INFLUENCER MARKETING STRATEGY OF START-UP COMPANY AS THE PROVIDER OF FAST-MOVING CONSUMER GOODS (FMCG) PRODUCTS IN INDONESIA

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ABSTRACT
Influencer marketing is one of the digital marketing strategies currently used by many companies. The purpose of this research is to find out and describe the influencer marketing strategy implemented specifically by an application-based FMCG product provider (start-up company) in Indonesia to market FMCG products such as fruits, vegetables, milk, and others that have a relatively short product life, using a qualitative approach and descriptive study. The results showed that the influencer marketing strategy implemented by an application-based FMCG product provider consists of four stages: determining (making), managing relationships, monitoring, and evaluating (measuring) influencer's marketing campaigns. Research conclusion, this strategy is a repeated cycle. The last stage (evaluation or measure) is the input to determine the influencer marketing in the next campaign.

Keywords: influencer marketing; marketing strategy; start-up company; application-based; FMCG products

DOI: http://dx.doi.org/10.15549/jeecar.v10i4.1365

INTRODUCTION
Technology has changed how a company promotes its products from conventional (offline) to digital (online) methods as one of the demands of the times to maximize product sales. One of the online marketing strategies that is currently on the rise is using the influencer marketing strategy. Influencer marketing has evolved into a powerful marketing tool for businesses worldwide. This was made possible by the popularity and widespread acceptance of platforms such as Instagram, Facebook, and YouTube, which allowed ordinary people to become social media influencers (Khamis et al., 2016).

Influencers are influential people because they have characteristics and several followers on social media and have the power to influence their followers (Brown & Fiorella, 2013). An influencer can inspire and influence their followers to use the products or services used by the influencer.

Influencer marketing is a way of promotion by relying on several strategies, which is how to identify the right Influencers, how to establish good relationships with Influencers, how to ensure the achievement of marketing goals from using services Influencers, to evaluate the impact of using influencers as a brand promotion activity (Brown & Fiorella,
This research focuses on implementing an influencer marketing strategy by an application-based online shopping service in Indonesia specifically for FMCG products such as vegetables, fruit, various proteins, and other daily needs that are easily damaged or spoiled and have a relatively short shelf life. This start-up company based in Jakarta and serve Jabodetabek (Jakarta, Bogor, Depok, Tangerang, Bekasi) Area, Bandung, and Surabaya. Covers both B2B (Business to Business) and B2C (Business to Customer), from direct customers, traditional retail (warung), hospitals, and also HORECA (Hotels, Restaurants and Cafes).

Quoted from the results of the researcher’s interview with the Chief Commercial Officer (CCO) of an application-based FMCG product provider on March 25, 2022, looking for influencers that will make other people want to follow must be adjusted to the character and needs of the company as FMCG provider so that the results are effective and make people want to shop for daily needs through the application.

Start-up company uses the influencer marketing strategy in promoting its products on social media during the COVID-19 pandemic in Indonesia. Some examples of influencers that have been collaborated are Brian Ardianto, Caca Tengker, Tasyi Athasyia, Tyna Kanna Mirdad, Risa Saraswati and others.

There are several previous studies related to this research. Researchers list five related studies conducted during the pandemic. First, The Role of Influencers and Digital Content as a Marketing Strategy During the Covid-19 Pandemic (Ratnapertawi et al., 2021). Second, the Role of Influencers in Increasing Product Sales During the Pandemic (Yuliana et al., 2022). Third, Navigating the New Era of Influencer Marketing: How to be Successful on Instagram, TikTok, & Co (Haenlein et al., 2020). Fourth, Choosing the Best Social Media Influencer: the Role of Gender, Age, and Product Type in Influencer Marketing (Al-Shehri, 2021). And the last, Strategies for Using Influencer Marketing in Supporting Sales Promotion Activities Beauty E-Commerce Sociolla.com (Banjuradja, 2019).

The difference with previous researches, this research aimed to find out the uses of marketing communications concept, specifically digital marketing activities conducted by an application-based FMCG product provider (start-up company) in Indonesia through influencer marketing during the COVID-19 pandemic. The stages in the influencer marketing strategy studied consist of making, managing, monitoring, and measuring.

