TikTok's Social Media Marketing Activities (SMMA) on Willingness to Pay a Premium Price for Make Over Products

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Abstract

This research aims to analyze the influence of TikTok's Social Media Marketing Activities (SMMA) on consumers' willingness to pay a premium price for MakeOver products, mediated by Brand Image and Brand Loyalty. The study employs a quantitative method. The sampling technique used is non-probability sampling with a purposive sampling approach. The population involved in this study includes all Indonesian consumers who have purchased and used MakeOver products, with a total of 185 participants. Data collection was conducted through questionnaires using a Likert scale. The data analysis technique employed is SEM PLS, which includes both Outer Model and Inner Model analysis using SMARTPLS 3.0 software. The study results indicate that SMMA has a significant and positive impact on willingness to pay a premium price through Brand Image and Brand Loyalty.

Keywords: SMMA; Willingness to Pay a Premium Price; Brand Image; Brand Loyalty

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INTRODUCTION

The rapid advancement of modern technology has facilitated easy internet access through social media, enabling users to exchange information quickly without direct interaction. This has led to a steady increase in internet users over the years. Social media is recognized as an online platform that allows easy participation, information sharing, and online transactions supported by internet access.

The presence of social media has changed the way people receive information, as many individuals utilize it for communication, storytelling, business, and marketing. Indonesia has experienced a significant shift in shopping culture, transitioning from in-person to online transactions, facilitated by social media marketing strategies. According to Sensor Tower, TikTok, Facebook, Instagram, Snapchat, and Likee are currently popular among social media users. In Indonesia, social media usage has risen to 59% of the total population of 272.1 million. TikTok, developed by ByteDance in 2016, has contributed significantly to communication and promotional activities, with 30.7 million users in Indonesia and over 2.7 billion users worldwide.

TikTok's diverse features, such as filters, lip-sync templates, and background music, attract audiences and are widely used for product marketing. The beauty industry, including MakeOver products, has leveraged TikTok's social media marketing strategies to promote its products effectively. MakeOver is an Indonesian beauty brand primarily used for commercial purposes. The brand has established 120 stores across Indonesia in regions like Bogor,

Semarang, North Sumatra, South Sumatra, West Java, Jakarta, Bekasi, Bandung, Tangerang, and Yogyakarta.

MakeOver offers high-quality makeup products such as foundation, concealer, eyeshadow, moisturizer, highlighter, blush, and lipstick. Compared to regular cosmetic brands, MakeOver is priced higher due to the use of premium ingredients and advanced technology to ensure superior results. Therefore, MakeOver products require supporting factors that encourage consumers to pay a premium price, such as strong Brand Image and Brand Loyalty.

Brand Image and Brand Loyalty play crucial roles in influencing consumers' willingness to pay higher prices. Before purchasing a product, consumers evaluate the brand image carefully. A positive brand image builds consumer trust and encourages them to choose the product despite its higher price. This trust fosters strong Brand Loyalty, leading consumers to prefer the brand consistently, even when more affordable alternatives are available.

The growing role of Social Media Marketing Activities (SMMA) in enhancing brand equity is recognized as an effective strategy for increasing product sales and services via online platforms. Social media marketing serves as a communication platform that connects businesses with larger audiences beyond traditional advertising channels. Marketing through TikTok helps build a strong Brand Image and enhances Brand Loyalty due to the platform's large user base, allowing MakeOver products to reach a broad audience efficiently.

METHOD

This study employs a quantitative approach to examine a subset of the population using research instruments to measure the phenomena being studied (Bougie & Sekaran, 2017). The population consists of all individuals in Indonesia who have purchased and used MakeOver products.

Sampling Method

The study uses non-probability sampling, meaning not all population members have an equal chance of being selected as samples. According to Sekaran & Bougie (2016), non-probability sampling refers to a sampling technique where not all individuals in the population have an equal probability of being chosen. Specifically, purposive sampling is used, where samples are selected based on specific criteria to ensure they accurately represent the population. A structured questionnaire was used as the data collection instrument. The questionnaire was designed with simple and unbiased wording to ensure clarity and ease of understanding by respondents (Malarvizhi et al., 2022). A Likert scale was used for measurement.

Data Analysis Method

The study applies Partial Least Squares Structural Equation Modeling (PLS-SEM) as the data analysis method. PLS-SEM is used to examine complex structural models with flexible criteria (Gio et al., 2019). The analysis is conducted using SMARTPLS 3.0 software.

RESULTS AND DISCUSSION

The findings indicate that Social Media Marketing Activities (SMMA) have a **significant and positive influence** on consumers' willingness to pay a premium price, mediated by Brand Image and Brand Loyalty. The study confirms that **entertainment, interaction, and trendiness** positively impact Brand Image, leading to increased Brand Loyalty and a higher willingness to pay premium prices. However, **customization and electronic word of mouth (e-WOM)** were found to have **no significant effect** on Brand Image. Brand Image plays a crucial role in shaping consumer perception, where a strong and positive image enhances trust and preference for premium-priced products. Additionally, Brand

Loyalty strengthens consumer attachment, further driving their willingness to pay higher prices.

These findings suggest that businesses should focus on engaging and interactive marketing strategies on TikTok, ensuring that their branding efforts align with consumer expectations. By leveraging entertainment-driven content and trending topics, brands can effectively enhance their image and cultivate loyal customers willing to pay premium prices.

CONCLUSION

TikTok's Social Media Marketing Activities (SMMA) have a significant impact on consumers' willingness to pay a premium price for makeover products. The platform's unique features, such as short-form video content, influencer collaborations, and interactive challenges, create a highly engaging environment that fosters brand awareness and emotional connections with users. By leveraging TikTok's algorithm, brands can effectively target niche audiences, showcase product benefits, and build trust through authentic user-generated content and testimonials.

Key factors driving the willingness to pay a premium include:

1. **Influencer Endorsements**: Influencers and beauty creators on TikTok play a pivotal role in shaping consumer perceptions and driving demand for premium makeover products. Their relatable content and tutorials often highlight the value and quality of the products, justifying higher price points.
2. **Viral Trends and Challenges**: TikTok's viral trends and challenges create a sense of urgency and FOMO (fear of missing out), encouraging consumers to invest in premium products to participate in popular beauty trends.
3. **Authenticity and Trust**: User-generated content and reviews on TikTok build credibility and trust, making consumers more willing to pay a premium for products that are perceived as effective and reliable.
4. **Emotional Engagement**: TikTok's immersive and entertaining content fosters emotional connections, which can enhance brand loyalty and justify premium pricing.

In conclusion, TikTok's SMMA effectively influences consumer behavior by creating a compelling narrative around makeover products, ultimately increasing their perceived value and willingness to pay a premium. Brands that strategically utilize TikTok's features and align with its dynamic culture can successfully position their products as premium offerings in the competitive beauty market.

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