

CHAPTER I

INTRODUCTION

A. Background

These past years have transformed the way the international event industry does business (Senthil Gopinath, 2020). Due to COVID-19 based regulations, various industries have struggled or stopped completely. One of the worst affected industries by the pandemic is the events industry (Kloskowski, 2021). The first year of covid, 2020, has witnessed the cancellation of many remarkable festivals, exhibitions, sport events, and concerts to prevent the spread of the virus. The most notable examples were the 2020 Tokyo Olympics, UEFA Euro 2020, and Copa América 2020 which have been postponed to 2021. It will come as no surprise that the COVID-19 pandemic has decimated the economic output for the year 2020. It is stated in ICCA Reports and Statistics (2020) that the event industry faced a total expenditure of \$1.665M, 90% less than total expenditure in 2019, \$10.817M. This pushes event players around the world to keep innovating in order to survive during this pandemic.

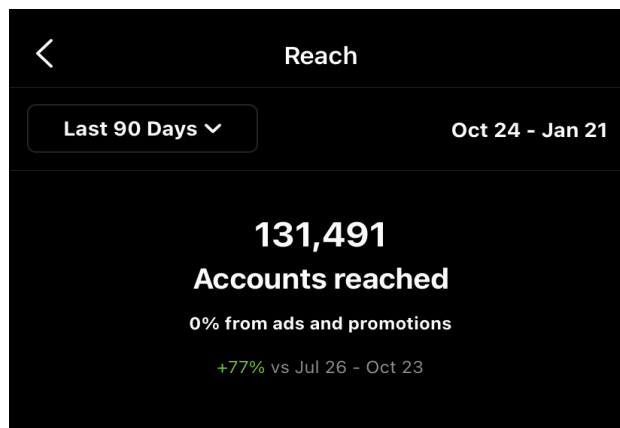
One of the events that is still running even though it is affected by the pandemic is UI Fashion Week. UI Fashion Week is a fashion show event presented by Klub Mode University of Indonesia. There are three

main objectives of UI Fashion Week, namely to educate, networking, and knowledge transfers. UI Fashion Week has a wide range of different people participating such as models, fashion companies, influencers, and designers.

However, in a recent report, it is revealed that the hybrid-held UI Fashion Week 2022 visitors decreased by 50% compared to 2019. This issue pushes the event organizer of UI Fashion Week i.e. Klub Mode Universitas Indonesia, to find a way to elevate their marketing strategy.

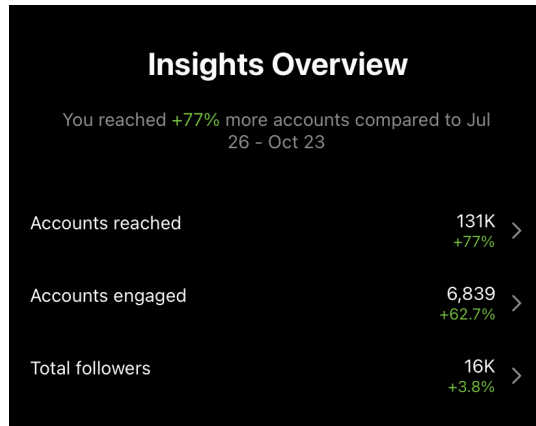
Previously, UI Fashion Week already implemented the viral marketing method, they succeeded to get many impressions and viewers, and also reach many non-followers. However, this method is not effective enough to attract purchase intention even though it impacts the awareness of the brand.

FIGURE 1: UIFW 2021 INSTAGRAM ACCOUNTS REACHED



Source: UI Fashion Week Instagram

FIGURE 2: UIFW 2021 INSTAGRAM INSIGHTS OVERVIEW



Source: UI Fashion Week Instagram

UI Fashion Week stated that one of the marketing strategies they intended to implement is Influencer Marketing. However, influencer marketing is still new to some practitioners and UI Fashion Week still needs further research about this marketing method. UI Fashion Week also feels the need to identify the right influencer to promote their product.

TABLE 1: UI FASHION WEEK ATTENDEES IN LAST 3 YEARS

Year	Number of Attendees
2019	372
2020	158
2022	99

Source: Klub Mode Universitas Indonesia, 2022

Today's generation requires a totally different marketing approach. A lot of businesses and companies tried to look for a new way

on how to influence their targeted market (Bonchek, 2018). One of the characteristics of this generation is that they spend most of their time on social media (Lou, 2019). This phenomenon changed the way businesses understand their consumer behaviors. (Arora and Sanni, 2018). Last year, it is reported that social media users all over the world have increased to 4.55bn users in 2021. Since 2020, active social media users have increased by 9.9% until 2021. It means that there are more than 400m new users that joined the social networks in one year (WeAreSocial, 2021). It is estimated that social networks now have about 170 million social media users in Indonesia in October 2021, an increase of 10 million (+6,3%) since 2020, which equates to almost 73% of Indonesia's population.

