

Chapter 2: Literature Review

2. Literature review

In maintaining the company's relationship with customers is an important thing that must be done by every company. To obtain high customer loyalty or even a consumer buying behaviour, companies should have their own strategy. A strategy is needed in conducting customer relationship management. Furthermore, this

research will show more insight about how from social media some companies can get easily connected especially for Starbucks Indonesia with their customers, with the chosen model such as SICAS Model as a references. With the presence of social media, companies can reach customers by interacting, which initially was one-way, now has become two-way (Kotler and Armstrong, 2012). According to Asma and Misbah (2018) the two way flow of information from social media marketing plays an important role in sending, receiving and exchanging information without any limitations. Hence, by using social media as a marketing tool Starbucks Indonesia have a way to build and maintain their strong relations with their customer's behaviour. AC Nielsen (2011) argues that with the presence of social media now people's behaviour in searching for brand information and communication has changed, now people can give their opinions, share their experiences and discuss when using certain brands. However, when the customers have had a positive insight about a brand then it will particularly give an impact to their buying behavioral intention of the brand. Thus, the good interactions between Starbucks Indonesia with their customers will definitely be affected.

In social media, companies that actively carry out profitable campaigns, popular content, relevant content and the frequency of updating content will positively influence customer loyalty (Endgormus and Cicek, 2012). Therefore Starbucks Indonesia needs to pay attention to these variables on social media to maintain relationships with customers. Although social media marketing is an emerging technology with a great deal of potential, the task of marketing is still the same – identifying the target audience, networking with prospects, developing loyalty, engaging consumers and so on (Weber, 2009). Marketing researchers and experts have been doing work on consumer behaviour and digital marketing for more than a decade and include a broad variety of scientific and analytical research papers, such as internet marketing case studies (vinerian, 2017).

2.1 Social Media Marketing Theory

Online marketing is the use of social media networks to communicate with consumers and create the brand, boost revenue and grow traffic on the website. Social networking should be the tool for creating brand identity in a manner that increases brand awareness, says Karman (2015). It involves sharing constructive posts on your social media accounts, listening to and engaging your fans, analyzing your results and running social media advertising. Content marketing is a marketing strategy that distributes a content which attracts audiences, supported with copywriting that has more attractions for the marketing (Kompasania, 2019). There are several examples about content marketing i.e video, photos, and copywriting which have an insight of promotions, discounts, and campaigns.

These social media marketing also give some good impact to the company, there are several types of social media marketing that in this era can be used to explore more customers. Therefore, some companies definitely have their own point of view of which social media that they have to use. The philosophy of how social media marketing works in reality is closely related to the ideology of social media itself, from which social media marketers can create the user interface (karman, 2015). Due to the research that has been done, these are the lists of social media that Starbucks Indonesia use for their marketing strategy in Indonesia:

1. Instagram
2. Line
3. Twitter
4. Facebook
5. Website

Here is the demographic data of people that currently use social media in Indonesia. But from these data we will only focus on the Facebook, Twitter, and Instagram data. However, those 3 social media are the one that are active by the Starbucks Indonesia company for them to interact with their customers.



Figure 2.1 Social Media Demographic in Indonesia
Source: statcounter, 2020

Social media marketing reflects on the challenge to produce content that will catch the reader's interest and inspire them to share it with their social network (Chary, 2014). However according to the research of Starbucks Company, Starbucks is able to grow its market very well through advertising campaigns through social media. Social networking has a significant strategic role for branding to encourage, educate, and entertain customers (Lovett and Staelin, 2016). So Starbucks Indonesia have to maintain their social media marketing strategies to be well connected with their customers. Starbucks Indonesia spreads the details through social media in a manner that creates or preserves a powerful identity in the minds of the customer (Karman, 2015).

