

Building Brand Image as Beauty and Lifestyle E-Commerce (Case Study IStyle.id Branding Strategy)

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Abstract. Pandemic COVID-19 affect in ecommerce industry, iStyle.id is one of ecommerce company managed by Lotte Group and Salim Group did rebranding due to the COVID-19 pandemic. To rebrand and rebuild new brand image as a beauty and lifestyle e-commerce, iStyle.id carried out a series of strategies that are divided into four processes, namely repositioning, renaming, redesigning, and relaunching. Repositioning process is carried out by replacing product highlights and making TVC (Television Commercial). The renaming process is done by changing the company name and slogan. The redesigning process is carried out by redesigning the logo and appearance of the company's application and website User Interface. The relaunching process is carried out by rearranging the list of media relations, social media branding, and utilizing KOL (Key Opinion Leader) in the form of influencers and communities. This research was conducted using qualitative methods in the form of case studies by seeking data through interviews with relevant sources. Through this research, the researcher found that the used of this rebranding for i-Style is really important by giving a new position among the target and showing the new impression to attract the real focus of their segmentation.

1. Introduction

As many as 87.1 percent of internet users in Indonesia have used e-commerce services as an intermediary to buy certain products in the last few months (We Are Social 2021). The high number of e-commerce users is accompanied by an increase in the number of e-commerce in Indonesia with a percentage of 33.2 percent in the last year (INDONESIA.GO.ID 2021). This makes the topic of discussion about e-commerce very hotly discussed. The increase in the number of e-commerce makes each of them have to appear different from the stand-out brand image (Channeladvisor 2021). One of the e-commerce that appears and can distinguished as the unique e-commerce is iStyle.id. Because iStyle.id is a joint venture company between the Salim Group and Lotte Group, and the company that bravely appear with the B2C (Business to Consumer) concept and carrying the Korean concept, iStyle.id managed to become the first e-commerce to have a brand image as a beauty and lifestyle e-commerce with a Korean concept.

Based on the pre-research process carried out by researchers, it turns out that iStyle.id itself has previously made major changes by rebranding. Interestingly, one of the factors behind iStyle.id's rebranding was due to the influence of the COVID-19 pandemic that had just hit the world. The COVID-19 pandemic has forced Lotte Group as a joint venture

company to return their capital to Korea. This makes Salim Group decide to acquire iLotte.com. The acquisition by the Salim Group was accompanied by a change in the company's strategy in adjusting to their new target. Their target market has changed from people who like all conveniences of various genders, aged 18-35 years, and have middle and upper economic status to women who are millennials or first jobbers aged 18-25 years, have an interest in beauty and Korean-style lifestyles, and come from middle and upper economic status.

The rebranding decision taken by the Salim group was a big decision because the rebranding did not only change the company's ownership structure, but also changed the strategy, name, and brand image of the company itself. Judging from this phenomenon, the researcher realizes that the identification of the rebranding strategy that occurs in e-commerce named iStyle.id is very interesting to study because it can enrich studies and new findings in the world of Public Relations. This is because rebranding is not an easy activity to do because it consists of a series of processes and strategies in it. According to a previous study, Brand Management in Mergers and Acquisitions: Emerging Market Multinationals Venturing Into Advanced Economies by Liu, berg, Tarba, and Xing in 2018 with qualitative research methods, said that, one way to manage brands after companies merge or acquisition is by changing the brand itself. This means that the

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rebranding decision taken by iStyle.id after the Salim Group made the acquisition was the right action. Meanwhile, according to similar previous research, the Public Relations Strategy in Rebranding Bekasi Square to Revo Town by Sumiyati in 2019 with qualitative research methods, said that the Public Relations strategy in rebranding to create a new brand image was through a process that included repositioning, renaming, redesigning, and relaunching. In line with this previous research, the strategy used by iStyle.id in the research of iStyle.id Strategy in Building a Brand Image as Beauty and Lifestyle E-Commerce is also divided into four processes according to the rebranding theory by Muzellec and Lambkin (2006). Therefore, to find out the details of each of these processes, this research focuses on the rebranding strategy carried out by iStyle.id to build a brand image as a beauty and lifestyle e-commerce. The purpose of this study is to identify the rebranding strategy carried out by iStyle.id in building a brand image as a beauty and lifestyle e-commerce.

