AN EXPLORATORY STUDY OF COSMETICS PURCHASE INTENTION ATTRIBUTES: A STUDY OF INDONESIAN LOCAL COSMETICS BRAND IN JAKARTA AND BANDUNG

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*Abstract. Nowadays, women considered beauty as an important issue. Women try their best to enhance their appearance. Therefore, cosmetics has been a top priority for most of women, especially in Indonesia. This lead to increase the number of demand, that caused cosmetics industry as a growing sector in Indonesia. With this increase, arise various kinds of local brand new comer that will result in a very tight competition. Moreover, this competition between local brands is aggravated by the preliminary research's result that indicate a problem of many customers easy to switch between the local brands and they all stated that they chose only with the brand they were familiar with. This can be concluded that there is a grey area to determine the custumer intention to purchase local cosmetics brand. Therefore, this research aims to analyze and have a better understanding on purchase intention attributes such as brand name, product quality, price, packaging, promotion, service quality store environment and brand familiarity and to investigate the level of purchase intention differences of Wardah, Make Over, BLP, and Rollover Reaction. This data is gathered from 978 women users of local cosmetics brand in Jakarta and Bandung, using quantitative method and tested using PLS-SEM and One-Way Anova. The research findings showed that product quality, price, promotion, service quality, packaging, and brand familiarity have a significant influence on the purchase intention of local cosmetics users. However, brand name and store environment do not significantly influence on the purchase intention of local cosmetics users. Moreover, there is a significantly difference between those brands. With this research result, it could bring an insight to the local cosmetics company to create strategy by enhancing more on these factors that influence the purchase intention of the local cosmetics users to prevent the brand switching behavior, maintain the consumers to stay, and attract new consumers based on what their intention to buy.
Keywords: local cosmetics, brand familiarity, purchase intention*

INTRODUCTION

Appealing appearance has become a top priority for both women and men. The desire to be beautiful become the greatest issue for all women in the world. Nowadays, for the sake of beauty, people tend to spend a lot of money by purchasing cosmetics. The cosmetics madness has proven from the total market of global cosmetics in 2012, estimated to be 180 billion Euros and predicted to constantly growing of 4% per year (Alhedhaif et al., 2016). The trend of cosmetics madness has also phenomenal among Indonesian women. The cosmetic industry is included in the fastest growing sectors in Indonesia and has consistently growth in recent years. The volume of sales in cosmetic growth in the country has been supported by the increase of demand. According to Global Business Guide 2016, the Indonesian users of cosmetic products has reached 126.8 million people which is dominated by female. With this increase, arise various kinds of local brand new comer such as Wardah, Roll Reaction, and Make Over with many kinds of brand personality who are competing over the demand. It is supported with the Indonesian Ministry of Industry data that the growth of the national cosmetics industry rising rapidly 20 percent since 2017, It grows four times greater than national economic growth (Dimara, 2018). This also can be proven from the number of new comer of local brands, 153 brand (in 2017) increase to 760 local brand in 2018 (Investor Daily, 2018). With this number of players, they are having aggressive competition to gain maximum market share in the related field. Moreover, this competition between local brands is aggravated by the preliminary research's result, which held on November 2018 with 20 interviewees, indicate a problem of many customers easy to switch between the local brands and they all stated that they chose only with the brand they were familiar with. This will become a major problem, since nowadays with the increasing number of competitors, the brand switching behavior may impact to the company's profitability and indicate that the company's strategy failed to motivate the existing customers (Fintikasari & Ardyan, 2018). Moreover, this problem aligned with the (Kamins and Marks, 1991) statement that consumers tend to have a high degree of purchase intention if they were familiar with the brand. Therefore, it is important to know which factors that have a relationship with the cosmetics purchase intention so that the company knows which factors should the company enhance on to maintain a long-term relationship with the customers and prevent the brand switching action in order to withstand in the tight competition of cosmetics industry. Furthermore, based on the preliminary research result, there were top 4 most preferred local cosmetics brand chose by the respondents, there are Wardah, Make Over, BLP, and Rollover Reaction. It can be seen that Wardah and Make Over are the brands which known as the well-established brand while BLP and Rollover Reaction are known as the new comers. Therefore, by seeing the differences in brand reputation, it arises a question of the differences in the level of purchase intention, since each of them has different reputation.

According to (Shah et al., 2012), purchase intention is included as decision-making that has a purpose to identify the reason of the consumer to purchase a certain brand. There are various research on finding the factors that influence the purchase intention, There are brand name, product quality, price, packaging, promotion, store environment, service quality, brand familiarity (Mirabi et al., 2015; Janani & Shivany, 2017; Hanzaee & Anderfazh, 2012; Mieres et al., 2006). These factors are adopting from the preliminary research results, that mentioned their top priority factors when choosing cosmetics. Hence, based on previous explanation, this research has 2 objectives: (1) To investigate the factors that influence the purchase intention towards female local cosmetics users. (2) to investigate the level of purchase intention differences of Wardah, Make Over, BLP, and Rollover Reaction.With this research, it will answer what is the most crucial purchase intention factors to prevent the switching brand behavior of local cosmetics users and as a reference for the local cosmetics company to enhance these factors to attract the consumers so that it will bring beneficial to the company. This research will require respondents who live in Jakarta and Bandung that use the local cosmetics brand. Since there is no exact number of local cosmetics users in Jakarta and Bandung, therefore the researcher use the book of Malhotra, called "Marketing Research: An Applied Orientation" as a basis to determine the sample size. The sample size of this research need minimum of 200 respondents in the range of 300-500 respondents. Therefore, this research will target female local cosmetics users in Jakarta and Bandung as the scope of this research. To complete this research, the researcher used PLS-SEM to analyse the purchase intention attributes, and used One-Way Anova to investigate the level of purchase intention differences of Wardah, Make Over, BLP, and Rollover Reaction.

