

CHAPTER I

INTRODUCTION

1.1. Background

The perfume industry is one of the sectors that continues to grow in line with the increasing consumer demand for fragrance products. Perfume is not only used as a complement to lifestyle but also serves as a part of an individual's identity and self-expression. In the global perfume market, there are two main categories: mass-market perfumes and niche perfumes. Mass-market perfumes are produced in large quantities and sold widely, while niche perfumes are more exclusive, made with high-quality ingredients and unique formulations designed to meet specific consumer preferences. The trend of using niche perfumes is increasing as many individuals seek products with distinctive characteristics and a high level of exclusivity not found in regular commercial perfumes. However, despite the rising demand for niche perfumes, several factors influence consumer interest in using these products, such as Fear of Missing Out (FOMO), influencers, and social influence, with brand awareness acting as a mediating factor.

Interest in using niche perfumes can be influenced by various psychological and social factors. In the marketing context, consumer interest represents the initial stage before a purchasing decision is made. Consumers attracted to niche perfumes typically prefer exclusive and unique products and tend to be more concerned with quality and brand image rather than price. Previous studies indicate that external factors such as exposure to advertisements, influencer reviews, and social trends can influence consumer interest in trying new products. However, further research is needed to understand how these factors interact with brand awareness in shaping interest in niche perfumes.

Fear of Missing Out (FOMO) is a psychological phenomenon where individuals experience anxiety about missing out on popular trends or experiences. In the context of niche perfumes, FOMO can arise when consumers see others using specific perfumes perceived as exclusive and difficult to obtain. A study conducted by Przybylski et al. (2013) found that FOMO can drive consumer behavior, particularly in purchasing products with high social value. Another study by

Hodkinson (2019) also found that FOMO plays a role in impulsive purchasing decisions. However, other studies have found no significant relationship between FOMO and purchasing decisions in exclusive product categories, making this phenomenon a subject of debate in the marketing field.

The role of influencers in digital marketing is also a crucial factor influencing consumer interest in niche perfumes. Influencers with a large following can shape consumer opinions and preferences through the content they create. A study by Lou and Yuan (2019) revealed that the effectiveness of influencer marketing depends significantly on credibility and audience engagement. In the perfume industry, many niche brands collaborate with influencers to increase their product exposure. However, research conducted by De Veirman et al. (2017) found that excessive influencer sponsorships can reduce consumer trust in the recommendations given. Therefore, further investigation is needed to understand how influencers specifically influence interest in niche perfumes.

Social influence also plays a role in shaping consumer behavior. According to the social influence theory proposed by Cialdini (2001), individuals tend to follow the behavior of others, especially when consuming products with high symbolic value. Niche perfumes are often regarded as prestige products that reflect the social status of their users, making social environmental pressure a potential factor in purchasing decisions. Previous studies have shown that consumers are more likely to be interested in products recommended by their social groups. However, research by Kim et al. (2021) found that social influence has a lower impact on high-involvement products, such as niche perfumes, compared to everyday products.

Brand awareness serves as a mediating variable in this study. Brand awareness is a key factor in purchasing decisions, as a higher level of awareness increases the likelihood of consumers considering a brand in their purchasing decisions. In the niche perfume industry, brand awareness is often a challenge, as these products do not always have the extensive exposure that mass-market perfumes do. A study conducted by Keller (2013) found that brand awareness contributes to perceived quality and customer loyalty. However, research by Huang and Sarigöllü (2012) showed that in the category of exclusive products, brand awareness does not always directly correlate with purchase interest, as some consumers prioritize uniqueness over brand popularity.

Practical phenomena also support the urgency of this study. In recent years, many niche perfume brands such as Le Labo, Byredo, and Diptyque have begun entering a broader market

through digital marketing strategies and collaborations with influencers. Despite this, many consumers remain hesitant to try niche perfumes due to higher prices and limited product availability. Therefore, understanding how FOMO, influencers, and social influence affect consumer interest, as well as how brand awareness mediates these relationships, is essential in developing effective marketing strategies for niche perfume brands (Sentot E Baskoro and Sari Martadhinata, 2023).

Based on the discussion above, this study aims to analyze **“The influence of FOMO, influencers, and social influence on interest in using niche perfumes, with brand awareness as a mediating variable”**.

1.2. Problem Identification

Based on the background presented, several key issues can be identified regarding the influence of Fear of Missing Out (FOMO), influencers, and social influence on the intention to use niche perfumes, with brand awareness as a mediating variable:

1. Limited Awareness of Niche Perfumes

Unlike mass-market perfumes, niche perfumes are less exposed to the general public, leading to lower brand awareness. Consumers may hesitate to purchase niche perfumes due to a lack of knowledge about their uniqueness, quality, and value proposition.

2. The Role of FOMO in Consumer Behavior

FOMO may drive consumers to seek exclusive and hard-to-find products, including niche perfumes. However, it remains unclear whether FOMO significantly influences consumers' intention to purchase niche perfumes or if other factors play a more dominant role.