The objectives of this research is to identify rebranding strategy as part of brand development to leverage brand image as fashion e-commerce. Through the changing situation happen and also the needs of the brand spotlight to be known well by the target segmentation. This research help us to elaborate the unique phenomenon of i-Style rebranding. In the form of seeing the POV from this phenomenon, the researcher realizes that the identification of the rebranding strategy that occurs in e-commerce named iStyle.id is very interesting and important for the study because it can enrich new studies and findings in the world of Public Relations. This is because rebranding is not an easy activity to do because it consists of a series of processes and strategies in it. Based on the findings that have been made by researchers, there are not many studies that explain a series of rebranding processes and strategies that occur in an e-commerce that is carried out because one of the factors is the COVID-19 pandemic.

2. Literature Review

The American Marketing Association in Kotler and Keller (2008) defines a brand as a name, term, sign, symbol, or design, or a combination thereof, which is intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors. (Firmansyah, Pemasaran Produk dan Merk 2019). The elements contained in the brand consist of the brand name, logo, visual appearance such as packaging design, product design, uniform design, building design, vehicle design. Spokespersons such as founding figures, company figures, creation figures, mascots and words such as acronyms, nicknames, slogans, taglines, jingles. The last is sounds such as songs, sound icons or tones and thematic songs (Firmansyah, Pemasaran Produk dan Merk 2019). Keller states that "Brand image is perceptions about the brand as reflected by the brand association held in consumer memory", that brand association acts as an information center that is connected to the brain's memory and contains the meaning of the brand for

consumers. Based on the opinions of the experts above, brand image or brand image is a consumer's perception of a brand which is based on consumer memory about a product, as a result of what someone feels about the brand (Firmansyah, Pemasaran Produk dan Merk 2019). Brand image theory from experts can help researchers to understand the meaning and significance of brand image or brand image.

To form a brand image, there are several factors that influence it, namely (Firmansyah, Pemasaran Produk dan Merk 2019):

a. Brand Awareness

Brand awareness or brand awareness is the ability of consumers or potential buyers to recall or recognize a brand. With high brand awareness, it is hoped that whenever category needs arise, the brand will be re-emerged from memory which will then be taken into consideration by various alternatives in decision making. Brand awareness shows consumer knowledge of the existence of a brand. This theory helps researchers to be able to determine the relationship between brand awareness and brand image in a brand or company.

b. Brand Association

Brand associations are all impressions that arise in a person's mind related to his memory of a brand. Impressions related to the brand will increase with the increasing number of consumer experiences in consuming a brand or with the more frequent presentation of the brand in its communication strategy, plus if the link is supported by a network of other links, an established brand will have a prominent position in the competition when supported by various strong associations.

c. Brand Loyalty

According to Mowen and Minor, brand loyalty is a condition in which consumers have a positive attitude towards a brand, are committed to the brand, and intend to continue their purchase in the future. This definition is based on two approaches, namely behavioral and attitudinal.

Rebranding defined as the process of creating a new image and a new position in the minds of consumers of an existing brand, to build a different positioning in the eyes of consumers and competitors.

3. Methods

iStyle.id Strategic Research in Building a Brand Image as Beauty and Lifestyle E-Commerce uses a qualitative research approach because it can describe the data that will be obtained by researchers through data collection techniques. The phenomenon studied by the researchers was triggered by the existence of e-commerce that did rebranding and formed a new brand image that was not owned by other e-commerce. The phenomenon of rebranding carried out by an e-commerce is a unique phenomenon that is not often found, occurs in real terms, and this phenomenon has only recently occurred. Therefore, the researcher uses a research design with a case study because this research design can explain the

real situation that is happening from certain phenomena and conditions at the location to be studied.

