

CHAPTER 1

Introduction

1.1. Current Situation of the digital industry in Indonesia

Marketing plays a vital role in a business's growth and sustainability by recognizing customers' needs and presenting solutions to them in exchange for a value. According to John Burnett (2008), marketing is the act of finding and retaining customers by implementing pricing, promotion, and distribution of products or services in exchange of a value that benefits both the customers and the organizations (company). There are various ways of doing marketing, but before the start of the digital era, businesses use traditional marketing as the main strategy. Traditional marketing essentially comprises of using print ads on newspaper and magazines or putting ads on radio and television as their advertising strategy and using surveys and focus groups to detect their target market (Thurman, 2013). Furthermore, with the widespread use of the Internet, a new method called 'Digital Marketing' starts to be widely employed.

Digital marketing's main objective is to assist customers as fast as possible by helping them reach products and services offered quicker and hence, quicken the purchasing process (Durmaz & Efendioglu, 2016). One of the techniques to do digital marketing is via social media. Social media marketing is a process of connecting and creating engagement with customers through online communities, social networks, and others. Social media marketing activity can increase the probability of revenue creation as it is not a mass advertising strategy, but rather a specific one, since it helps to identify influencers and find the potential customers and guide them to purchasing point through them (Neti, 2011).

In 2011, Gojek, a ride-sharing application, starts its business with only 6 ojek drivers, and fast forward to 2017, Gojek now has 900,000 drivers with 15 million weekly active users and over 100 million

transactions per month (Go-jek, 2017). While Tokopedia, a C2C marketplace, has a total value of trillions of rupiah of transactions per month, and it has only been launched in 2009 (Marzuki, 2017). These two examples showcase the effect of the digital revolution in the ways a business can grow. The technological advancement has created dramatic changes in the way society works, it changes the way business doing production, distribution, consumption, and it unraveled a new variety of business models made possible by using digital technology (PT Epson Indonesia, 2018). Uber, Grab, Gojek, and Airbnb are the products of business made possible using 'sharing economy' principle, a conviction that happened due to the changes of how people interacts, and ultimately happened due to the digital existence (Wibowo, 2017). With the existence of digital-based business occurred in Indonesia, a lot of new practices arise in businesses, UX (User experience), UI (User Interface), and Digital Marketing is the most common examples of new sectors that appeared.

According to an analysis done by Hootsuite, Indonesia is the fastest growing country in terms of growth in the number of Internet users with 51% increase, and a growth of 34% in the number of social media users totaling 27 million users (Hoot Suite, 2017). With the rise of the Internet and social media users, Indonesia is one of the most promising countries to be targeted for digital marketing. A survey done by GetCraft indicates that the growth of social media users in Indonesia has a positive effect for a digital marketing campaign in Indonesia, especially ones that aim for organic audience (Get Craft, 2018). With the data backing up the necessity of having digital marketing, any brand no matter its size will start to use digital marketing as one of the ways to interact with its targeted market.

The importance of social media is also realized by Indonesia International Institute for Life Sciences (i3L). i3L is an international education and research institution located in Jakarta, Indonesia. It was founded in 2013 from a bilateral agreement between Indonesian and Swedish governments. It was from the observation that Indonesia has the second larger natural resources for land, and the biggest marine resources, that i3L wants to focus on strengthening research sector in life-sciences area from

education view. Its vision is to be a leading and globally connected interdisciplinary institution that impacts society through science and innovation through 1) accelerating Indonesian competitiveness by leveraging science, innovation and unique national resources to have global impact, 2) providing a unique, interdisciplinary and integrative learning environment, and 3) shaping a new generation of leaders.

This thesis aims to study how i3I social media can be evaluated. In order to evaluate this social media, CIPP method is utilized. CIPP is an acronym for context evaluation, input evaluation, process evaluation, and product evaluation, this model was developed by Stufflebeam and is one of the most used evaluation models (DiTommaso, 2013). In addition to evaluating the social media, this thesis also investigates social media outcomes such as satisfaction and intention to recommend.

The satisfaction level in using social media is influenced by both internal and external factors. Among the internal factor is regarding the user's motivation in using social media, while the external factors are regarding the degree of usefulness and the entertainment gained by using social media (Järvinen et al., 2016). Recommendation means any positive or negative opinions of something that was shared to other person. In social media, satisfaction level and recommendation plays a significant role in gaining influence and popularity (Casaló. et al., 2017). This thesis studies the association between the satisfaction and the intention to recommend with the result of with context, input, process and product evaluation.

1. 2. Research Problems and Questions

There are two research problems investigated in this research. The first research problem is: How does the result of CIPP evaluation associate with social media outcome such as satisfaction and the

intention to recommend? The second research problem is: How does the intention to recommend associate with satisfaction?

Research questions are as follows:

1. Is there any association between the satisfaction levels of i3L students with the result of CIPP evaluation of i3L social media?
2. Is there any association between i3L students' intention to recommend @i3l_official with the result of CIPP evaluation of i3l social media?
3. Is there any association between 3L students' intention to recommend with their satisfaction level on i3L social media?

1. 3. Research Goals or Objectives

The research goals or objectives are:

1. To find out the association between satisfaction level with the factors derived from CIPP evaluation method of @i3l_official
2. To find out the association between intention to recommend with the factors derived from CIPP evaluation method of @i3l_official
3. To find out the association between intention to recommend with the satisfaction level

1. 4. Justification for the research

This research can provide theoretical and practical benefits. Firstly, is the application of CIPP evaluation method. The literature indicates there is no particular evaluation method has been applied to the evaluation of social media. CIPP can be an alternative to evaluate a social media. Secondly is the understanding on satisfaction and the intention to recommend. Specifically, this study can provide

insights on which element on CIPP evaluation method should be prioritized to enhance satisfaction and intention to recommend. Thirdly is to justify satisfaction and likeliness to recommend. It will be interest to find out whether satisfaction leads to the likeliness to recommend on social media.

1 .5. Thesis Structure

