

STRATEGY OF EMINA COSMETIC PRODUCT TO INCREASE PURCHASE INTENTION IN INDONESIA

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Abstract : In these years, the growth of Indonesian local cosmetic company is getting higher. Many local cosmetics companies that triumphed in the Indonesian market outperformed cosmetic products from abroad. One brand of local cosmetic products that is able to prove its success is Emina. With a special target for young generation, Emina products are able to attract the attention of consumers to buy and try the product. The purpose of this study is to identify the determinants that make candidates customers of Emina cosmetic products want to buy and try it. The variables used in this research are brand image, perceived risk, and perceived quality, which will affect purchase intention. This research will use quantitative approach by using multiple regressions through SPSS 16 program. The sample of this research is 100 respondents residing in Surabaya with non-probability sampling technique. Sampling method used in this research is purposive sampling

Keywords: Brand Image, Perceived Risk, Perceived Quality, Purchase Intention

1. INTRODUCTION

Everyone wants to have an attractive appearance in everyone's eyes. One way to make an attractive appearance is use the right cosmetics for their individual needs. Currently, cosmetics is a special item, especially used by women. Therefore, the society's need for cosmetics is increasing. In Indonesia alone, the development of the cosmetics industry is quite solid. Throughout the period 2015-2019, national cosmetics industry market increased by an average of 9.67% per year (cci-indonesia.com). This great industry growth triggered local cosmetics companies to issue cosmetic products with local brands to compete with cosmetic products from abroad. The results of marketing research conducted Sigma Research in May 2017 and in several cities in Indonesia mentioned that the opportunity to become the ruler of the market in the country itself becomes a chance to be maintained (bintang.com). Local cosmetic brands that are currently becoming a trend in the local cosmetics market of Indonesia are MakeOver, Wardah, Mustika Ratu, La Tulipe, LT Pro, and others.

Among a number of local cosmetic brands in the Indonesian market, Emina is the only local cosmetic brand that carries a special theme in introducing its products. Emina is the pioneers of cosmetic products that target young women, especially millennial generation. Emina products use quality ingredients, such as fat, collagen, elastin, placenta extract, vitamin stabilizer, alpha hydroxyl acid, and hormones. The material in that kind of cosmetic is very vulnerable because it could be derived from animal fat is forbidden. Emina also presents innovative cosmetics with an innovative formula that is safe, practical, and even meet the needs and tastes of every consumer. With the procurement of special themes and quality products, Emina has managed to achieve some success. This high sales growth enabled Emina to be leading brand in the cosmetics market for the local brand category.

Emina success as a cosmetics producer has to be studied more deeply. This study needs to be done because Emina proved able to experience increased sales when the Indonesian economy deteriorated due to the global economy hit and also tight competition, especially from foreign cosmetic brand. In addition, Emina as a new cosmetics product company is able to attract consumers to try their products. From the evidence of Emina success and Emina ability to make consumers switch, deeper research is needed regarding the decisive factors that make candidate consumer of Emina cosmetic want to switch to buy and try.

2. LITERATURE REVIEW

A. Brand Image

According to Fandy Tjiptono (2005: 49), brand image is a description of the association and consumer confidence of a particular brand. From that sense, it is known that this brand image arises as a result of an imaging of a product in the minds of consumers. In general, everyone will have the same image of a brand. Kotler (2005) states that an effective brand image consists of three things, which are:

1. Brand image can build product character and provide value proposition.
2. Brand image can convey unique character of the product so that it can be differentiated from its competitors.
3. Brand image can give emotional power more than rational power.

According to Kotler and Keller (2006), every product circulating in the market has its own image in the eyes of its customers, which the marketer deliberately created to differentiate it from competitors. Brand image can be considered

That kind of association will appear in the minds of consumers when consumers are remembering a particular brand. The emergence of such associations can occur simply in the form of certain thoughts or images associated with a brand, much like when one thinks of another. The association can be conceptualized by type, support, strength, and uniqueness. This type of brand association consists of attributes, benefits, and attitudes. The attributes mentioned here consist of attributes related to the product, such as: price, user, and image usage. The benefits of the product will include functional benefits, symbolic benefits, and experiential benefits (Shimp, 2003).

