

Chapter 1: Introduction

1.1 Background of the study

Competition in business and economy in Indonesia is increasing very tight, increasingly requiring companies engaged in online marketing to be able to be consumer-minded. Consumers are assets that must be maintained by the company (Hurriyati, 2005). Therefore, to be able to give the customers satisfaction companies should have a strong marketing strategy. According to (P. Kotler & Armstrong, 1997), consumers consider it is important because they determine the life struggle of a company and consumers will survive with a product if consumers are satisfied with the product. Thus, a business who uses social media marketing can influence their customer more effectively. As we know that marketing actually is not a new concept, however it already done for many deacades but the thing is chnged of the way how do we do the marketing. Marketing done a few years or decades ago is called traditional marketing, while marketing done in the current era is called modern marketing, but marketers of today sometimes use traditional marketing wherever it is appropriate (Parikh, 2017).

According to statistics (wearesocial, 2020) shows us that more than 4.5 billion people are using the Internet for these nowadays, which is create a result of social media users having exceeded the 3.8 billion mark. Indonesia appears to be very important in the digital world competition in the study, as for some issues Indonesia has appeared in a high ranking for many times. Based on those data which showed us so many people are now using the internet as their main information. Thus, it means that people are changing their daily consumption of information from the traditional method to the modern method. Same here as the marketing, because the customers are using the internet more often so the company should change their marketing strategy from traditional marketing to modern marketing. There were a differentiation between traditional marketing and modern marketing such as:

Table 1.1 Difference between traditional marketing and modern marketing

Traditional Marketing	Modern Marketing
Selling the products which were produced by the company	Looks at from customer satisfaction point of view and then produce the product according to needs of the customers
Company's oriented	Customer Oriented
Marketing or selling department and other department had no role to play	Not limited to marketing department only rather the work
The only target of it was to sell the goods for profit	Multidimensional as apart from selling goods for profit

The study concluded that modern marketing or usually known as social media marketing is now becoming a new useful method for increasing business to increase their engagement with their customers and also to make some effect on the behavior of purchasing customers. These kinds of interactions need to be made with a concept, and from this research we will be implementing the SICAS Model as the tools for how the social media marketing strategy should go right. Social Media is also a platform that provides customers with valid information, especially from an organization platform that has also helped in social media brand positioning that has helped respondents remember the brand. Social networking networks help to create a strong connection with organisations and promote knowledge sharing with other internet users. According to (Weinberg, 2009) Social media marketing also requires listening to the societies as well as building relationships with them as the organization members. Because it is not only about the promotions on social media, but the important thing is how the marketers can interact with their customers through social media platforms. It is the responsibility of social media marketers to exploit these networks correctly to connect successfully with audience members about the actual product and service offerings (weinberg, 2009: 3-4). There is the potential of brand value mediating

social media marketing and the desire to attract customers. A successful assessment of the brand therefore has a greater effect on the purchasing actions later on.

Based on that knowledge this study will be conducted on how Social Media Marketing is being very useful nowadays on the Starbucks Indonesia Company based on the SICAS Model. Because before Starbucks Indonesia could build up their company in Indonesia, they had some challenges in understanding their target market in Indonesia. However, there's a lot of new local coffee shops and brand stores that also may compete with Starbucks. Coffee shops are now a kind of new segment business in Indonesia that is increasing very tight. From this situation we can see that it can be a challenge for Starbucks to keep them on track. So from this case we can see how beneficial it is to use the Social Media Marketing approach as a method for getting some customer interactions. Thus, the marketers are more able to use social media as a tool to introduce any products and build some brand relation, giving more information to the consumers and therefore it would make the consumers more favorable from brand reviews (Farquhar, 1989). Starbucks Indonesia may be able to enhance its consumer knowledge through social media marketing, obtain more information about the interest of consumers and how they act (Karman, 2015). And from the internet era, how to combine platforms with advertisements, what is the buying method of social media and how to use vast amounts of data for digital marketing are all topics this paper will discuss and solve.

1.2 Research Objectives

The purpose of this thesis is to examine the conceivable outcomes of how Starbucks Indonesia has got to offer from social media marketing strategy. The company is associated with social media in numerous ways, and the reason for this proposition is to investigate the contrasts between the individuals associated with Starbucks Indonesia through social media and those who are not associated. Also how this social media marketing has an impact towards consumer behaviour based on the SICAS Model. Therefore, the research question of this study is "How does the SICAS Model give an impact to consumer behavior on Social Media Marketing of Starbucks Indonesia?".