LITERATURE REVIEW

Marketing

In marketing, companies create value for customers and build strong customer relationships to capture value from customers in return (Kotler & Armstrong, 2018). Meanwhile, Swastha and Irawan define marketing as one of the main activities carried out by entrepreneurs, which in their efforts is to maintain their life, develop and get big profits (Dharmmesta & Irawan, 2008). It can be concluded that marketing is a form of economic activity to meet the needs and desires of consumers with products or services offered by the providers.

To carry out marketing activities, an appropriate marketing strategy or plan is needed in order to achieve company goals. The marketing strategy or plan consists of several components known as the marketing mix.

A marketing mix is a good marketing tool that combines products, pricing, promotion, and distribution to produce the desired response from the target market (Kotler & Armstrong, 2018). From this definition, marketing mix is a set of marketing tools known as the 4Ps. When referring to the developments of marketing studies, there are additional marketing tools consisting of physical evidence, people, and process, known as the 7Ps, that consist of product, pricing, place, promotion, physical evidence, people, and processes.

Marketing Communication

According to the Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors, anything offered to the public to see, hold, buy, or consume is considered a marketing communication. Marketing communication is a marketing activity that
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Influencer marketing strategy aims to inform and persuade customers (Kotler & Keller, 2016).

There are several elements in marketing communication, according to Belch & Belch: (1) Advertising, communication in the form of non-personal presentations used by businesses to promote paid ideas, goods, or services through various media; (2) Direct marketing, the activity of selling products or services directly to consumers without the use of intermediaries to obtain an immediate response; (3) Digital or internet marketing, the marketing of products or services via digital or internet platforms in the form of interactive media, social media marketing, or mobile marketing; (4) Sales promotion is the activities used to promote goods or services to consumers, and communicated through the promotional mix; (5) Public relations, communication that fosters goodwill among the organization (or the things it represents) (Belch & Belch, 2017).

This research focuses on the influencer marketing strategy which included in the digital marketing element because it is an activity of marketing products through digital platforms or the internet.

Digital Marketing

The method of marketing products that are close to customers due to a thorough understanding of their needs, which ultimately expands distribution channels and increases sales (Chaffey & Smith, 2017). Digital marketing is a method of marketing products that are close to customers due to a thorough understanding of their needs, which ultimately expands distribution channels and increases sales (Chaffey & Ellis-Chadwick, 2016). It can be concluded that digital marketing is one of the marketing activities using technology and digital media to help sales so that consumers will be more accessible.

To promote products or services digitally, Chaffey and Smith offer a variety of digital channels: (1) Search engine marketing (SEM) which is useful for placing messages in search engines and driving clicks to websites when users use keywords to search for something; (2) Online public relations via brand mentions and product placement on third-party websites such as media sites, social networks, and blogs that the target audience may visit; (3) Long-term online partnerships with third parties, such as online sponsors and co-branding; (4) Interactive advertising which uses online display ads to raise brand awareness and drive clicks to specific websites; (5) Email marketing is defined as an offer or information sent directly to a user's email to increase awareness or direct response; (6) Social media marketing (SMM) to strengthen messages through social network comments and sharing, viral marketing, or word-of-mouth marketing (Chaffey & Smith, 2017).

This research focuses on an influencer marketing strategy that is included in social media marketing (SMM) channels.

Influencer Marketing

Influencers are an important element in a marketing strategy that uses word of mouth and social media as electronic communication tools, eventually known as influencer marketing. Danny Brown and Sam Fiorella stated that the Internet and social media have made it possible for anyone to become a news source, thought leader, or influencer (Brown & Fiorella, 2013). An influencer is a third party who significantly influences a customer's purchasing decision but may not be held accountable (Brown & Hayes, 2008).

Influencer marketing is a modern marketing and public relations approach in which you target the people your prospects seek information from. These Influencers raise awareness and influence the purchasing decisions of those who seek and value their expertise, read their blogs, interact with them in discussion forums, attend their presentations at industry events, and so on (Brown & Hayes, 2008). To create an influencer marketing campaign, a brand must first identify consumer behavior to achieve maximum marketing targets while also impacting sales results (Brown & Fiorella, 2013). Therefore, marketers must be able to choose and determine the right strategy.

METHODOLOGY

This research was conducted using a qualitative approach. Denzin and Lincoln in Moleong stated that qualitative research is
research that takes place in a natural setting to interpret phenomena that occur and is carried out using various existing methods (Moleong, 2019). Qualitative research aims to generate descriptive data in words, notes, values, and meanings that can be used as preliminary research and then expanded upon. The descriptive study method is thought to be the best fit for this research and yields useful results for condensing in-depth research findings into a concise description.