H₁: Brand Image has a significant effect on Perceived Risk of candidate Emina consumer

H₂: Brand Image has a significant effect on Perceived Quality of candidate Emina consumer

B. Perceived Risk

Peter and Ryan (1976), Stone and Grønhaug (1993), and Aaker (1996) state that perceived risk is a concern of potential customers of the product nonconformity with which the seller promises. Therefore, perceived risk has three important aspects, which indicate who is at risk, for what danger, and when it occurs. Raymond A Baeur (1960) was the first person to spark the idea of perceived risk in customer behavior research (Stone and Grønhaug, 1993). Raymond's idea has generated much speculation and inspired the field. Stone and Winter (1985) suggest that perceived risk is a subjective expectation of loss.

H₃: Perceived Risk has a significant effect on purchase intention of candidate Emina consumer

C. Perceived Quality

Customers expect today's quality to be better than ever, so quality is a powerful competitive weapon (Parasuraman et al., 1985). Perceived quality has attracted interest from practitioners and researchers because of the belief that perceived quality effects are favorable to marketing performance (Sweeney et al, 1999). Since customer ratings are usually based on incomplete or asymmetric information, customers can trust products based on the perceived quality of a product or brand, which is considered a signal to customers (Kardes et al., 2004). Perceived quality is a set of attributes related to the perception of brand or product quality, perceived quality can build a positive word of mouth effect, reduce customer management costs, increase purchases, and increase premium prices (Qualls and Rosa 1995, Sweeney et al, 1999). When companies launch their new products by way of misleading green claims, confusing and exaggerating the environmental value of their products, customers are becoming reluctant to trust their products again (Kalafatis and Pollard, 1999). As a result, perceived quality plays a more important role in the current environmental era.

H₄: Perceived Quality has a significant effect on purchase intention of candidate Emina consumer

D. Purchase Intention

Purchase intention can be defined as the probable level of potential customers to buy a particular brand designated for themselves after a specific evaluation (Khan et al., 2012). Halim and Hameed (2005) describe customer purchase intention as possible prospects that have plans to purchase products in the future, make repeat purchases, and contact related products. Jin and Kang (2011) describe purchase intention linked to four customer behaviors including unquestionable plans to buy products, think decisively to buy products, contemplate to buy products in the future, and to buy specific products

3.RESEARCH METHOD

In this study the target of population were customers candidate who never buy and use product of Emina and know information about brand and product of Emina (through catalog, visit Emina counter directly, and the other media). The characteristics of the respondent as follow: women, residing in Surabaya, well educated. This research uses primary data that is the data obtained from the distribution of questionnaires to the respondents in accordance with the characteristics of populations. Questionnaire distribution was conducted in several shopping mall in Surabaya. From 110 questionnaires distributed, 100 questionnaires were returned and can be use for data formulation.

From the questionnaire completed by respondents, the indicators to measure were built from previous researches. For brand image, perceived risk, perceived quality, and purchase intention from research by Wang and Tsai (2014); Chen and Chang (2013); Chen and Chang (2012); and Chen (2009). There were 14 indicators for 4 variables tested, and these can be seen from the following research model:

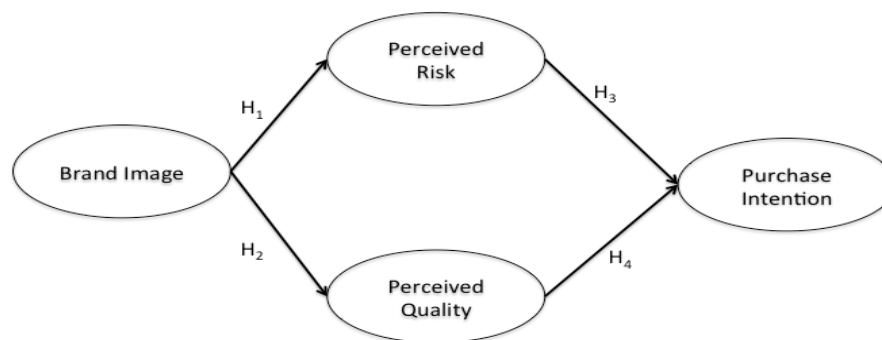


Figure 1. Research Model

Source: Analysis

Areas that were used within this research were interval level measurement. Type of scale used was Summated Likert, a statement that has a range from 1 = disagree to 5 = agree, the scale represents the respondents opinion for the questions regarding the objects being studied. In which the highest the score or number selected indicated the higher of ratings, and vice versa.