As the researcher first did the pre-research about i-Style, iStyle.id appeared in 2017 which has another name PT Indo Lotte Makmur was formerly called iLotte.com. This e-commerce was formed from two large holding companies from Indonesia, namely the Salim Group and a company from South Korea, namely the Lotte Group. iLotte.com itself is an e-commerce with a mall in mall concept that provides a variety of products for daily needs, beauty, groceries, household goods, fashion, health, and all kinds of products in full. The various products provided are in accordance with the brand image they want to highlight, namely as The First Online Shopping Mall. Officially rebranding on November 16, 2020, the name iStyle.id was chosen to replace the name iLotte.com.

From that situation, case studies are the right approach chosen by the researcher to describe the specific situation of this rebranding process of i-Style. For collecting the data needs for the research, in this study, the researcher used a semi-structured interview type because this type of interview allowed the researcher to add new questions during the interview session. This aims to clarify answers that are deemed lacking in detail so that researchers gain a deeper understanding related to the context being discussed. The purpose of this type of interview is so that researchers can express problems more openly (Sugiyono 2015). Interviews will be conducted with 4 resource persons who will be asked several questions that require them to explain in detail the rebranding phenomenon carried out by iStyle.id. The four sources came from two iStyle.id representatives and two loyal iStyle.id customers. To complete that the researcher also use technic of non-participant observation to see widely the case and phenomena happen there.

This study was analyzed according to the theory of Miles, Huberman and Saldana (2014) with four steps, namely data collection, data condensation, data presentation, and drawing conclusions (Miles, Huberman, & Saldana 2014). Data analysis techniques need to be done so that the data obtained can be more focused on answering questions and research focus. Because the data obtained from this study came from various sources, therefore this study used a data validity technique in the form of source triangulation. This technique is done by revealing the truth of the answers from the sources obtained during interviews and re-checking with existing documentation and observations. Researchers can also compare the results of observations and documentation obtained with the results of interviews conducted with resource persons.

4. Data Collection

The three data collection techniques selected were semi-structured interviews, non-participant observation, and documentation. Semi-structured interviews were conducted with four informants consisting of two key informants and two additional informants. The four sources were selected using a purposive technique with

certain criteria. The criteria for the key informant is someone who comes from internal iStyle.id who is in the branding and marketing division, is directly involved in preparing the rebranding strategy carried out by iStyle.id, and is willing to be a resource person for this research. While additional informants are loyal customers with the criteria of being a high user of iStyle.id for two years after the current year, purchasing products at iStyle.id for at least 12 times a year, already being a customer at iStyle.id before and after iStyle.id rebranding, and willing to be a resource person for this research. Non-participant observations themselves are carried out by observing the components uploaded when iStyle.id officially carries out rebranding, such as TVC, news, and the appearance of the website and iStyle.id application that is displayed now. Documentation itself is useful to complement the data that has been collected by researchers through semi-structured interviews and non-participant observations.

5. Results and Discussion

iStyle.id or previously known as iLotte.com is a joint venture company between Salim Group and Lotte Group which has been established since 2017. In 2020, Lotte Group, a Korean company, must return most of their capital in iLotte.com to their home country of Korea. Because of this, the Salim Group decided to acquire iLotte.com. This includes a rebranding factor in the form of a change in ownership structure (Muzellec & Lambkin 2006).

On the other hand, after two and a half years of iLotte.com running, it turns out that a pattern shows a more specific target market than the target market set on iLotte.com. Their target market has changed from people who like all conveniences of various genders, aged 18-35 years, and have middle and upper economic status to women who are millennials or first jobbers aged 18-25 years, have an interest in beauty and Korean-style lifestyles, and come from middle and upper economic status. To conform to this pattern, iLotte.com decided to change their target market. This includes a rebranding factor in the form of a change in corporate strategy (Muzellec & Lambkin 2006).

