampling criteria.

b. Secondary Data

Sekaran (2016) define secondary data as data obtained from pre-existing sources and collected by others, rather than directly by the researcher. Secondary data can include scientific journals, textbooks, online articles, industry reports, and other written sources. In this study, secondary data was obtained from various literature relevant to the topics of influencer marketing, eWOM, brand awareness, and consumer purchasing decisions.

### 1.10.5 Measurement Scale

In this study, the Likert scale was used as the measurement scale. Sekaran (2016) state that the Likert scale is designed to measure respondents' attitudes, perceptions, and opinions regarding a statement, with response levels ranging from very positive to very negative. Each research variable was broken down into indicators, which were then used as the basis for formulating the statements in the questionnaire. The Likert scale used in this study consists of 5 points, with the following details:

**Table 1. 2 Likert Scale Measurement**

<b>Score</b>	<b>Assesment Category</b>
1	Strongly Disagree
2	Disagree
3	Neutral
4	Agree
5	Strongly Agree

### **1.10.6 Data Collection Techniques**

#### **a. Questionnaire**

Primary data collection for this study was conducted by distributing an online questionnaire via Google Forms. The questionnaire was designed based on indicators for each research variable and distributed to respondents who met the sampling criteria through social media platforms such as Instagram, TikTok, and WhatsApp. Each statement in the questionnaire was measured using a 5-point Likert scale.

#### **b. Literature Review Method**

In addition to the questionnaire, data collection was also conducted through a literature review by gathering information from various written sources, such as books, scientific journals, articles, and reports relevant to the research topic. This method was used to establish the theoretical foundation and concepts underpinning the research framework, particularly those related to influencer marketing, eWOM, brand awareness, and purchase decisions.

### **1.10.7 Data Analysis Techniques**

The collected data were then analyzed using Structural Equation Modeling (SEM). Hair (2017) state that SEM is a multivariate statistical technique that allows researchers to simultaneously test complex causal relationships between latent and observed variables, making it particularly well-suited for studies involving mediating variables.

The SEM method used in this study was Partial Least Squares Structural Equation Modeling (PLS-SEM), conducted using SmartPLS 4.0 software. Hair (2017) explain that PLS-SEM was chosen because: it does not require data to be normally distributed, it can be used with relatively small sample sizes, it is capable of estimating complex models, including those involving mediating variables, and it is suitable for predictive and explanatory research. The selection of PLS-SEM was also based on its ability to test the mediating influence of brand awareness directly through the bootstrapping procedure.

#### **1.10.8 Measurement Model Evaluation (Outer Model)**

The purpose of the outer model evaluation in this study is to ensure that the indicators used are valid and reliable in measuring each latent construct. The constructs evaluated include Influencer Marketing, Electronic Word of Mouth/eWOM, brand awareness, and purchase decision. This testing includes tests of convergent validity, discriminant validity, and reliability. According to Hair (2019), validity testing aims to ensure that the instrument used actually measures what it is intended to measure. Validity in the context of PLS-SEM is divided into two types:

a. Convergent Validity

Convergent validity refers to the degree of correlation between an indicator and a construct that is theoretically expected to be closely related. Hair (2017) state that convergent validity is evaluated using the Average Variance Extracted (AVE) value. A construct is said to have adequate convergent validity if its AVE value exceeds 0.50, meaning that more than 50% of the indicator's variance can be explained by that construct.

b. Discriminant Validity

Reliability tests were conducted to assess the internal consistency of the indicators that make up a construct. Hair (2017) identified two primary methods used in reliability evaluation in PLS-SEM:

1. Cronbach's Alpha: A construct is considered reliable if the Cronbach's Alpha value exceeds 0.70.
2. Composite Reliability (CR): In the context of PLS-SEM, Composite Reliability is considered more accurate than Cronbach's Alpha because it accounts for the outer loadings of each indicator. A construct is considered to have good reliability if the CR value exceeds 0.70.

### 1.10.9 Evaluation of the Structural Model (Inner Model)

The inner model evaluation focuses on testing the relationships among latent constructs in the research model, including influencer marketing eWOM, brand awareness and purchase decision. Since this study uses brand awareness as a full mediator, the inner model evaluation also includes testing for indirect influences. According to Hair (2017), the inner model evaluation in PLS-SEM involves the following steps:

1. R-squared ( $R^2$ )

The R-squared value indicates the proportion of the variance in the endogenous variables (brand awareness and purchase decision) that can be explained by the exogenous variables in the model. Hair (2017) classify  $R^2$  values as follows: High (substantial):  $\geq 0.75$ ; Moderate:  $\geq 0.50$ ; Low (weak):  $\geq 0.25$ . The higher the  $R^2$  value, the better the model's ability to explain the variation in the dependent variable.

2. Effect Size ( $f^2$ )

Effect size ( $f^2$ ) is used to measure the relative contribution of each exogenous variable to the  $R^2$  value of the endogenous variable. Hair (2017) classify  $f^2$  values as follows: Large effect:  $\geq 0.35$ ; Moderate effect:  $\geq 0.15$ ; Small effect:  $\geq 0.02$ . If the  $f^2$  value is less than 0.02, the effect of that variable is considered insignificant for the model.

### 3. Predictive Relevance ( $Q^2$ )

In addition to  $R^2$  and  $f^2$ , Hair (2017) also recommend using the  $Q^2$  value (Stone-Geisser  $Q^2$ ) to assess the model's predictive validity. A  $Q^2$  value greater than 0 indicates that the model has adequate predictive validity for the construct under examination.

### 4. Test of Mediation Effects

Since brand awareness serves as a full mediator in this study, the mediation effect was tested using the bootstrapping procedure to estimate the indirect effects of influencer marketing and eWOM on purchase decisions through brand awareness. Hair (2017) state that a mediating effect is considered significant if the confidence interval of the indirect effect does not include zero at a 95% confidence level.