

E-Commerce in Cosmetic Industry

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E-Commerce in Cosmetic Industry

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Abstract. The purpose of this research is to find out the brand communication strategy carried out by beauty e-commerce companies in managing the website and how it affects each visitor so that they have a good image. The study used a literature study method with the object of research was the online shop Sociolla and Beautyhaul. The results of this study are the importance of the company to have a good image to communicate brand identity with the trust of consumers and brand or partners. In Indonesia, businesses that specifically sell beauty products online are still relatively rare. Therefore, the company has a big task in conducting brand communication, especially on managing websites because consumers prefer the experience of trying beauty products when buying it directly. The Beauty E-Commerce will facilitate the business in terms of documentation and transactions as well as product offerings in person.

1. Introduction

Nowadays, the development of the electronic commerce business (e-commerce) is increasingly significant. E-commerce is a business that specializes in selling beauty products. However, businesses that specifically sell beauty products online in Indonesia are still relatively rare. This happens because it is different from fashion products that tend to be immediately attractive to buyers, consumers usually prefer the experience of trying beauty products when buying it directly in stores, malls, or beauty outlets rather than shopping online. Technopreneur is part of entrepreneurship that emphasizes technological factors, namely the ability of science and technology in its business processes [1].

The term "brand" usually attached to a company, product, or organization. In Indonesia, the word brand is interpreted as a brand name. While the brand itself has a lot of scopes, including logos, symbols, and so on. Branding is indeed known by several classifications, for example, Product Branding, Corporate Branding even later it is also known as Internal Branding, City Branding, etc.

The right marketing strategy is to use social media. Creating and maintaining a good website is important because it allows consumers to search, compare, and use it as a means of a transaction [2]. The importance of e-branding, the prevalence of collaborative, and customer-centered brand building strategies are including co-branding and affiliation with established online and offline brands, distribution partnerships, content alliances, and personalized email contacts [3]. The company's values that issued are related to social desires with the intention of the company to align with the desired social values to build positive corporate branding [4].

The participation in virtual communities has a positive influence on consumer commitment to brands around where communities are centered. Besides, the trust in virtual communities has a positive and significant effect on member participation in virtual community activities and increases the level of trust in it [5]. Promotional activities that are most valued by customers before making online purchases are convenient to place an order, search time, product availability, product reviews, after-sales service, ease of payment mode, delivery time, return policy, promotional activities, and product satisfaction contribute to consumer online purchasing behavior [6]. The impact of the Internet on brand equity is quite high. As more customers use the internet, the strategists have used the Internet to create a competitive advantage. New companies that have launched e-commerce sites competing to achieve brand awareness are forcing established companies to build brand awareness in the online market through e-commerce routes [7]. The development of the website has made companies try innovative ways of doing business. Companies that effectively market themselves on the web have different advantages [8]. Corporate communication has a function of alignment between function and strategy implementation, CEO as the best reporting structure, focus on brand and reputation, the importance of internal communication, innovative use of information technology, and functions as an art and science [9]. Customer satisfaction, website usability, and loyalty are found to be the top three factors that make the biggest contribution of the total effect on the role of increasing positive word-of-mouth in e-commerce [10]. Only a few companies that do business specifically sell beauty products, Sociolla and Beautyhaul present trying to offer beauty products with a personal touch. Sociolla and Beautyhaul is a trusted and most comprehensive online store in Indonesia that sells beauty products, makeup, skincare, cosmetics, and perfume.

The purpose of this research is to find out the Brand Communication Strategy conducted by both Sociolla and Beautyhaul companies to reach consumers and gain trust from the public. It is important to know that we are implementing an effective Brand Communication Strategy so that e-commerce can gain public trust so that our company is remembered and become the top choice for shopping. This study used a descriptive method because it aims to explore and clarify the phenomenon of social reality.

2. Method

This study used a descriptive method with comparative studies. It is because this method is used to solve the problem investigated by describing the state of the subject or object in research in the form of people, institutions, communities, and others based on the facts that appeared in this research can compare certain phenomena. The object of this research is beauty e-commerce Sociolla and Beautyhaul. It can be seen in the following figure (see Figure 1).



