Research Paper   Open Access

Utilization of "Word of Mouth" based on Unique Selling Point on Beauty Product Case Study: PT. Ardiya Dinara Indotrade

Regina Vianney Ayudya
South Jakarta, Indonesia

ABSTRACT: The use of social media in this era is not just in the realm of long-distance communication or virtual interaction, but also in the area of business people. With the rise of social media, a new career area has emerged, known as Key Opinion Leader (KOL) or Social Media Influencer, in which individuals with a large number of followers may have a significant impact on a company's promotional efforts. The way they promote the business is usually called as a Word of Mouth Marketing. This study aims to identify the characteristics that promote good customer loyalty based on trust enhancement, which might be impacted by the use of KOLs and Social Media Influencers especially in beauty industry. PT. Ardiya Dinara Indotrade, which has operated for more than 5(years) will be the object of this research since this company has zero marketing cost in utilization of KOL and Social Media Influencer. Based on these findings, researchers also will find out what can be developed in the future of company sustainability to reach a higher growth. In addition, the study also be a consideration for other business owner to follow and apply the result in their own business.

Keywords – Social Media, Unique Selling Point, Key Opinion Leaders, Beauty Industry, Word Of Mouth

I.   INTRODUCTION

The increasingly massive development of social media users, has changed people's habits from the direction of long-distance communication and interaction, to become a platform for promotion for all business owners. A small number of users who already have a substantial engagement on social media utilize it to establish themselves as an influencer for their followers. Social Media Influencers, also known as Key Opinion Leaders, are a new type of the work. Essentially, they will run campaigns for businesses who want their items presented or utilized by them, and they will be compensated if they post them on their personal social media account.

Word of mouth is a way to influence people about what they have thought, felt, and done (Buttle, 1998). Influencers and key opinion leaders (KOLs) frequently employ this method of spreading word of mouth in the hopes that their followers would buy or use the things they are endorsing. This might be due to the fact that personal sources are thought to be more reliable,

The cosmetic industry, as one of the FMCG products will be used as one of the areas for tourism and the creative economy. This is proven by the words of the government through the Ministry of Tourism where the beauty industry not only focuses on the health realm, but also includes health tourism and aesthetic tourism (Kemenpar, 2020). Statistical data also shows that the growth of the beauty industry in Indonesia has a contribution in product export around 15 (fifteen) percent to around 4.4 trillion rupiah from around 3.8 trillion in 2019. This huge amount also supports the Indonesian Gross Domestic Product (GDP) about 1.92 (one point ninety-two) percent in 2020.

PT Ardiya Dinara Indotrade, with the main product of Ava Natural brand, is a firm in the beauty industry, specializing in the creation of cosmetics and beauty products. Because of its B2B (Business to Business) business approach, this firm frequently attracts KOL clients and social media influencers who wish to launch their own cosmetics line. This powerful word of mouth has worked extremely well among KOLs and influencers, and AvaNatural has become one of the firms recognized as a maker of beauty goods with a "mock-up" system, where customers may link their products with their own brands, which is backed up by Ava Natural's legal standing

(legal entity, BPOM certificates). Clients will naturally employ this company's services in the end, therefore AvaNatural will not have to spend a lot of money on promotion (zero marketing cost).

For approximately 6 years running, this company has exported its products to more than 7 countries on 3 different continents with 65 clients who have worked with PT Ardiya Dinara Indotrade. The types of products offered by this company vary greatly from the top of the hair to the soles of the feet. For example, products from PT Ardiya Dinara Indotrade are body care, sanitizing products, facial care, and cosmetics for every segment (kids to adult).

After analyzing through an internal meeting, the management decided that the condition of the company PT Ardiya Dinara Indotrade is in a growth phase through several parameters that occur. Business which starts small must be able to develop with a variety of criteria (Wilson's Book). The purpose of business growth is to develop the market, gain more profit, and reach the final level of the sustainability of a company before reaching the next stage of its life cycle. In this study, PT Ardiya Dinara Indotrade must have the three goals above, especially to develop the market and gain more profit with existed marketing channel especially from Key Opinion Leader and Social Media Influencer.