3. Influencer Credibility and Effectiveness

While influencers play a crucial role in shaping consumer preferences, excessive sponsorships can reduce credibility. The effectiveness of influencer marketing in the niche perfume industry remains uncertain, requiring further exploration.

4. Impact of Social Influence on Purchase Intentions

Social influence can affect consumer behavior, especially for prestige-related products like niche perfumes. However, some studies suggest that social influence may have a weaker effect on high-involvement products compared to everyday items.

5. Brand Awareness as a Mediator

Brand awareness is a critical factor in consumer decision-making, but its role in mediating the relationship between FOMO, influencers, social influence, and purchase intention for niche perfumes needs further investigation.

6. Practical Challenges in the Niche Perfume Market

Many niche perfume brands struggle to attract consumers due to high pricing, limited availability, and niche positioning. Understanding the factors that influence purchase intentions can help brands develop more effective marketing strategies.

1.3. Research Scope

This research focuses on analyzing the influence of Fear of Missing Out (FOMO), influencers, and social influence on the intention to use niche perfumes, with brand awareness as a mediating variable. The scope of this study is defined as follows:

1. Research Variables

Independent Variables:

- a. Fear of Missing Out (FOMO)
- b. Influencers
- c. Social Influence

Mediating Variable:

- a. Brand Awareness

Dependent Variable:

- a. Intention to purchase Niche Perfume

2. Target Population and Sample

- a. This study targets consumers who are aware of or have shown interest in niche perfumes.
- b. The sample includes individuals who actively follow perfume trends, engage with influencers, or participate in perfume-related communities.
- c. The data will be collected through online surveys or structured questionnaires.

1.4. Research Questions

This study aims to examine the direct and indirect effects of Fear of Missing Out (FOMO), influencers, and social influence on the intention to use niche perfumes, with brand awareness as a mediating variable. The research questions are structured to analyze both direct and indirect relationships among these variables.

1. How does FOMO affect brand awareness?
2. How do influencers affect brand awareness?
3. How does social influence affect brand awareness?
4. How does brand awareness influence the intention to purchase niche perfumes?

1.5. Research Aims and Objectives

1.5.1. Research Aim

This study aims to analyze the influence of Fear of Missing Out (FOMO), influencers, and social influence on the intention to use niche perfumes, with brand awareness as a mediating variable. The research seeks to understand both direct and indirect effects to provide insights into consumer behavior and effective marketing strategies in the niche perfume industry.

1.5.2. Research Objectives

1. To investigate the relationship between FOMO and brand awareness.
2. To assess the effect of influencers on brand awareness.
3. To determine the impact of social influence on brand awareness.
4. To analyze the influence of brand awareness on the intention to purchase niche perfumes.

1.6. Research Benefits

Based on the stated research objectives, the benefits of this study can be categorized into three aspects: theoretical benefits, practical benefits, and benefits for researchers.

1. Theoretical Benefits

This research is expected to contribute to the development of marketing science, particularly in understanding the factors influencing the intention to use niche perfumes. This study enriches the literature on the role of Fear of Missing Out (FOMO), influencers, and social influence in shaping brand awareness and consumer purchase decisions. Additionally, this research provides a new perspective on how brand awareness can mediate the relationship between these variables and the intention to use specific products.

2. Practical Benefits

The findings of this study can serve as a reference for niche perfume companies in designing more effective marketing strategies. By understanding the influence of FOMO, influencers, and social influence on brand awareness and purchase intention, companies can optimize their digital marketing strategies, including leveraging social media and community-based campaigns. Moreover, companies can make more informed decisions in selecting the right influencers to enhance brand awareness and drive consumer purchasing decisions.

3. Benefits for Researchers

This research provides benefits for researchers by enhancing their academic understanding and skills related to consumer behavior and digital marketing. The research process offers valuable experience in conducting empirical analysis of the factors influencing consumer intentions. Additionally, this study can serve as a foundation for future research exploring other variables that may play a role in niche perfume purchase decisions.

1.7. Writing Systematics

This research is structured into five main chapters with the following systematic arrangement:

CHAPTER I: INTRODUCTION

This chapter contains the research background, problem formulation, research scope, objectives, and writing systematics. The introduction provides an initial overview of the importance of this research and the direction that will be taken in the analysis.

CHAPTER II: LITERATURE REVIEW

This chapter discusses the theories that support the research and reviews relevant previous studies. Additionally, it includes the conceptual framework and research hypotheses that serve as the foundation for the analysis.

CHAPTER III: RESEARCH METHODOLOGY

This chapter explains the methods used in the study, including the research design, population and sample, data collection techniques, and data analysis methods used to test the hypotheses.

CHAPTER IV: RESEARCH RESULTS AND DISCUSSION

This chapter presents the data analysis results and interpretation of the research findings. The obtained results are compared with previous studies to assess consistency and the contribution of this research to the development of scientific knowledge.

CHAPTER V: CONCLUSION AND RECOMMENDATIONS

The final chapter contains the conclusions derived from the research findings and their practical implications. Additionally, recommendations are provided for relevant stakeholders and future researchers to further develop this study.

REFERENCES

This section lists all the sources cited throughout the research, including books, journal articles, conference papers, and other relevant academic publications.