On the other hand, Demonstrating that social media is significantly linked to consumer buying intentions, where audience participation acts as a mediating variable in influencing social media users to buy customer intent. The research emphasizes the need for marketers to respond to the importance of social media use, as it has a strong impact on consumer purchasing intentions to sustain customer loyalty. From this we can get the objectives of the research which are;

1. Importance of Social Media Marketing
To improving social media strategy on starbucks indonesia
2. Impact Social Media based on SICAS Model
To control the customer experiences
3. The SICAS Model affected to the consumer buying behaviour
What aspects that affected consumer buying behaviour
4. Starbucks next Strategy for their Social Media Marketing
To implement new strategy for social media marketing

The management advice that the firm will follow is to constantly monitor consumer interest by modifying the company's social media marketing strategy. The limitation of this study is the lack of qualitative methods, i.e. circulating the online questionnaire to obtain a deeper understanding of consumer attitudes and interactions that can have an impact on consumer purchasing intentions and preferences that can help further refine future research. However, through this future research will incorporate other important variables such as confidence, interaction, and any other marketing strategy that social media strategists might apply.

1.3 Research Methodology

The focus of this study is strategic analysis and advice related to the future successful SICAS Model-based social media marketing strategy, which the subject of this study will be Starbucks Indonesia and how this marketing strategy can affect customer purchasing behaviour. Therefore, the main idea of this research is to explore as much as possible information about the external and internal condition of Starbucks Indonesia and understand its current Social Media strategy to provide the future recommendation as the output of this study. Thus, how the SICAS Model has connections with Starbucks Indonesia social media marketing and how it can help their social media marketing on Starbucks Indonesia can be examined more in this study.

On the other hand, the research method of this study is qualitative research. According to Denzin and Lincoln (1994, p. 2) Qualitative study relies on multimethods, involving a theological, naturalistic approach to their content, meaning qualitative scholars are studying topics in their natural contexts, trying to explain or observe events in terms of their interpretations. This study will address additional facts, factors, and include some perspectives and opinions on the case. Qualitative studies may help researchers enter the study subject's emotions and thoughts, helping them appreciate the value people add to their perceptions (Pharm, 2015). Therefore, based on several knowledge-based qualitative research use a variety of methods to obtain a deep understanding of how people view their social interactions as a result and how they behave within the social context.

There will be two collections data sources to be used in this study which are primary data as an external data and secondary data as an internal data source. Because this study will examine some external and internal resources, so the both collections data methods are needed. The primary data would be conducted as the online questionnaire that will distribute to the Starbucks Indonesia customers. The point of the online questionnaire was to assemble data approximately to see the characteristics of the customers interactions with the Starbucks Indonesia Social Media. These data will be the data from the external sources that can be conficing this study. Thus, from the respondent of the questionnaire we can get a point of view from customers itself, to analyze the outcome of consumer behaviour. As an external resource for the secondary data this study needs more research from another research that had already existed. So for the secondary data this study will obtain it from some resources and studies that have been done before. However, from that we can see how Social Media Marketing can be useful to affect the consumer buying behaviour.

1.4 Research Content and Framework

Thus, this research will consist of 6 chapters, which every chapter has its own categories and different points. This structure was made for the convenience of the readers. In the chapter 1, this research will be given some introductions about this research itself. Such as the background of this research, objective of this research and content & method of research. However on chapter 2, it would discuss what is Social Media Marketing theory and what is consumer behaviour, how it can be so important, also the SICAS Model that this study will be used. In chapter 3, it will explain all the analysis theory and research of this study that will be used, and to know further about the Starbucks company conditions in Indonesia. Thus, The micro environment and industry environment will be discussed more in this chapter. Furthermore, the internal environment of Starbucks Indonesia marketing itself will also be explained, such as what kind of social media marketing they use. Followed with the analysis of social media marketing of Starbucks Indonesia in the chapter 4 which will conduct a questionnaire or as an online survey. It contains the questions, investigates the target, and will discuss the analysis of the questionnaire. For chapter 5, all about the strategy of Starbucks Indonesia. How SICAS Model can be constructed on their social media marketing and what is their strategy selection. Thus, from this research we will give some recommendations from the information that the author got. For the last chapter, which is chapter 6 it would be a written conclusion and some recommendations for the company strategy.