This study will focus on what are the factors that cause clients in the form of KOLs and influencers to use AvaNatural's services in making their beauty products through the word of mouth process which is included in the hierarchy of effect (AISAS) based on the product unique selling point, as well as its use in building customer trust.

II.   THEORETICAL FRAMEWORK

Tricomponent Attitude Model
There are three elements of consumer analysis, namely consumer affect and cognition, consumer behavior, and consumer environment (Peter & Olson, 2013). Affective and cognitive on consumers is the consumer's mental response to the environment. Tricomponent attitude model is an attitude that states that it consists of three components, namely affective, cognitive and conative. Affective describes the feelings and emotions of consumers. Cognitive is the knowledge and perception of consumers. Conative is a person's action towards an object.

Unique Selling Point
A unique selling point (USP) is a characteristic of a product that distinguishes it from the competitors, and is generally a trait that provides the consumer with unique benefits (Bhylte, 2006). Typically, USP stands for Unique Utility Selling Points, which assist clients save time while purchasing products or services. The term "unique selling proposition" refers to an endeavor to set a product apart from its competitors by emphasizing its distinctions (Bhylte, 2006).

Hierarchy of Effect
Hierarchy of Effect, or usually adapted as a Sales and Marketing Funnel is a response structure that influences the customer in reacting to a marketing message and leads to a purchase-not-purchase decision for the customer itself. The development of this model is started by defining that market leaders in doing business can be formed by attracting attraction, managing interest, and also creating desire. The whole concept was known as AIDA (Awareness, Interest, Desire, Action).

In recent developments, the AIDA or AIDMA models have switched to the AISAS model especially in the digital and internet era (Chen, Ya Li,. & Huang, Tao Zhe, 2011). In the AISAS model, the customer tends to know more about the items to be purchased (product knowledge), especially for items that have high-involvement. (Sugiyama & Andree, 2011). That is why "Search" aspect is appeared in this new model since customer want to give a whole assessment of the product before doing an Action.

However, in the AISAS model which was initiated in the digital era and the internet, the process that occurs will not be linear or straight line. It is possible for the customer to go through several processes to directly enter the next process. With so much information that customers can get about the product they are going to buy, as has been said before, they will tend to dig deep information and share it with others. A purchase or action may not occur, but it could be that after a customer searches for information on a product, they recommend it to other people without them having to buy the product. The big differences with AISAS model between AIDA are a forming of 2 (two) new customer behaviors, namely collecting and sharing information.

For the company itself, "Share" process is very important to their marketing activity. With the change in the AISAS model, companies can be greatly helped by the existence of customer behavior that disseminates information about their products widely and deeply. Indirectly, customers can become company assets to market their brands and products without having to spend more marketing costs in the AIDA process.

Related to the very broad influence of the internet in the AISAS process, companies must take advantage of the internet as one of their main platforms in marketing products. First, companies do not have to focus on sales volume at the product launch stage, but on how to make customers' interest in getting as much share as possible so that the product can be massively and widely recognized. The using of online promotion (social media) in offering product could make people be interested.

Word of Mouth Marketing

Word-of-mouth marketing (WOM) used to signify a customer sharing their positive experience with friends and family before the development of information technology. WOM has long been researched by marketing experts, who have shown that it has a significant impact on consumer perceptions, expectations, and behavior. WOM can be used as a source of information both before (input WOM) and after the purchase (output WOM) (Buttle, 1998).

WOM, on the other hand, does not have to be about brands, products, or services. It might be a focus of the organization. WOM does not have to be face to face, face to face, verbal, or temporal in this modern age. Virtual WOM using electronic bulletin boards appears to function in a similar way to face-to-face WOM. As a result, WOM is now increasingly focused on social media, which practically everyone uses.

Furthermore, wireless and mobile devices make it easier for consumers to share their internet experiences (Buhalis & Law, 2008). As a result, customers have been more active in making comments in online contexts.(Kim & Limb, 2015). According to recent research, there are two types of online/electronic WOM (eWOM): "organic/intrinsic" and "amplified/extrinsic" (also known as "exogenous WOM"). In the first example, consumers share WOM on their own, but in the second scenario, the corporation encourages consumers to distribute WOM. Informative signals like argument strength and source credibility, as well as normative signals like suggestion consistency and rating, influence the impression of eWOM credibility. Consumers use these indicators to decide

whether or not eWOM is trustworthy.