4. RESEARCH RESULT

4.1 Findings

This study is using multiple regressions to examine the effect between the independent variables towards the dependent variable. Statistical analysis tool used to answer the problem formulation of this research is SPSS 16 software. When all primary data has been collected, then the statistical testing can be done.

The respondent was made up 100% women. Almost 80% of the group is under the age of 40. Nearly 83% of the respondents had a well educated which is above high school graduate.

4.1.1 Validity Test

Table 1
Validity Test

| Indicator | Factor Loading | Note |
|---------------------|----------------|-------|
| Brand Image: | | |
| BI1 | .728 | Valid |
| BI2 | .786 | Valid |
| BI3 | .672 | Valid |
| BI4 | .709 | Valid |
| Perceived Risk: | | |
| PR1 | .343 | Valid |
| PR2 | .662 | Valid |
| PR3 | .655 | Valid |
| Perceived Quality: | | |
| PQ1 | .570 | Valid |
| PQ2 | .776 | Valid |
| PQ3 | .773 | Valid |
| Purchase Intention: | | |
| PI1 | .839 | Valid |
| PI2 | .869 | Valid |
| PI3 | .841 | Valid |
| PI4 | .814 | Valid |

Source: SPSS 16 result

The criteria of validity test is if the value of the Corrected Item-Total Correlation for $n=100$ is higher than 0.197 (r table), however, if the value of the factor loading is less than the 0.197, then the statement is considered invalid or failed. Based on the test of the data validity, it is prove that all indicators used to estimate each variable is valid, since the value of the factor loading for every items are more than 0.197.

4.1.2 Reliability Test

Reliability test is done by comparing cronbach's alpha value, if the value is higher than 0.6, then the statement is considered reliable.

Table 2
Reliability Test

| Variable | Cronbach's Alpha Based on Standardized Items | Note |
|--------------------|--|----------|
| Brand Image | .870 | Reliable |
| Perceived Risk | .840 | Reliable |
| Perceived Quality | .838 | Reliable |
| Purchase Intention | .932 | Reliable |

Source: SPSS 16 result

From the table 2, it is prove that the variables of overall brand image, perceived risk, perceived quality, and purchase intention all resulting the value of Cronbach alpha higher than 0.60. So, it can be conclude that the statements develop the variables can be said to be reliable and can be used for further analysis.

4.1.3 Classical Assumption Test

Table 3

| Hypothesis | Types of Test | Result of Test | Definition |
|---------------------------------|-------------------|----------------|---------------------------|
| H ₁ | Normality | 0,229 | Normal distribution model |
| | Multicollinearity | 3,121 | No multicollinearity |
| | Heterocedasticity | 0,516 | Homocedasticity |
| H ₂ | Normality | 0,211 | Normal distribution model |
| | Multicollinearity | 1,552 | No multicollinearity |
| | Heterocedasticity | 0,389 | Homocedasticity |
| H ₃ , H ₄ | Normality | 0,192 | Normal distribution model |
| | Multicollinearity | 2,329 | No multicollinearity |
| | Heterocedasticity | 0,233 | Homocedasticity |

Based on result summary of classical assumption test, all regression models are feasible to be executed.

4.1.4 Results of Coefficient Determination

Table 4

Model Summary PR,PQ →PI

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .916 ^a | .840 | .837 | .36205 |

a. Predictors: (Constant), PQ, PR

b. Dependent Variable: PI

From table 4, coefficient determination/R-square (R²) generated is as much as 0.837 which means that the variations of variables together can explain the variation of variable overall PI by 84%, while the rest explained for other variables beyond the model which is not yet observed.

