

CHAPTER I

INTRODUCTION

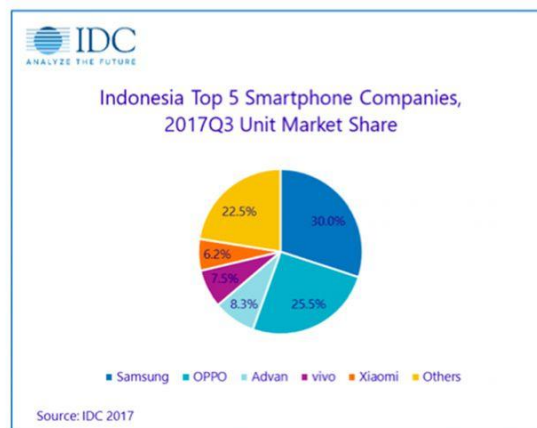
A. Research Background

Communication is an essential need for human beings. Communication is used to convey information from one individual to another. This activity is done at any time in various ways and using different media. The need for information continues to increase along with rapid progress to achieve the welfare of human life. Before the globalization era, information was conveyed directly face-to-face and with print media such as newspapers, brochures, and pamphlets; this method took time to share information to a wide range of areas. But after the discovery of electricity and electronic media such as radio and television, the news is easily shared worldwide but at a higher cost. Now the era of globalization, information is shared using computers and smartphones that use hybrid media or the internet, making it way more efficient to convey information quickly around the world with one click away and low cost, and some of them are free. Not surprisingly, after we pass the era of industrialization, we are now developing the information age.

Many tools are made to use hybrid media, such as computers and phones; even television can use the internet nowadays. The rapid development of phones to Smartphones now is helping the consumer to use the internet anywhere with low cost and better network. Therefore brands compete to dominate the market by improving its product with many new features to satisfy customer demand.

Various Smartphones have been invented, such as Samsung, Xiaomi, VIVO, Oppo, and Nokia.

Figure 1. Indonesia Top 5 Smartphone Companies



Source: <https://tekno.kompas.com/read/2017/11/23/08410067/daftar-5-besar-merek-smartphone-di-indonesia>.

According to the survey by IDC in 2017, Samsung ranks at the top with a market share of 30% in Indonesia. Samsung is a Smartphone that is very popular with Indonesian customers, which is why the author is using Samsung Smartphone as a research object for this study.

Communication is not only used in daily life but also for business. The primary purpose of a company in creating a business is to increase sales of its product to achieve high profit. To increase sales, the company must introduce its product or services to its marketplace and prospective buyers by advertising its product and building positive customer perceptions of the brand and the product.

One of many things that can be influenced by communication and sales is advertising and customer perception. Prior to the availability of the internet, advertising is done traditionally, such as through print media like newspapers, brochures, and pamphlets; nowadays, advertising mainly uses electronic media

and hybrid media, electronic media such as telephone, radio, television, and hybrid media (internet). The use of hybrid media or the internet now cannot be separated from human life, which can be seen from the results of this survey.

Figure 2. Internet Usage Statistics

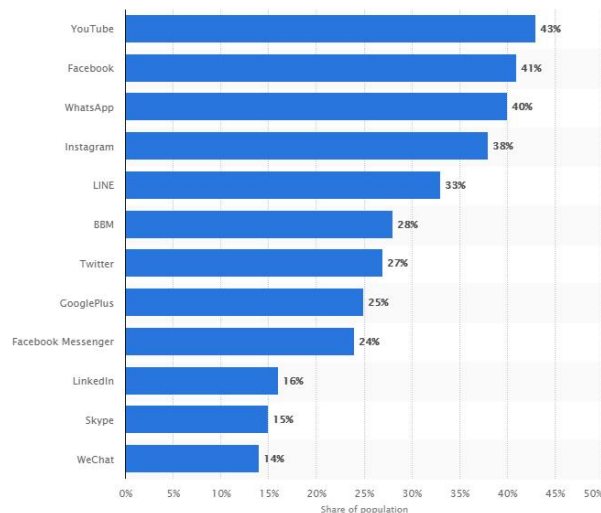
WORLD INTERNET USAGE AND POPULATION STATISTICS DEC 31, 2017 - Update						
World Regions	Population (2018 Est.)	Population % of World	Internet Users 31 Dec 2017	Penetration Rate (% Pop.)	Growth 2000-2018	Internet Users %
Africa	1,287,914,329	16.9 %	453,329,534	35.2 %	9,941 %	10.9 %
Asia	4,207,588,157	55.1 %	2,023,630,194	48.1 %	1,670 %	48.7 %
Europe	827,650,849	10.8 %	704,833,752	85.2 %	570 %	17.0 %
Latin America / Caribbean	652,047,996	8.5 %	437,001,277	67.0 %	2,318 %	10.5 %
Middle East	254,438,981	3.3 %	164,037,259	64.5 %	4,893 %	3.9 %
North America	363,844,662	4.8 %	345,660,847	95.0 %	219 %	8.3 %
Oceania / Australia	41,273,454	0.6 %	28,439,277	68.9 %	273 %	0.7 %
WORLD TOTAL	7,634,758,428	100.0 %	4,156,932,140	54.4 %	1,052 %	100.0 %