There are five elements of word of planning mouth (Sernovitz, 2012), as follows:

1.   Talkers

A collection of sources who start talking about a brand, and are also called influencers. Anyone can become talkers ranging from consumers, friends, family, neighbors, and so on who have used the services or have tried the products of a company. There are some people who like to talk about their experiences and hope that others want to feel them too.

2.   Topics (topics)

Is what the talkers will talk about. This topic relates to what is the hallmark or a special offer provided by the company. Such as attractive offers, discounted prices, new products, and satisfactory service. A good topic is simple, easy to talk about, and natural. All word of mouth starts from an interesting topic to discuss.

3.   Tools (tools)

The tools needed to help spread the message faster and more widely. Tools make it easier for resource persons to disseminate and discuss information about the company's products or services to others. Examples such as brochures, coupons, samples, advertisements in newspapers, a message that can be forwarded, and souvenirs given by the company.

4.   Taking parts (participation)

The participation provided by the company in the implementation of word of mouth is in the form of answering incoming messages, receiving comments from various existing social media, answering questions by telephone, and establishing good relations with the talkers (speakers).

5.   Tracking (supervision)

An activity carried out by the company in monitoring and reviewing consumer reactions. The goal is that companies can study the criticisms and suggestions given by consumers, for the betterment of the company.

Key Opinion Leader

Key Opinion Leader, in terms of communication has a vital role to become a trusted informant for each audience (Susanto, 2013). This can also make them suggest to be "the same" with the key opinion leaders, both in terms of appearance and what the key opinion leader uses.

Traditional media, such as print publications, television, and billboards, are still effective to some extent, but new media, such as online and streaming advertising, social media, discussion forums, and video uploads, have transformed the brand strategy in managing their communication and marketing to cooperate on the use of traditional media, such as print publications, television, and billboards, since they are still effective to some extent. Users who bundle their posts with material that is appealing, consistent, and relevant to one subject (relevance) while maintaining a high level of interaction with their followers (resonance) will reach more people and have their voices heard more (Graham, 2017). They are known as important opinion leaders or influencers.

III.   RESEARCH METHODOLOGY

In this stage, researchers will discuss about research methodology. Researcher will explain about how problem will be answered by the study. There are some steps to complete and finish this research, which are problem identification, theoretical foundation, data collection, analysis root cause, solution formulation, and implementation plan.

This study uses a qualitative method and a descriptive-analytic research strategy to determine critical narratives of the research setting. Despite the different definitions developed, qualitative research focuses on giving an in-depth understanding of the usage of word of mouth based on the unique selling point of the company's products. As a result, the researcher is able to thoroughly determine the deeper contextual situation of the KOL and influencer who has purchased and persuaded others to buy Ava Natural Brand's product.

This study took place in Indonesia's seven largest cities (Bandung, Jakarta, Medan, Surabaya, Makassar, Denpasar, and Balikpapan) with the respondents of 81 women that have used products from PT. Ardiya Dinara Indotrade. This was a qualitative descriptive study, which means that the data was non-numeric (Moleong, 2010).Document analysis, interviews, FGD (in-depth interviews), observation, and other approaches can be used to acquire qualitative data.

Interviews and literature research were the two data gathering strategies employed. Interviews are one-on-onetalks or chats between the interviewer and the interviewee with a specific goal in mind (Moleong, 2010).

A literary study is a data gathering activity that involves using books, websites, literature, or other sources to gather knowledge on the issues being researched. This study investigated the company's product unique selling point then identified and categorized the data and informants collected, explained the classification, connected, and ultimately concluded as a result of the analysis.