The Korean concept itself was chosen because iStyle.id is aware of the Hallyu Wave or the Korean wave which has caused the South Korean entertainment world to become a culture that spreads throughout the world. iStyle.id adapts the Hallyu Wave phenomenon itself to its strengths in providing various products which are dominated by Korean products. Therefore, the Korean concept was taken for the concept after they did a rebranding. According to Murdiana and Hajaoui (2020), one of the e-commerce marketing strategies in order to survive in the midst of competition is to see and frame market opportunities from existing phenomena. Therefore, Hallyu Wave is one of the things that iStyle.id focuses on to see the right opportunity in determining its brand image with the concept of Korean style.

The acquisition factor and the change in the target market made iLotte.com decide to rebrand and change

its name to iStyle.id. Rebranding was chosen and carried out by iStyle.id to build a new brand image as a beauty and lifestyle e-commerce with a Korean concept. The rebranding activities carried out by iStyle.id certainly consist of various complex strategies. The strategy is divided into four rebranding processes, namely repositioning, renaming, redesigning, and relaunching (Muzellec & Lambkin 2006).

5.1 Repositioning

Repositioning process by repositioning the iStyle.id brand after rebranding. The repositioning stage is the most important initial stage to build a brand image in the minds of customers so that the brand image to be conveyed can be received well and clearly in the minds of customers (Firmansyah, Pemasaran Produk dan Merk 2019). Previously, iLotte.com itself positioned its company as The First Online Shopping Mall by providing a shopping experience like in a mall. When rebranding, iStyle.id positioned itself as a beauty and lifestyle e-commerce that carries the Korean concept. The strategy to reposition its brand consists of two strategies, namely by uploading TVC (Television Commercial) and changing product highlights.

TVC which was uploaded on the day iStyle.id officially rebranded shows a change from iLotte.com to iStyle.id. The media chosen to spread this TVC is YouTube, because it is felt that it can reach a broad audience and is in accordance with iStyle.id's new target market. According to Kasali, one form of communication in the positioning stage that concerns the image can be channeled through advertising (Kliwas, Sitaniapessy, & Saptanno).

Changes in product highlights that occur in iStyle.id are adjusted to its new brand image as a beauty and lifestyle e-commerce, therefore the product highlights show various products related to beauty, lifestyle, and Korean products. This product highlight is a product that is on the initial display of the application or website from iStyle.id.



Fig. 1. Television Commercial as the Repositioning Strategy

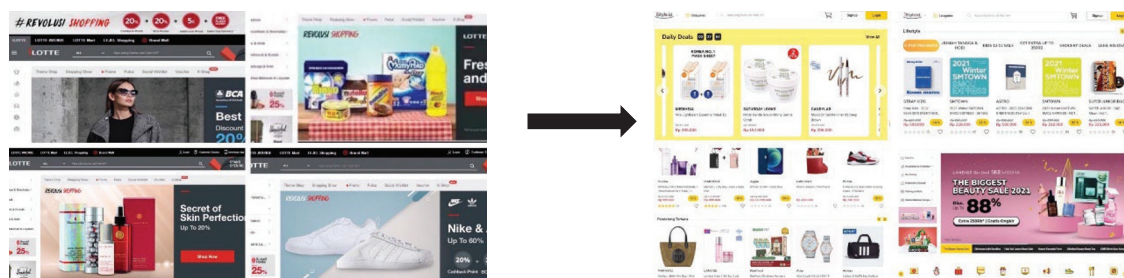


Fig. 2. Product Highlight Changing Before and After Rebranding

5.2 Renaming

The renaming process is carried out by changing the name and slogan owned by iStyle.id before and after rebranding. Before rebranding, iStyle.id was named iLotte.com. The name iLotte.com itself is dominated by a cooperation company, namely Lotte Group. After rebranding, iLotte.com changed its name to iStyle.id. The name iStyle.id itself was chosen in order to match the new brand image that will be built, namely as a beauty and lifestyle e-commerce. Not only changing the name, the renaming process also changed the slogan on iLotte.com to a new slogan for iStyle.id. Prior to the rebranding, iLotte.com positioned them as The First Online Shopping Mall in Indonesia, therefore the slogan they used was 'Nge-Mall From HP'. This slogan is used because it is hoped that iLotte.com's target market can get all the necessities of life like in a mall by only using a cellphone. After rebranding and building a new brand image, iStyle.id uses the slogan 'Reinvent Your Style'. This slogan wants to convey that everyone can freely determine their own style of dress, beauty style or lifestyle. With this slogan, iStyle.id hopes that the public can be

themselves and fulfill their chosen lifestyle with products from iStyle.id.