4.1.5 Result of Multiple Regressions

The results of multiple regressions are as follows:

Table 5

| | Variables | Coeff. | t. sig. | Hypothesis | Research Result |
|----------------|---|--------|---------|-------------|-------------------------|
| H ₁ | Brand Image to Perceived Risk | -0,420 | 0,000 | significant | significant (supported) |
| H ₂ | Brand Image to Perceived Quality | 0,598 | 0,000 | significant | significant (supported) |
| H ₃ | Perceived risk to Purchase Intention | -0,530 | 0,000 | significant | significant (supported) |
| H ₄ | Perceived quality to Purchase Intention | 0,577 | 0,000 | significant | significant (supported) |

4.2 Discussion

From the research that has been done, the result is from four hypotheses proposed, all hypothesis are supported. The first hypothesis, which state “Brand Image has a negative and significant effect on Perceived Risk of candidate Emina consumer” is accepted. The reason is because the regression coefficient is -0.420 with t-test value of 0.000, which is below 0.05. This shows a consistent result with the previous study conducted by Wang and Tsai (2014).

The second hypothesis, which states, “Brand Image has a positive and significant effect on Perceived Quality of candidate Emina consumer” is supported. The reason is because the regression coefficient is 0.598 with t-test value of 0.000, which is below 0.05. This shows an consistent result with the previous study conducted by Wang and Tsai (2014).

The third hypothesis, which states, “Perceived Risk has a negative and significant effect on purchase intention of candidate Emina consumer” is supported. The reason is because the regression coefficient is -0.530 with t-test value of 0.000, which is below 0.05. This shows a consistent result with the previous study conducted by Chen and Chang (2012).

The fourth hypothesis, which states, “Perceived Quality has a positive effect and significant on purchase intention of candidate Emina consumer” is supported. The reason is because the regression coefficient is 0.577 with t-test value of 0.000, which is below 0.05. This shows a consistent result with the previous study conducted by Wang and Tsai (2014).

Based on the result, we can see that the most important variable to increase purchase intention of candidate Emina consumer is perceived quality. Since perceived quality is an affective variable, then to increase perceived quality is to increase brand image, because brand image has greater influence to perceived quality than perceived risk. So, the strategy if Emina should be focused to increase brand image. Emina has specific target market which is young women, especially from millennial generation, but if we see from Emina's tagline "Born to Be Loved", the tagline does not describe the positioning of Emina clearly. So, Emina is recommended to make more specific tagline that describe the positioning of Emina, for example like "Born for Millennial Women". Also, in order to increase brand image of Emina, the promotion strategy should be adjusted. Emina is recommended to use social media as main promotion channel because nowadays, young women are more attracted to social media. Emina also can use young artist, like youtuber or selebgram as endorser to promote the product. Emina also has to maintain its quality so that the brand image can influence perceived quality.

5.CONCLUSION

From the research that has been done, the result is from four hypotheses proposed, all hypothesis are supported. Perceived quality is a variable that affects the Purchase Intention the most, because the the higher quality, the more consumer want to buy. People of Indonesia, especially Surabaya come from various educational backgrounds is now more keen on the offer of beauty products on the market. Candidate customers will read all the information provided so well that their knowledge of the beauty products offered is maximized. So, the better perceived quality from consumer, they will have purchase intention.

The use of brand ambassadors who have high credibility in behavior and religion also affects the brand image of Emina. With the existence of young artists, like youtuber or selebgram as brand ambassador will make Emina products in the eyes of consumers become more convincing in offering products with high quality. As we know, the cosmetics industry often needs a figure that supports its products. The right figure will be judged by the public as a result of the use of the brand so that consumers want to try to use the product. In addition to be famous, the model figure who becomes an ambassador of a product must be in accordance with the character of the product itself. The role of the ambassadors of beauty products is not easy. They should be able to spread the image of the product and strengthen the brand.

The beauty bloggers who provide reviews related to Emina products also help the formation of a good brand image of Emina. In this era of ease communication, consumers are not a passive party that only receive limited information from the company but the parties who need more detailed information. Therefore, when the beauty bloggers provide an assessment of their experience in using Emina, it will provide additional information for consumers and indirectly the brand image Emina also increasingly formed. Brand image formed from beauty blogger is what affects the perceived quality of the use Emina products. This is because a positive assessment of beauty bloggers will impact on consumer confidence that Emina products are qualified. Moreover, usually a beauty blogger will also provide an assessment related to the durability and impact of the use of products so that consumers who see it has the addition of information that led to the belief that the benefits promised by Emina is true.

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