IV.   RESULT AND DISCUSSION

PT. Ardiya Dinara Indotrade Unique Selling Point

In the operational continuity of PT. Ardiya Dinara Indotrade, one of the strategies used in making a marketing strategy for customers is the Tricomponent attitude model. This tricomponent attitude model will be converted into some of unique selling points, so that customers can perform repetitive buying actions and finally they create a "word of mouth" process and customer trust will be formed organically.

a.   Cognitive Component

Cognitive component is closely related to customer knowledge of the product. Consumer knowledge about PT. Ardiya Dinara Indotrade will be obtained after prospective consumers receive marketing messages from several parties, both on the company side (Advertisement) or consumers who have experienced used the product of the company (Testimonials). In this case, testimonials from many customers who have used products from PT. Ardiya Dinara Indotrade is much more influential than the advertisement the company has done. In other words, companies do "zero marketing costs" in forming consumer attitudes. This can happen because there are so many customers from PT. Ardiya Dinara Indotrade who is a Key Opinion Leader or Social Media Influencer. Of the 81 people who became respondents, more than 50 people (61.7%) have followers onInstagram of more than 2,000 followers. Therefore, it can be concluded that one of the unique selling points of PT. Ardiya Dinara Indotrade is a consumer background.

Second, products from PT. Ardiya Dinara Indotrade itself focuses on developing natural products that use premium ingredients with original ingredients from Indonesian nature. Products offer by the company are products without using chemicals, dyes, animal cruelty, paraben free, SLS free and other harmful ingredients that have a negative impact on the body. Those things is known as customer knowledge about the company's products. This has led to the creation of a unique selling point from the company in the form of products thatare natural-based cosmetics.

b.   Affective Component

This element is concerned with one's feelings or emotions regarding something. It has something to do with a statement that has an impact on someone else. It is concerned with sentiments or emotions that have surfacedin response to something, such as dread or hatred.

In this regard, the background of the company which was founded on the basis of social entrepreneurship becomes an attraction for customers or clients of PT. Ardiya Dinara Indotrade. One of the company's main programs is the provision of 30% profit which is used for humanitarian programs such as empowering women, and treating children with cancer in collaboration with several organizations in Indonesia (Indonesian Children's Cancer Foundation, Rombong Cipto Mangunkusumo Alms House, and the Kantong Doraemon Community).

The results of the application of social entrepreneurship can stir the emotional side of clients who have the same vision as PT. Ardiya Dinara Indotrade. For example, clients with the HARA beauty brand donate part of their profits to social organizations, and client with Dr. Poopers brand gives part of its profits to Non-Government Organization (NGO) that focus on mental health issues. Thus, there is the same vision, namely to run a business with a purpose by giving positive impact around making them to generate word of mouth for their relationships to use products from PT. Ardiya Dinara Indotrade .

Second, PT. Ardiya Dinara Indotrade wants to provide a value for its clients in terms of the uniqueness of recipes and product results. So, every client who uses the services of PT. Ardiya Dinara Indotrade has its own value that cannot be obtained by other clients who are company partners. This is one of the company's unique selling points and ultimately results in word of mouth marketing where the marketing messages to be conveyed are "the uniqueness of each client".

c.   Conative Component

Conative component is the behaviour component of an attitude refers to a person's proclivity to behave in a certain way toward a certain item. It refers to the component of a person's attitude that represents his or her aim in the short or long term. Regarding to the company, one of the obstacles to the customer's desire to create a cosmetic brand in Indonesia is the legal side in the form of BPOM and HAKI. PT. Ardiya Dinara Indotrade which has a "*Maklon*" system can provide the legal side of clients who want to have their own cosmetic brand. Therefore, one of the company's unique selling points is the provider of legal standing for the manufacture of cosmetic brands.

Utilization of Word Of Mouth

In utilizing word of mouth based on the 5 (five) unique selling points previously mentioned, PT. Ardiya Dinara Indotrade tries to maximize 5 (five) points which are important elements that play a role in word of mouth marketing. First, talkers. the company tries to take advantage of the first unique selling point; consumer background to be a messenger in the form of testimonials. After Key Opinion Leaders or social media influencers use the services of PT. Ardiya Dinara Indotrade, they will share their experiences and what they have learned to their followers from their social media. This will happen repeatedly so that there will be more engagement and brand awareness for PT. Ardiya Dinara Indotrade.

Second, the topic. This is important for companies because the unique selling points they provide will become a topic of conversation for word of mouth marketing. For example, the second unique selling point which focuses on product value has become the main topic in word of mouth marketing. 70 respondents (86.4%) said that they used products from PT. Ardiya Dinara Indotrade because the value of the products that the company provides is natural-based products. In addition, the third Unique Selling point in the form of a company background can be attractive to clients who have the same vision as them. These topics are the elements in the marketing messages delivered by Key Opinion Leaders and Influencers.