The research informants were obtained using purposive & snowball sampling techniques. The research informants consisted of Chief Commercial Officer (CCO) and Branding Specialist of an Application-Based FMCG Products Provider in Indonesia, a Marketing Communications Expert, an influencer who have experience on the marketing of FMCG products, and the target of the provider of FMCG products based on application in Indonesia (customer and potential customer).

To analyze research data, Miles and Huberman in Sugiyono recommends that activities in qualitative data analysis be carried out interactively and continuously until the data is saturated, which includes data collection, data reduction, data presentation, and drawing conclusions or verification (Sugiyono, 2013).

DISCUSSION

Fast Moving Consumer Goods (FMCG) are daily necessities that sell quickly for personal consumption rather than resale (Sugiarta, 2011). FMCG sector is defined as relatively inexpensive, frequently purchased and rapidly consumed items on which customers exert only minimal purchasing effort (Leahy, 2011). Research results showed that influencer marketing strategy conducted by the provider of FMCG products based on application consisted of four stages.

The Influencer Marketing Determination of FMCG Products

What is the first step in determining the right influencer? This is the trickle phase, in which the brand creates a persona of the target audience to make this stage easier by identifying demographics, locations, shopping behavior, a technology used to allow brands to adapt to Influencers, and the right message to the Influencer’s audience (Brown & Fiorella, 2013).

The results of the interviews conducted with each informant have shown that the determination of influencers is the authority of the branding specialist in the branding division. This stage begins by coordinating the branding specialist and product marketing & merchandising team to find out what products will be promoted. Then create a core theme according to the product being promoted in terms of image, personal branding, and character of influencers. Meanwhile, according to the observations, determining influencers can also be assisted by suggestions from management, CCO, and other branding team participating in providing suggestions and input based on demographics, location, shopping behavior and technology.

The branding team adjusts the product being promoted to the gender and age of the influencer to be used. For example, to promote tempe (Indonesian food derived from soybeans), the influencer is female, mature, and has a modest personality, such as Asahid Tehyung. The branding team also adjusts the influencer’s location. The city where the influencer’s location needs to be considered matches the promotion’s target location.

The branding team adjusts the character of the influencer’s audience in shopping for daily needs or FMCG products. Audience spending patterns are easy to identify when you already know the influencer’s persona because the persona reflects the audience’s character. For example, collaborating with an influencer to promote durians, a company should choose an influencer known as a fan of durians. There is the possibility of the majority of her followers are also fans of durians. Because the followers of the Influencer must have similarities in various aspects that make the person follow the influencer’s social media.

The branding team adjusts the content that needs to be uploaded by influencers based on the needs of the technology channel. For example, collaborating with an influencer to make a food recipe video, the channel chosen was Instagram Reels compared to Instagram Story because the food recipe videos are pretty long. Also, the Instagram Reels results will get more views or awareness. Figure 1 is an overview of the first stage of the influencer marketing strategy.
The second step in determining the right influencers is the ripple phase, where brands choose influencers the right way by sorting from demographics, timescale, platform, and reaction history of influencers (Brown & Fiorella, 2013). Branding specialist sorts influencers based on the image of influencers or personal branding in social media, personal character, engagement rate, and the rate card of the influencer. Based on the observations, branding specialists also conducted several other stages in determining influencers. Timescale or time of uploading content, which social media platform is chosen and also pay attention to the public’s reaction to previous content for the influencers who have collaborated before. Branding specialist uses the help of Instagram Analytics, Analisa.io, Inbeat, and Phlanx to check the engagement rate. The marketing communication expert believes that the company’s general strategy in determining influencers is profiling the influencer figures that match the company’s segmentation and analyzing the influencer’s ER (engagement rate).

The Influencer Marketing Management of FMCG Products

How does the company manage the right influencer marketing? The second management stage consisted of seven stages: product, knowledge, calendar, message, platform, alternative, and feedback (Brown & Fiorella, 2013). Researchers found that working with influencers is not just a formality made in a cooperation agreement but also good relations that must be managed to build mutually beneficial relationships in the future.