5.3 Redesigning

The redesigning process is carried out by redesigning the User Interface and logo owned by iStyle.id before rebranding.

The new logo chosen by iStyle.id is adjusted to the target market and the value you want to convey after rebranding. To be more youthful in accordance with the target market, the logo is made as simple as possible but can reflect iStyle.id itself.

To match the new target market, which are millennial women and first jobbers aged 18 to 35 years, who have an interest in the world of Korean-style beauty and lifestyle, and have middle and upper economic status, the new design is set to adapt to this. Therefore, yellow was chosen as the color that dominates the appearance of the User Interface on the iStyle.id application and website itself. The yellow color was chosen because it is more youthful and cheerful, in accordance with the new target market of iStyle.id.



Fig. 3. Logo iStyle.id Before and After Rebranding

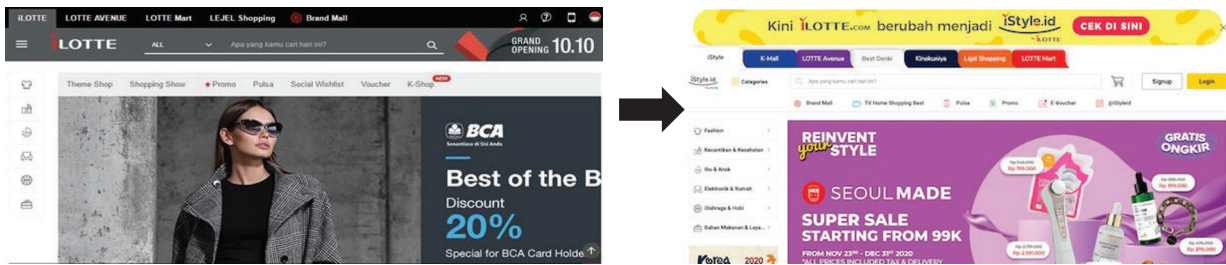


Fig. 4. User Interface iStyle.id Before and After Rebranding

5.4 Relaunching

The relaunching process is carried out to communicate the new brand as a result of the relaunch to the public. In the relaunching process, iStyle.id carried out several strategies to establish and increase its brand awareness in the eyes of the public first in order to build a new brand image as a beauty and lifestyle e-commerce. The strategy to increase brand awareness is to utilize media relations, social media branding strategies, and Key

Opinion Leaders. Key Opinion Leaders can be considered as an effective marketing method to increase the company's brand awareness (Geyser 2021). The KOL selected in the relaunching process are influencers and communities. The selection of the two was made based on characteristics that matched the new brand image and iStyle.id's new target market, namely influencers and communities that focus on the world of beauty and Korean lifestyle.