Figure 1. Indonesia Digital 2019: E-Commerce (www.websindo.com)

Figure 1 shows that there are 5 (five) things in electronic commercial of Sociolla and Beautyhaul. From the statistics graph as of January 2019 above, it shows that the activity of searching for a product offered reaches 93%, directly proportional to visits to online stores that reach 90%. This is coupled with an 86% of purchases through online stores with the largest access via smartphones. It can be seen in Figure 2.



Figure 2. Indonesia Digital 2019: E-Commerce (www.websindo.com)

Figure 2 shows how many transactions per year for certain types of product categories. The first place is occupied by the Travel category, second by Electronic Equipment, and third place is Fashion & Beauty.

3. Results and Discussion

Nowadays, implementing brand communication strategies using electronic media is a common thing. This is because, in addition to being able to reduce operational costs, the target market is very broad. Besides, e-commerce can use effective brand strategies such as personal approaches, creating activities, loading interesting content and providing discounts or promos that routinely affect the strength of a company's brand strategy. The company also carries out other strategies such as creating interesting content and advertisements to appear on social media such as Instagram, Youtube, Website, Facebook, Mobile Apps, and many more. One strategic step is to have your website. This was done so that the company can get as much profit by using the website. Moreover, one of the promising businesses is the beauty products business. In Indonesia, there are still rarely e-commerce companies engaged in beauty products and this is an opportunity as well as a challenge for companies because consumers usually prefer to buy beauty products directly. However, with the website, companies engaged in beauty products are trying to do company branding as a trusted sales place.

For example, we can compare the two companies that both sell beauty products namely Sociolla and Beautyhaul. Both companies are well known, trusted, and have websites. Both websites have an attractive appearance and content. Sociolla offers an elegant and colorful look. The products provided are varied with many discounts and trusted beauty vlogger reviews. Meanwhile, Beautyhaul provides a simple and easy look. The website is lightweight and has a dropship and reseller system. It can be seen in Figures 3 and 4.



Figure 3. Website Sociolla

In Figure 3, it appears many brands of product in Sociolla website. It is interesting as a marketing system to sell all products.

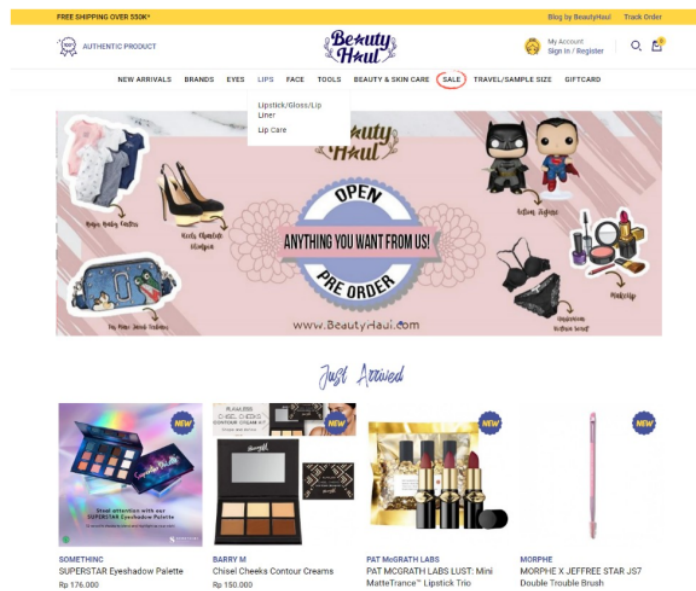


Figure 4. Website Beautyhaul

Figure 4 shows that there are many products and brands from Beautyhaul website. It appears a variety of things for the marketing system to sell the product.

For a personal approach, Sociolla and Beautyhaul provide something special for lucky consumers. The Sociolla Program is named Socobox while Beautyhaul is a Giftcard. Socobox is usually given to consumers who follow the SOCO community and only given to lucky consumers. Whereas, Giftcard is a program given from consumers to consumers. Many people prefer Sociolla because only by following the community and the terms, they can get Socobox for free, in which there are various cosmetic products. Meanwhile, Beautyhaul only provides shopping vouchers for consumers from other consumers. It can be seen in Figures 5 and 6.



Figure 5. Program Socobox

Figure 5 shows that there is an advertisement about the provide something special for lucky consumers. This is being a special thing in marketing system.