LITERATURE REVIEW

Purchase Intention
Purchase intention is defined as a type of decision making that analyze the consumers' background when purchasing a particular brand (Shah et al., 2012). Generally, purchase intention is related to the consumers' behavior, perceptions and attitudes where purchase behavior is usually a critical point for consumers to evaluate the certain product (Mirabi et al., 2015). Therefore, to understand the consumers' purchase intention is considered as important since it could predict the buying process of a consumer (Ghosh, 1990). Based on the various research, there are several factors that influence purchase intention, there are brand name, product quality, price, packaging, promotion, store environment, service quality, brand familiarity (Mirabi et al., 2015; Janani & Shivany, 2017; Hanzaee & Anderfazh, 2012; Mieres et al., 2006).

Brand name towards Purchase Intention
Brand name is defined as the name that we give to the product which differentiates the product with the product of the competitors (Kayaman & Arasli, 2007).An excellent brand name can benefit the company by enhancing the brand value, while a bad brand name can tear down the brand or the company (Mishra & Datta, 2011). It happens because brand name raises the confidence in the customers mind towards the brand, that encourage the customers to purchase the brand and build up brand loyalty (Yoon and Kim, 2000). This support by the findings of (Hanzaee & Leila) that shows brand name has a positive relationship with the purchase intention. As well as a study of (Mirabi et al., 2015), that explain there is a significant influence of brand name on purchase intention.
H1 = There is a significant influence of brand name on the purchase intention of female local cosmetic users

Product Quality
Product quality is the product or services' characteristics that endure the competence to satisfy and fulfill the needs of customers (Kotler & Amstrong, 2012). Product quality can be determined by how the customers perceive the quality of the product that available in the market (Wankshade & Dabade, 2006). Product Quality is considered as vital in the product positioning strategy of the marketing, since nowadays consumers demanding a high quality goods (Shaharudin et al, 2011). Therefore, product quality is considered as an important factor in the marketing strategy. The reason why it is importance is supported by the findings of (Tsiotsou, 2006) study, that show a positive relationship between product quality and purchase intention. As well as the findings of (Janany, 2018) study, that states product quality has a significant influence on the consumer purchase intention.
H2 = There is a significant influence of product quality on the purchase intention of female local cosmetic users

Price
Price can be defined as the exchange activity between customers money with product or services or the value they get (Kotler & Amstrong, 2010). Price is considered as one of the important factors in customer purchase activity (Hermann et al, 2007). Since the perception of the price fairness of the consumer is refers as the exact predictor of the consumer purchase decision (Lee et al, 2010). Furthermore, supported by the (Tahmasebifard, 2015) study, price has a significant impact on the consumers' purchase intention. As well as the findings of (Hameed & Kanwal, 2018) that stated price has significant influence on the cosmetics purchase intention.
H3 = There is a significant influence of price on the purchase intention of female local cosmetic users

Packaging
Packaging is defined as the activities that involves designing and products' container production (Kotler et al., 2008). Packaging functioned as the company's representative that used for the delivered advertising messages, purchase driven tools, even the bearer of the company's slogan (Rahimniya et al., 1391). Generally, the product design and packaging may attach the consumers' feelings (Fung et al., 2004). Packaging is considered as the most beneficial technique when the marketer's try to capture customers, since packaging and its elements have influence on consumer purchase decisions (Adelina & Morgan, 2007). Moreover, according to (Kuvykaite, 2009) study, it shows that packaging has a positive influence on the purchase intention of the consumers. On the (Kawa et al., 2013) study also shown that there is a significant influence of the packaging on the customer's purchase intention.
H4 = There is a significant influence of packaging on the purchase intention of female local cosmetic users

Store Environment
Store environment consists of the ambient elements such as the lighting, the store scent, music background, design in terms of store layout and assortment, and even the social driven such as the salespersons availability and effectiveness (Baker et al., 2002). The high level of stimulation and excellence store environments impact the tendency of impulsive buying (Saad & Metawie, 2015). This happens since the probability of the customers spend longer time in the store is caused by the atmospheric stimulus (Wakefield & Baker, 1998). Store environment has influenced the consumers purchase intention as well, it proved by the findings on the (Vuong & Nguyen, 2018) study. As well as the result in the (Villiers et al., 2018) that stated the store environment has a positive impact on the purchase intention.
H5 = There is a significant influence of store environment on the purchase intention of female local cosmetic users