All the points that need to be considered when managing influencers are products given to the influencers as product samples, knowledge of the company and its products, a clear calendar or timeline regarding influencer’s marketing campaigns, messages that influencers need to convey to their audience, the preferred platform for uploading content, an alternative as a natural way to deal with negative responses from the audience and feedback provided by influencers during the collaboration. Figure 2 is the illustration of the second stage.

Sometimes, the company adjusts the influencer persona and their needs to find out what the company can do with these influencers to manage good relations. Even when the cooperation contract has ended, the company maintains good relations with influencers by repeating cooperation at least once a year or inviting them to events.
As stated by a Communication Expert from Indonesia as the research informant, "Managing a relationship with an influencer is like we are married to someone; we have to chat, not just incidentally, when launching a product so that it can be optimal" (M. Kh. Rachman, Research Interview, July 15, 2022). So, there must be regular communication, not just incidental, with the hope that the brand can adjust content development – in the next cooperation with the influencer.

The Influencer Marketing Monitoring of FMCG Products

How do companies properly monitor influencer marketing activities? The third stage is the monitoring stage, in which brands must constantly monitor the effectiveness of influencer marketing, individually and collectively, and also pay attention to every monitoring metric, such as awareness, reaction, and action (Brown & Fiorella, 2013).

Branding specialist monitored influencer marketing activities that were conducted on the day of the influencer content was uploaded, on the third and the seventh day after the content is uploaded by taking into account two metrics: (a) Brand mentions by monitoring the number of influencers who upload content voluntarily (unpaid or free of charge) which is called PR Package. Meanwhile, the company also monitored the insights of paid influencers, including the number of reaches, impressions, profile visits, and link clicks; (b) Conversion, this metric is only monitored for the paid influencers through the number of the influencer's unique code uses that is shared in the content with their audience to calculate the number of money obtained. Figure 3 illustrates the model of the third stage.
The third stage is conducted directly by the branding specialist with the help of management and the branding team. Researchers found three mandatory metrics when monitoring the influencers. Monitoring awareness by seeing how many PR gifts are distributed to influencers each month, reactions by looking at how many influencers uploaded content voluntarily, and action or audience actions using a unique code shared by the influencers. Reinforced by the results of interviews with marketing communication expert from Indonesia regarding how companies should monitor influencer marketing activities: conducting regular reviews of the content uploaded by influencers both from the use of influencers and also the impact from the influencer content (M. Kh. Rachman, Research Interview, July 15, 2022).

**The Influencer Marketing Measurement (Evaluation) of (FMCG) Products**

How does the company evaluate influencer marketing activities after the partnership is over? The fourth stage is the evaluation (measure) stage, in which brands must evaluate each influencer’s completed marketing campaign to improve or create new strategies if previous targets were not met (Brown & Fiorella, 2013).

Therefore, brands need to evaluate two core metrics for each influencer marketing campaign: (a) Brand metrics can be evaluated from investment, resources and product. The investment can be evaluated by how much the budget is for each influencer in a certain campaign. The resources can be evaluated by how many staffs who take care of an influencer. And the last, the product can be evaluated from how much it costs to provide a sample of products that are sent to influencers during the marketing campaign; (b) Influencer metrics which evaluate the ratio, sentiment, and effect. The ratio can be evaluated from the number of

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**Figure 3:** The Model of Influencer Marketing Monitoring Implemented by an Application-Based FMCG Products Provider in Indonesia

*Source: Authors’ Work*
interactive presentations between the audience and the content uploaded by the influencers. Sentiment, often called brand sentiment, is an evaluation of audience perceptions about the company or the marketing campaign and audience responses regarding the influencers’ messages. The effect can be evaluated by how many people open the company's Instagram account, which organizes marketing campaigns, how many people upload content about their experience purchasing FMCG products through the application, and how much profit as a result of the Influencer's unique code. Because the influencer who collaborated in the marketing campaign will receive a unique code that was informed to the audience through uploaded content. When the collaboration was completed, the company will ask for insight.

Based on the results, the evaluation (measure) stage was conducted in the same way as in the monitoring stage. The increase in the number of followers, the results of insight (reach, impression, link clicks, profile visit, use of unique code), and also brand sentiment. Branding specialist asking the audience for positive and negative reactions to the influencer's content.

The feedback is needed to improve the next marketing campaign. According to branding specialists, influencer marketing is a form of trial and error.