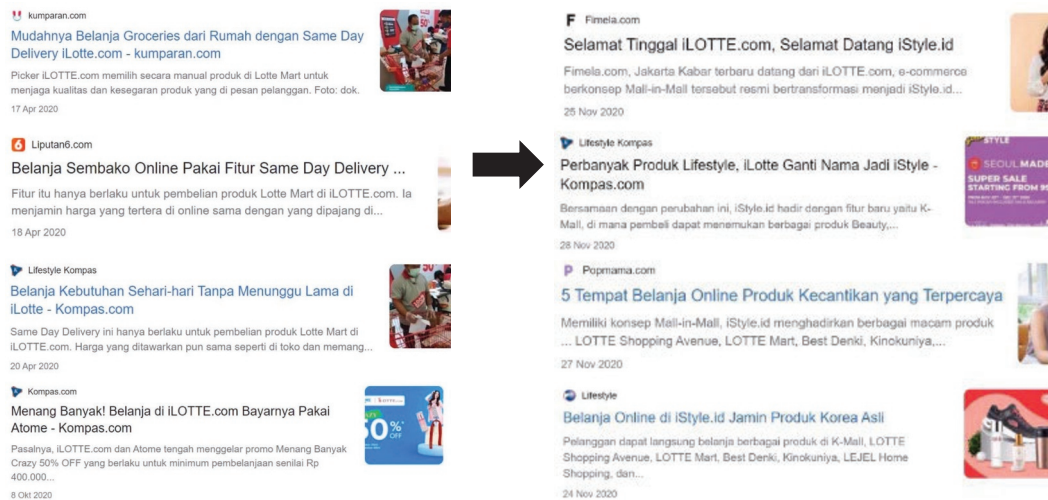


Fig. 5. Media Relations iStyle.id Before and After Rebranding

Because the target market and brand image of iStyle.id have changed, iStyle.id has collaborated with media with different segments. If at iLotte.com the selected media was an ordinary daily media without special segmentation, when the selected media was iStyle.id it was a media that discussed more about lifestyle, beauty, and Korean lifestyle. Sumiyati

(2019) revealed that one of the components that influence the rebranding process carried out by a brand is the existence of media relations.

To notify the news of the rebranding, iStyle.id utilizes social media in the form of their Instagram account. iStyle.id uploaded two posts in the form of Instagram stories and Instagram feeds the day before

they officially rebranded. When officially rebranding, iStyle.id uploaded two posts also in the form of Instagram stories and Instagram feeds that showed changes to their logo, name, and User Interface. Instagram was chosen because it is a social media that has a big influence on iStyle.id brand awareness before rebranding. Social media is the right media to spread awareness because a study states that marketing activities carried out through social media have an effect of 35.8% on brand awareness that a company wants to build (Rismadhi, Jumhur, & Febrianta 2020).



Fig. 6. Social Media Branding iStyle.id

6. Conclusion

Based on research conducted by researchers on iStyle.id, two results were obtained that can answer the focus of this research. First, there are two factors that caused the rebranding of iLotte.com to iStyle.id. The first factor is because Lotte Group as a joint venture company with the Salim Group must return most of its capital to its home country, namely Korea. This made the Salim group decide to acquire iLotte.com. The second factor is because there is a pattern that has formed on iLotte.com over the course of two and a half years. This pattern indicates the existence of a more specific target market and makes the Salim group change its strategy by changing their target market to match the existing target market. These two factors caused iLotte.com to have to rebrand and change its name to iStyle.id. Not only changing their name, iStyle.id also changed their slogan, logo, target market, and brand image to become a beauty and lifestyle e-commerce.

Furthermore, to carry out rebranding, iStyle.id carries out various strategies which are divided into 4 stages of the process, namely repositioning, renaming, redesigning, and relaunching. The repositioning process is carried out by repositioning iStyle.id into a beauty and lifestyle e-commerce. This process is done by uploading TVC (Television Commercial) on YouTube and changing product highlights. The renaming process was carried out by changing the name from iLotte.com to iStyle.id and changing the slogan from 'Nge-Mall from HP' to 'Reinvent Your Style'. The redesigning process is carried out by changing the iLotte.com logo to iStyle.id and changing the appearance of the User Interface to match the concept, brand image, and new target market of iStyle.id. The relaunching process is carried out by increasing brand awareness first in three ways, namely social media branding in the form of Instagram, media relations in accordance with iStyle.id's new concept and target market, and Key Opinion Leaders in the form of influencers and communities.

The next study opportunity that can be done by researchers is to conduct an analysis related to the strategy the company did after the rebranding and what are the implementations of the strategy. The influence of brand awareness on the brand image of a company that has just rebranded can also be discussed, considering that brand awareness is one of the important things to build a brand image. In addition, researchers can also discuss in detail the effectiveness of social media used by a company when rebranding. In future research, studies on the effectiveness and influence of social media in branding or rebranding activities will be very useful for the scope of marketing work.

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