2.2 Consumer Behaviour Theory

There is currently a growing interest in marketing for digital interactivity, especially in user behaviour on social media. As we know people nowadays are really closed with globalizations which affects them to become more individualistic. However, from that fact it was related to how they get more information from their own cell phones. Thus, this condition is also happening in Indonesia, whereas people are most likely to get some of their information through their social media. This kind of situation may affect their consuming behaviour also. From that knowledge that is already known by people, so the researchers of this study have believed that through an excellent social media marketing strategy it can impact consumer buying behaviour. The consumer decision-making process requires the various steps to which a customer takes while making a buying decision (Olshavsky and Granbois, 1979). The online behavior of the customers is evolving at a rapid pace. Consumers participate in a range of behaviors, from consuming products, participating in conversations and exchanging information with other consumers to contributing to the behavior of other consumers. Consumer conduct changes which are dedicated to the advertising and marketing outlook as consumers infiltrate the company's business system (Berthon et al., 2008). With the introduction of social media, there will be people who will be more and more likely to pay-attention to communicating their feelings by connecting, posting, participating, and so on, for spiritual satisfaction when shopping, rather than only pursuing the results.

Therefore, companies have to be better at understanding how the behavior of consumers can be changed, to have mutual benefits from the employment of social media (Heinonen, 2011). The study about consumers behaviour is about examining consumers and the mechanisms of which the buyers use to choose or dispose of any goods and services based on the social, physiological and behavioral reactions of the buyers. The definition of the buyer is used to explain the person who is interested in social media but who not only absorbs the internet but also conducts certain behaviors, such as participating in, using or generating behaviors (Heinonen, 2011). Consumer behavior encompasses concepts from multiple disciplines including psychology, genetics, chemistry, and economics. Customer behaviour is critical and marketers can understand what this means impacting consumer buying decisions. In understanding how consumers settle on a product they are trying to fill in the void in demand and identify the goods expected and the goods obsolete. According to

Marsden (2009) Thought the purchase stemmed too much from the socializing partnership and the Internet that had a strong driving force for personal shopping advice.

2.3 SICAS Model

The marketing strategy model is about to examine if there wer a sales that created while they make decision during the traditional era, there were five stages of the following types: 1) attracting customer attention (attention); 2) attracting consumer interest in goods and services (interests); 3) fostering the consumer's appetite (desire); 4) creating memory (Memory) and 5) taking buying action (Action) known as the Lewis 1898 AIDA campaign pattern. However, in 2005 the multinational 4A advertising agency Dentsu Group changed it and proposed "AISAS" law: Attention, Interest, Search, Action, and Share. In this age, buyers are able to pay more attention to taking the lead in looking for information and finding feedback after the step to buy, this is also the basic feature of this time. When there was a globalizations era there was a change in the marketing method which was called as "ISMAS" mode during the era of social media, which stands for Interest, Search, mouth, Action and Share. According to DCCI in 2011, The SICAS model is suggested to be more in line with the movement analysis of consumer communications and has cross-influence on other links as regards the panoramic information distribution.

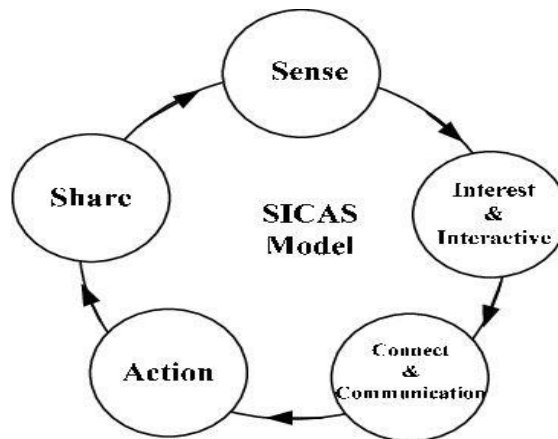


Figure 2.2 SICAS Model.
Sources; semantic scholar, 2017

The SICAS model is a panoramic model in which user actions and usage progression are multidimensional, rather than one-way, progressive, collaborative processes. Behaviors of consumer behavior through comprehension play an significant role in deciding the marketing path. Comprehensive comprehension is: Meaning to each other brand users, create dynamic interest, connect with Digital Contact users and brand merchants, purchase action, share knowledge. In this kind of communications environment, the company depends on sensors in the network to identify and respond to consumer demands in real time, build a multidimensional complex structure between advertisement and service, absorb by relying on secure and convenient connectivity and take the initiative to be the advertisement communicator. The customer decision-making cycle is also changing with evolving communications climate and consumer behaviour.