How does a brand evaluate the success of influencer marketing activities? According to marketing communication experts, the brand should evaluate the entire process: understanding the problems faced by the brand, determining the influencer profiling, matching with the brand's budget, and binding contracts with influencers. The brand also needs to audit the collaboration's impact, whether it gets a lot of public attention, whether the public likes the content, whether the generated turnover increases, and whether the influencer content produces loyal consumers. Based on the observations, the researchers concluded that the provider of FMCG products based on application in Indonesia only conducted the influencer metric in the evaluation (measure) stage. Brand metrics, consisting of investment, resources, and products, have not been evaluated. Researchers illustrate the fourth stage through a model that can be seen in Figure 4.

**Figure 4:** The Model of Influencer Marketing Evaluation Implemented by an Application-Based FMCG Products Provider in Indonesia

Source: Authors’ Work
There are four types of influencers. According to Campbell and Farrell, nano influencers have the smallest reach, with 1,000-10,000 followers. Micro-influencers who have 10,000-100,000 followers. Macro influencers who have 100,000 to 1 million followers. And mega influencers, considered not much different from celebrities, have more than 1 million followers (Campbell & Farrell, 2020). Examples of macro influencers that have been involved in the marketing of FMCG products are Brian Ardianto and Tyna Kanna. In contrast, the example of mega influencers that have been involved in the marketing FMCG products is Caca Tengker, Tasyi Athasyia and Risa Saraswati. The range of messages that macro influencers will convey is wide, but the costs to be paid are also higher. The engagement with the followers was not strong because the audience is too large. Mega influencers have far more expensive rates but the interaction and engagement with followers is low. This type of influencer is effective in increasing awareness but not effective in building engagement with brands or products.

Company should not only consider the number of followers, but also the consistency of the type of product or service they promoting. According to Backaler, if influencers promote different brands every day, those influencers have the potential to lose their audience or followers (Backaler, 2019). Besides, sponsored advertisements outperform influencer marketing in terms of post engagement because sponsored posts have a larger and more targeted reach than influencer marketing (Jarrar et al., 2020). Influencer marketing has become an essential component of marketing budgets. Product placement is one of the key methods that influencers favor when collaborating with businesses, creating content, and delivering it to their audience (Aktas & Sener, 2019). Because of the reach and influence that these influencers wield when they review products, brands, or simply talk about a service or a product, it is becoming increasingly clear that this new breed of “celebrities” has the power to influence consumer opinion, thus the rise of influencer marketing (Booth & Matic, 2011). Despite the growing interest in celebrity influencers as a marketing communication tool, more research remains to be done to determine how influencer credibility, when joined with brand credibility, affects consumers’ perception of the influencer promotional post (Lee & Kim, 2019).

Research result showed that during the COVID-19 pandemic (from January to July 2021) the influencer marketing strategy that has been implemented by the provider of FMCG products in Indonesia was able to increase the sales by 300% with the parameter accumulated total product sales value or GMV (Gross Merchandise Value).

CONCLUSION AND RECOMMENDATION

The influencer marketing strategy implemented by the start-up company which provides FMCG products consisted of four stages. The first stage determines (makes) which influencers to use in promoting the FMCG product. The second stage is influencer marketing management, implementing seven aspects: products, knowledge, calendars, messages, platforms, alternatives, and feedback. The company also manages good relations with influencers by sending products on their ‘big’ day (giving birth, getting married, or during major holidays such as Eid Mubarak and Christmas). The third stage monitors the influencer’s marketing campaigns by monitoring the content on the day of the content uploaded and also on the third and seventh days by monitoring two metrics: brand mentions and conversions. The last stage is the evaluation (measure) of the influencer’s marketing campaigns based on influencer metrics (ratio, sentiment, and effect). But unfortunately, application-based FMCG products provider in Indonesia has not evaluated the brand metrics. This strategy is a repeated cycle. The last stage (evaluation or measure) is the input to determine the influencer marketing in the next campaign.

Recommendations that researchers and start-up companies can give shall use the affiliate marketing strategy, which can also be used to market FMCG products, grow influencers’ loyalty, and increase the enthusiasm and motivation of influencers in promoting products to increase sales. This kind of company is also expected to be able to collaborate with traditional market sellers to involve the community who have not been digitized in marketing FMCG products.
ACKNOWLEDGEMENT

This research is supported by Universitas Komputer Indonesia in Bandung, Indonesia. We especially recognize the Directorate of Journals and Scientific Publications as well as the Directorate of International Publications, which provides full support for the publication of this research.

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