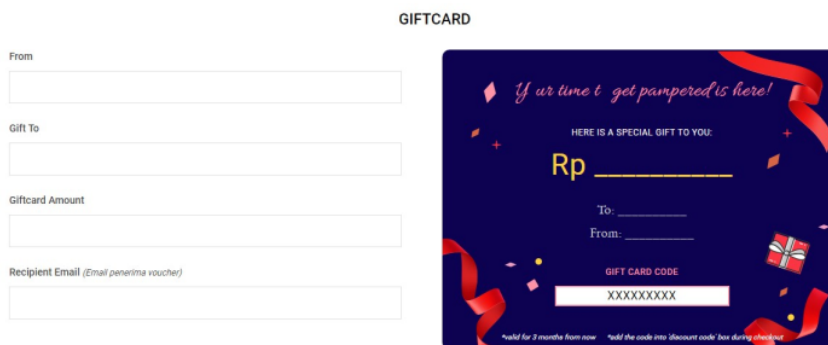


Figure 6. Program Gift Card

Figure 6 shows that there is an advertisement about gift card program on marketing system to sell all products.

For promos or discounts, Sociolla often offers promos and discounts on its website. The discount offered can reach 90% in all categories of new products or indeed the existing product. Meanwhile, Beautyhaul only offers discounts on existing or old products. Thus, consumers can only choose a certain number of products and are limited. Unlike Beautyhaul, Sociolla consumers can get discounts given from various categories. As for self-promotion, Sociolla usually cooperates with beauty products to get benefits or cooperate with media partners such as cashback or additional discounts. Meanwhile, Beautyhaul places more emphasis on dropship partners and resellers and CSR activities. It can be seen in Figures 7, 8, 9, and 10. Figure 7 shows the price of all product discounts on the website Beautyhaul. It is so interesting for the consumer and that is something good in the seller system.

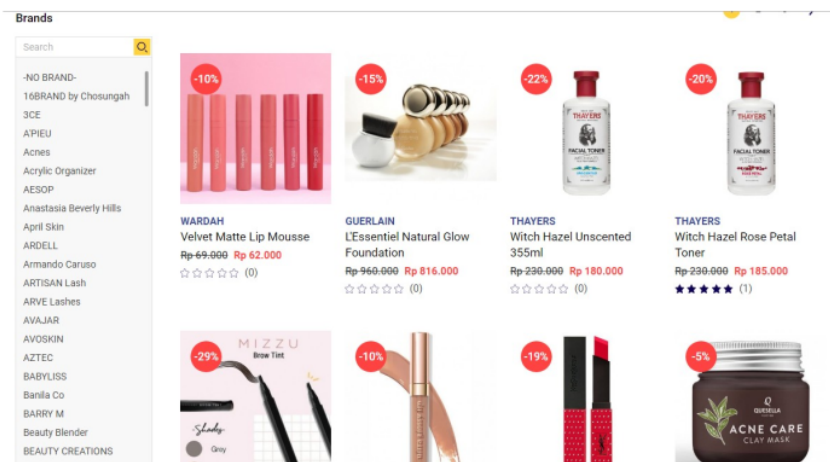


Figure 7. Discount Beautyhaul

Figure 8 shows several interesting discount price product on Sociolla website.

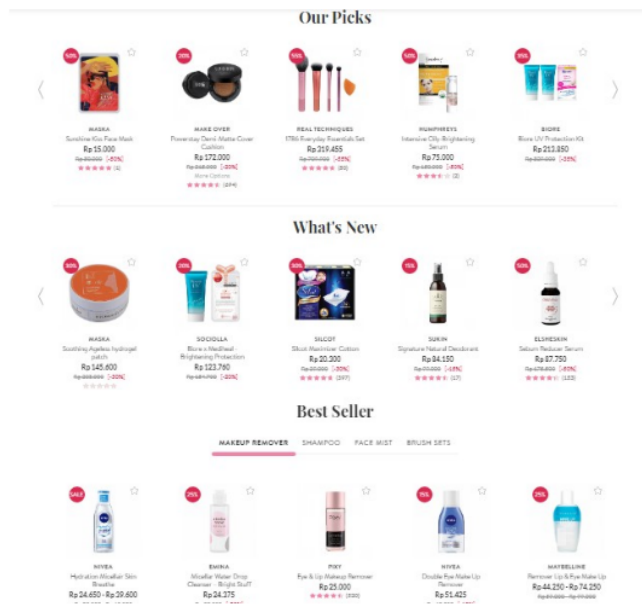


Figure 8. Sociolla Product Discounts

Figure 9 shows the advertisement of promo in Beautyhaul website. It is so interesting for consumers.