NOTES: (1) Internet Usage and World Population Statistics estimates in Dec 31, 2017. (2) CLICK on each world region name for detailed regional usage information. (3) Demographic (Population) numbers are based on data from the [United Nations Population Division](#). (4) Internet usage information comes from data published by [Nielsen Online](#), by the [International Telecommunications Union](#), by [GfK](#), by local ICT Regulators and other reliable sources. (5) For definitions, navigation help and disclaimers, please refer to the [Website Surfing Guide](#). (6) The information from this website may be cited, giving the due credit and placing a link back to [www.internetworldstats.com](#). Copyright © 2018, Miniwatts Marketing Group. All rights reserved worldwide.

Source: <https://www.internetworldstats.com/stats.htm>

Internet users globally reached 4,156,932,140 out of the 7,634,758,428 total population, which is 54.4%. According to the results of a survey conducted by the Association of Internet Service Providers Indonesia (APJII) in 2017, In Indonesia alone, the number of internet users in 2017 covered 54.68% of the total population of Indonesia, which reached 262 million people. The internet now cannot be separated from everyday activities, both lower class, middle and upper class. Everyone now has at least one social media account to interact with others and seek information.

Figure 3. Penetration of Leading Social Networks in Indonesia.



Source: <https://www.statista.com/statistics/284437/indonesia-social-network-penetration/>

Social media is a tool on the internet as a communication and information platform. Social media contained a wide range of applications that evolved and increased in number without limitation. Various social media applications, such as YOUTUBE, Facebook, WhatsApp, Line, Instagram, TikTok, and others, spread on the internet. Each application provides convenience for the user to communicate and seek information. Social media has a negative and positive impact, depending on how it is used. One positive impact of social media is to use it as an advertising medium; this has advantages for businesses, creating opportunities for small and more significant companies.

One of the most popular applications by internet users today is the Instagram app. Instagram is a mobile app that allows users to upload content and share their lives with the world through videos and photos. In many respects, Instagram's photo-sharing platform has been unique from the start. Once a user

takes a shot, they can choose a filter to customize the image and capture the moment perfectly. The purpose of the filters is to transform an amateur or mediocre mobile photo into an artistic and professional-looking image. Apart from using Instagram as a platform for sharing videos and pictures for personal use, Instagram also functions as a business platform with advertising and sponsorship features.

The app is also meant to be used in real-time so that Instagram users can share their experiences and followers can share those experiences as they happen. Instagram also took social network sharing and made it easier by allowing users to instantly share a picture on several platforms, all from one app. Users can share photos on Facebook, Twitter, Tumblr, Flickr, and Foursquare.

Users can peruse a homepage of their followers' recent posts on the app, check a newsfeed for follower activity, comment on and like any public pictures, and tag followers in both comments and photos. The hashtag trend is widely used in captions and comments among Instagram users. Instagram is also accessible on the web for viewing, and other features such as commenting, liking, and users must use Instagram's mobile app to upload photos. Now Instagram is used as a communication medium and a medium of various advertising, local and international products. Multiple videos and product photos and more information about a product can be found, making it easier for customers to get information about the advertised product.

Besides advertising, the factor that can affect the sales of a product is customer perception. Customer perception is a marketing concept that involves a customer's impression, awareness, and consciousness about a company and its

product. Customer perception is essential to know about the customer's view of a company and its product, the product's function to customers, and why they need or want to purchase the product. Therefore, the company needs to attract customers' attention and build a positive perception of the product that will be marketed so that customers are interested in the product. Advertising and customer perception are affecting company sales. Therefore, the authors are interested in choosing the title "The Influence of Social Media Advertising and Customer Perception Toward Sale on Samsung Smartphones."

B. Research Question

Based on the research background above, it decided questions that need to be answered in this research are :

1. Is there simultaneous influence between social media advertising and Customer Perspective toward sales ?
2. Is there partial influence between social media advertising and Customer Perspective toward sales ?

C. Research Purpose

Based on the research question of the problem, the purposes of this study are:

1. Knowing whether there is a simultaneous influence of Social Media Advertising and Customer Perspective towards Sales on Samsung smartphone.
2. Knowing whether there is a partial influence of Social Media Advertising and Customer Perception towards Sales on Samsung smartphones

D. Research Benefits

1. Applying the knowledge author has learned during the mass of lectures; the author can compare theory and practice directly in social media advertising and customer perception toward the sale.
2. Adding insight and understanding of the author about the effectiveness of social media advertising and customer perception toward the sale.
3. Expecting to be a reference for other researchers who want to research social media advertising and customer perception toward the sale.
4. Providing input for effective social media advertising and customer perception toward the sale.