

Chapter 1

Introduction

1.1 Background

The personal care sector is undergoing significant change driven by rising consumer awareness regarding ingredient safety, environmental responsibility, and ethical production methods, particularly within Generation Z, a demographic with expanding purchasing power. A growing niche market and consumer preference exist for natural hair care products that are clean, free of chemicals such as silicones and sulfates, and have sustainable formulas for their personal care needs. The natural hair care segment is experiencing significant market expansion driven by digital innovation and evolving consumer preferences.

Digital marketing strategies play a crucial role in consumer purchasing decisions and building brand awareness in natural or sustainable businesses, (Narulia & Nanda, 2019). Businesses can leverage data-driven multi-channel strategies, and responsive, measurable marketing communications as foundations of digital marketing to increase brand recognition, positive customer perception, and ultimately, revenue, as well as businesses to engage in online marketing and social media, an effective method to consumer reach and retention, (Peter & Dalla Vecchia, 2020; Kotler & Keller, 2016). Studies emphasize the importance of digital marketing strategies for companies to identify and engage their target market effectively from consumer behavior analytics, sustainable product positioning, optimization of multi-channel digital marketing strategies, (Rifai et al., 2021).

The natural hair care niche industry presents unique digital marketing challenges and opportunities in communicating effectively in value propositions, sustainability credentials, and product benefits through digital channels. Furthermore, maximizing effectiveness of digital marketing approaches implementation, management and evaluation are critical, (Gunawan & Wahyudi, 2019).

Although, the significance of digital marketing, there is limited research on systematic digital marketing strategy implementation in this niche, particularly using structured models such as SOSTAC (Situation, Objectives, Strategy, Tactics, Action, Control). The SOSTAC framework is a structure approach to marketing and business planning developed by PR Smith, comprises six key stages, each stage are vital to create and implement a robust marketing strategy, (Anggraeni et al., 2024). Implementation of the SOSTAC model have shown to result in positive business performance and ability to delineate the key actions necessary for achieving goals, (Rifai et al., 2021). Thus, application to the Indonesian natural hair care businesses, provides structured insights into consumer engagement, revenue growth, and digital marketing efficiency; by leveraging the framework, businesses can develop a comprehensive and effective digital marketing strategy to ensure short-term sales growth and long-term brand value.

1.2 Problem Statement

Digital platforms such as social media remains a foundation of digital marketing strategies for enhancing brand recognition and attracting consumers, and is frequently the sole tactic utilized by small businesses to promote their products through digital marketing campaigns, (Mellyan, 2020). However, there are limited research on consumer perspective regarding different digital marketing approaches within the natural hair care market. Existing natural hair care businesses in Indonesia but their effectiveness in driving consumer engagement and branding remains limited. The SOSTAC model (Situation, Objectives, Strategy, Tactics, Actions, Control) provides a structured framework to assess these approaches to identify relative strengths, weaknesses and most effective digital marketing tactics to utilize in digital platforms in order to position in the niche market. In addition, a better understanding of consumer responses to digital marketing strategies can assist brands to develop a coherent and effective marketing approach that result in beneficial marketing communication outcomes such as driving short-term sales and long-term brand-building, (Dwivedi & McDonald,

2018).

There is a growing market demand and potential for natural and sustainable personal care products, particularly among Generation Z consumers, however the digital marketing in the niche natural hair care segment within Indonesia's personal care industry faces unique challenges, including the specialized nature of the products and the critical need for effectively communication strategies that align with consumer values. Previous studies have established the importance of digital marketing in influencing consumer engagement and purchasing decisions, however there remains a significant research gap for practitioners regarding the systematic application of comprehensive digital marketing frameworks, the SOSTAC model—within the Indonesia natural hair care sector. This research seeks to address this significant knowledge gap for practitioners in this growing industry segment, by analysing and understanding consumer responses to different digital marketing approaches used by available Indonesian natural hair care brands by using the SOSTAC framework, (Oktaviani & Rustandi, 2018). Through the SOSTAC framework this research contributes to both theoretical knowledge and technical insights on implementation of the framework to assist brands seeking to effectively allocate their marketing resources and strengthen consumer relationships.

1.2 Research Objectives

The study will investigate how Indonesian natural hair care brands can effectively leverage digital marketing tools to communicate through appropriate digital channels. The research aims to provide and insights to digital marketing plan, implantation and achievement natural hair care products business and other natural or sustainable personal care businesses natural of company goals, particularly in expanding market reach to enhance sales in both digital marketplace or channels. This study aims analyze digital marketing approach for natural hair care products in the Indonesian market through consumer evaluation using the SOSTAC framework

1.3 Research Hypotheses

Based on the research objectives, the following hypothesis will be tested:

Brands with more comprehensive SOSTAC elements evident in their digital marketing will generate higher purchase intention among Indonesian natural hair care consumers.

1.4 Limitations

There are several limitations of this research, from generalizability and temporal limitations. The adaptation of the SOSTAC framework as an evaluation tool rather than its original purpose as a planning framework may introduce conceptual limitations, and may not evaluate the consumer perspective on the digital marketing approach accurately. The assessment of digital marketing effectiveness is based on a controlled exposure rather than natural consumer interactions within the Indonesian natural hair care industry, which may influence process and evaluation of the marketing materials, which constraints the generalizability of findings. Even though the study provides valuable insights into marketing effectiveness from a consumer perspective, the study only looks into a limited number of local natural hair care brands and it may represent the full range of digital marketing approaches present in the Indonesian market. Furthermore, the research also provides temporal snapshot of consumer behavior and marketing strategies, which inherently limits the applicability of the findings to evolving trends outside the specific point in time. The study also relies on self-reported purchase intentions rather than actual purchasing behavior, which may introduce biased and introduce intentional-behavior gaps. Lastly, the research sample representation may not fully capture the nuance of consumer behavior and attitudes across all segments of the target market in Indonesia.

1.5 Research Structure

This thesis is structured into five chapters, systematically investigating digital marketing

approach in natural hair care businesses. The first chapter is an introduction that provides an overview of the research, including the background, problem statement, objectives, hypotheses, significance, scope, and limitations. The second chapter is the literature review examining existing literature relevant to natural product consumption, Indonesian consumer behavior, influences on marketing, and applications of the SOSTAC framework (Situation, Objectives, Strategy, Tactics, Action, Control). The third chapter consists of the methodological approach employed, data collection methods, and analytical framework. The fourth chapter focuses on research findings in a structured and organized according to the SOSTAC framework. The practical implications of the findings are discussed, highlighting relevance for marketing practitioners in natural or sustainable product businesses. The final chapter is conclusion and recommendations; it provides key findings for marketers based on the evidence presented in the preceding chapters. Specific recommendations are formulated for marketers and suggestions for further research.