Figure 9. Promo Beautyhaul

For reviews, Sociolla and Beautyhaul both have journal content for beauty enthusiasts who know beauty products and other related matters. However, Sociolla has the advantage of having product ratings that are most frequently reviewed so that users know about what's trending among them. Sociolla also has journal content categories so that it is easier to find. Besides, the reviewers were, on average, people like beauty-vloggers and celebrities. Unlike Beautyhaul, visitors will only be given titles related to the latest journals uploaded and see the ranking of bloggers who often do a review. It can be seen in Figures 10 and 11.

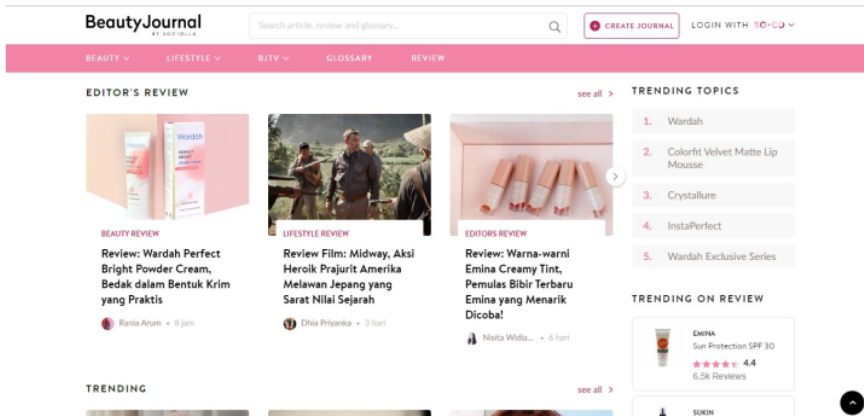


Figure 10. Journal Sociolla

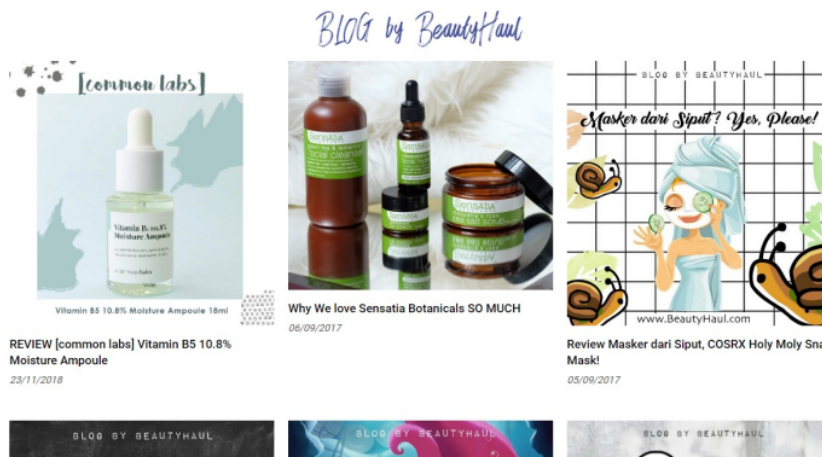


Figure 11. Journal Beautyhaul

Figures 9, 10, and 11 show the display of many brands on market places in electronic commerce. With this, Sociolla and Beautyhaul have gotten a good image. However, this is a good impact on the company.

4. Conclusion

From the results, it can be concluded that the beauty brand e-commerce communication strategy that is carried out using a website needs a reliable way. We need to make the beauty vlogger with many followers as supporting media to promote products sold by the company to make the consumers believe. Besides, giving discounts and promos make consumers want to repurchase products at the company. Another important thing is to establish a personal approach as providing exclusive products that make consumers believe in the products. This also strengthens the fact that television, radio, and printed media have been abandoned as promotional facilities.

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