TABLE 2: INTERNET & SOCIAL MEDIA USERS IN INDONESIA

Social Media Use in Indonesia 2021	
Active internet users	202.6 million
Active social media users	170 million
Active internet users of total population	73.7%
Active social media users of total population	60.8%

Source: Indonesian Digital Report 2021 by WeAreSocial

The rising numbers of internet and social media users results in companies starting perceiving the social network as a tool to interact with customers (Bianchi et al., 2017). The fast growth of social media users is

leading to influencer marketing coming out as a rapidly growing marketing strategy that is being implemented in many industries. Few years ago, many industries used to do endorsement to famous celebrities to promote their products, but the growth of social media led to the strong recognition of social media influencers (Xu Rinka and Pratt, 2018). Influencers have become unexpectedly powerful figures used by huge brands and corporations to promote their products (Nguyen, 2019). Nowadays, a lot of companies take advantage of the social media influencers to promote their products and influence the social media influencers' followers by providing them with information about the products.

Social media influencers share their daily activities, opinions, and products or services recommendations. Influencers are referred to as a new type of market tools who influence audience attitudes through blogs, tweets, and the use of other social media platforms. (Freberg et al., 2011). Someone is considered as an influencer when they are capable to influence attitudes, behaviors and the decision making of their followers via word of mouth (Moldovan et al., 2017). Because of Influencers' giant fanbase and followers, Influencers unquestionably are playing a critical role in marketing. Social media influencers play a crucial role in promoting certain products or services by providing related information to their followers (Hazzliza Haron, 2016). The key factors that affect consumers' purchase intention is influencers' trustworthiness, expertise (Hovland et al., 1953) and attractiveness (Ohanian, 1990).

The recent uproar of influencers and KOLs leads to the rise of Influencer Marketing. Influencer marketing is an act of promoting products or services through influencers' content via social media platforms. (Mun and Kim, 2020). Influencer marketing is the most important modern approach to marketing that impacts buying-decision making. (Brown & Hayes, 2008). These so-called social media influencers are more than mere marketing tools, they are brand assets which can help brands to achieve their goals (Kadekova & Holiencinova, 2018). Through influencer marketing, marketers are allowed to see the number of likes, views, comments, and feedback about the products and services (De Veirman et al., 2017). The popularity and use of Influencer Marketing is due to the world's massive spread of the pandemic and consumers' shifting behavior, as well as the technological development and more intensive use of the internet for promoting products and services.

Recent report of Web Summit 2021, an annual technology conference, pointed out that Influencer Marketing is a post-covid marketing evolution. It is also stated in the Influencer Marketing Statistics, 91% of marketers believed that Influencer Marketing can be an effective form of marketing. Nowadays, 49% of consumers depend on influencer recommendations for their purchase decision. Approximately, the value of influencer marketing is expected to grow to \$13.8 Billion in 2022 and marketers get 6 times return on investment.

Influencer Marketing is believed to be the effective form of marketing. (Geysler, 2021). The public usually perceived someone as an influencer if they have authority, knowledge, position, and good relationship with their followers (Chetioui et al., 2020). Many industries have implemented influencer marketing in recent years including the fashion industry. The purchasing behaviors in the fashion industry are highly affected by fashion trends, and fashion trends are mostly impacted by fashion influencers (Park and Kim, 2016). A lot of research has been conducted to find out the impact of influencers marketing towards the purchase intention of fashion products, but seemingly there is no research yet about its impact on fashion events. This research aims to find out if influencer marketing is effective not only in promoting fashion products, but also in promoting fashion events.

Creating a good marketing strategy should be treated as a way to increase customers ' purchase intentions and generate sales. In order to create a good marketing strategy, the company should consider the marketing tools which have been used for six years for this business since the fashion market has become more competitive than it used to be. The use of social media influencers is the most modern approach to marketing in a decade for all people at the forefront of purchasing decision-making (Brown & Hayes, 2008).

Unfortunately, not all of the instagram influencers are appropriate in all types of businesses. Choosing the wrong instagram influencers as a

tool to promote fashion show events might have a bad impact and damage the brand. Therefore, this research will analyze the factors that influence visitors in buying tickets to attend UI Fashion Week. By knowing what factors influence a customer's purchase decision on UI Fashion Week, we could help UI Fashion Week to reach their targeted audiences. If the factors that have a significant influence on purchase intention have been found, UI Fashion Week will consider implementing them in the next UI Fashion Week marketing strategy.

B. Problem Identification

According to the background that has been previously described, the writer identifies the problems as follows:

1. Does the trustworthiness of influencers have a significant impact on purchase intention?
2. Does the expertise of influencers have a significant impact on purchase intention?
3. Does the attractiveness of influencers have a significant impact on purchase intention?
4. Does Influencer Marketing need to be implemented in the next UI Fashion Week?

C. Research Objectives

1. To find out the significance of trustworthiness of influencers towards purchase intention.
2. To find out the significance between expertise of influencers towards purchase intention.
3. To find out the significance between attractiveness of influencers towards purchase intention.
4. To propose the best recommendation for UI Fashion Week marketing strategy.

D. Benefits of Research

Identifying what factors of social media influencer that have a significant impact on purchase intention of UI Fashion Week is essential. The result of this research will prove to be beneficial for UI Fashion Week as it helps to decide UI Fashion Week's next marketing strategy.