Third, tools. The tools used in using the company's word of mouth marketing are social media from clients who already have large followers and engagement. Most of the social media used is Instagram where 81 respondents (100%) have a personal Instagram.

Fourth, take parts. Although the company does not directly carry out word of mouth marketing, the company's fourth unique selling point, in the form of the uniqueness of each client's product, can be one of the company's participation in the formation of customer relationships or taking parts. The products of each client that are different from each other make them feel they have more bonds with their suppliers, in this case PT. Ardiya Dinara Indotrade. The company will also synergize with clients in finding the best recipe formulas for their clients, by listening to what clients want in their products.

The last is controlling or supervision. In this case, the company's fifth unique selling point in the form of legal standing can be a way of monitoring its clients. After sales service by PT. Ardiya Dinara Indotrade, in maintaining the legal standing of his company, allows client brands to be sold safely and officially to their customers. It is hoped that client products can be converted into sales so that clients can continue to produce their products through PT. Ardiya Dinara Indotrade.

V.   CONCLUSION AND RECOMMENDATION

Based on the result of the research, it can be concluded that the company's unique selling points can be converted into marketing word of mouth and utilized by PT. Ardiya Dinara Indotrade through its clients. The company's unique selling points can be obtained from the application of the Triattitude Component Model; cognitive, affective, and conative components.

After analyzing the three components, the company obtained 5 (five) unique selling points, namely: 1. Consumer Background, the majority of whom are Key Opinion Leaders and Social Media Influencers 2. Value products which are natural-based cosmetic 3. Company background which has a vision to build social

entrepreneurship in Indonesia 4. The uniqueness of each client in the form of product formulas and results that are identical and have their own uniqueness, 5. Legal Standing of companies that have BPOM and HAKI permits.

After getting 5 (five) unique selling points of the company, then word of mouth utilization can be done based on 5 (five) elements of each word of mouth marketing implementation. In terms of talkers, the first Unique Selling Points can become talkers in the company's word of mouth marketing because customers are influencers and Key Opinion Leaders. Second, the topics discussed can be in the form of unique selling points related to product value and what is the competitive advantage of products produced by PT. Ardiya Dinara Indotrade compared to its competitors. Third, the tools used in the company's word of mouth marketing are social media from customers, so the company does not require marketing costs or zero marketing costs. Fourth, the company's participation can be related to the company's unique selling related to customer relationships, namely the uniqueness of each client for the product to be sold. Last but not least, the supervision carried out by the company in word of mouth marketing is closely related to the company's unique selling point that has a legal entity in the form of BPOM and IPR permits, so that clients can sell products produced by the company legally and safely in health.

REFERENCES

[1] Buttle, F. (1998). Word of mouth: understanding and managing referral marketing . *Journal Of Strategic Marketing*, 241-254.

[2] Murray, K. (1991). A test of services marketing theory: consumer information acquisition activities. *Journal of Marketing 55*, 10-25.

[3] Webster, C. (1991). Influences upon consumer expectations of services. *Journal of Services Marketing*, 516-533.

[4] Buhalis & Law. (2008). Progress in information technology and tourism management: 20 years on and 10 years after the Internet—the state of eTourism research. *Tourism Management*, 609-623.

[5] Kim & Limb. (2015). The effectiveness of managing social media on hotel performance. *International Journal of Hospitality Management*, 165-171.

[6] Susanto, E. (2013). *Komunikasi Politik.* Jakarta: Mitra Wacana Media.

[7] Graham, K. (2017, September 3). *Digital Influence Marketing Journal*. Retrieved from Digital Influence Marketing Website: www.digitaljournal.com/internet/digitalinfluencermarketing-a- growing-trend- on-theinternet/article/501541

[8] Peter & Olson. (2013). *Consumer behavior and marketing strategy.* Jakarta: Salemba Empat.

[9] Bhylte, J. (2006). *Principles & Practice of Marketing.* New York: Thomson.

[10] Sernovitz, A. (2012). *Word of Mouth Marketing: How Smart Companies get People Talking.* New York: Kaplan Inc.

[11] Moleong, L. J. (2010). *Metodologi penelitian kualitatif.* Bandung: Remaja Rosdakarya.