Promotion
Promotion can be referred as the advertising and selling activity that include as a part of marketing (Hanzaee & Andervazh, 2012). Promotion is consist of the activity of doing advertisement, sales promotions, publicity to sell the product (Yee & Sidek, 2008). Promotion is considered as the important factors of the company's marketing strategy (Rowley,1998). Since, it significantly influenced the image, beliefs and attitudes of the consumers with the products that later influences the consumer purchase behavior (Evans et al., 1996). Furthermore, the aim of promotion activities is to encourage the consumers purchase intention and develop a strategic promotion and sales channel to communicate with the consumers (Lu, 2008). Likewise, another research shows that discount promotion is not only gain the value, but encourage the intention to purchase of the consumers (Andrew et al., 2010).
H6 = There is a significant influence of promotion on the purchase intention of female local cosmetic users

Service Quality
Service quality can be defined as the overall result of the consumers' evaluation process between their expectation with the perception towards the service they received (Gronroos,1984). In other words, service quality is assessed based on the customer's expectation (Venus & Safaeian, 2002). Service quality is considered as an important element in the value perception since it is as the support factor of the company's competitive advantage (Roig et al., 2006). The service quality is considered important for the company since it has a significantly influence the consumers' purchase intention (Soltani et al., 2016). This supported with (Mehmood & Shafiq, 2015) research, that shows there is a positive relationship between service quality and purchase intention.
H7 = There is a significant influence of service quality on the purchase intention of female local cosmetic users

Brand Familiarity
Brand familiarity can be referred as the number of product and the amount of brand knowledge that consumers slowly gathered through product experience in direct or indirect way and reflect the brand association in the consumers' mind (Lafferty, 2009).. If the consumers have a high level of brand familiarity, it will make them easier to summon up their persuasive knowledge, especially in a situation where it does not match with the existing perception of the consumers (Liu, 2019).This supported with (Sodurlund, 2002) study, if the familiarity of customers towards the product is increases, than the knowledge of the customers towards the products is more likely to increase. Furthermore, there are lots of studies that shows familiarity influences the decision making process of the consumers (Hua & Tho 2017). More detailed, based on the study of (Mieres et al., 2006), familiarity is considered to be the strongest factor to influence the consumers purchase intention.
H8 = There is a significant influence of brand familiarity on the purchase intention of female local cosmetic users

CONCEPTUAL FRAMEWORK

Based on the previous literature review, the conceptual framework is explained in the Figure 1 below:
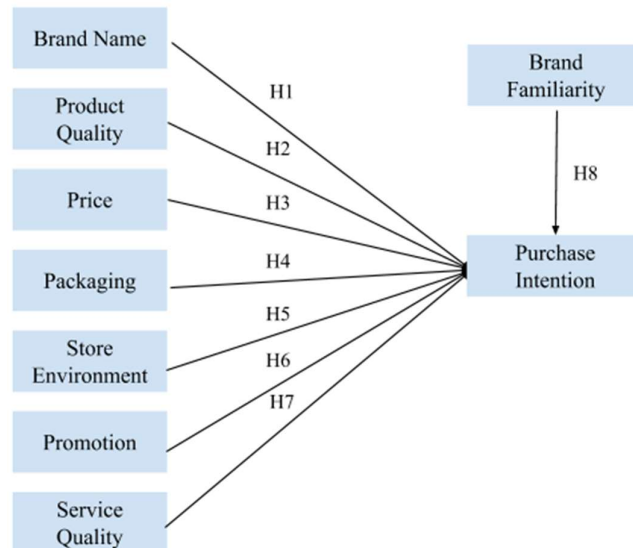

Figure 1. Conceptual Framework

Research Hypothesis

1. H1 = There is a significant influence of brand name on the purchase intention of female local cosmetic users
2. H2 = There is a significant influence of product quality on the purchase intention of female local cosmetic users
3. H3 = There is a significant influence of price on the purchase intention of female local cosmetic users
4. H4 = There is a significant influence of packaging on the purchase intention of female local cosmetic users
5. H5 = There is a significant influence of store environment on the purchase intention of female local cosmetic users
6. H6 = There is a significant influence of promotion on the purchase intention of female local cosmetic users
7. H7 = There is a significant influence of service quality on the purchase intention of female local cosmetic users
8. H8 = There is a significant influence of brand familiarity on the purchase intention of female local cosmetic users

METHODOLOGY

Research Methodology

This research used primary data by collected through online questionnaire using Indonesian and will be distributed to the targeted respondents that qualified the limitation and scope of this research, and the secondary data which gathered through various references such as journals, articles, books, and academic website that related to the research. The distribution of questionnaire is conducted on the early July and went through pilot tested through 100 personal interviewees to check whether the question is understandable and answer the research question before distributed. The questionnaire consists of 4 sections: respondents validation, consumers' demographic, brand familiarity and the purchase intention factors. The research carried out a sample of 988 female local cosmetics users in Jakarta and Bandung in the age of 16-42 years old. There are 978 of usable questionnaires that used in this research.

Contruct with a combination of multiple choice, checkboxes and 7 point of Likert Scale, the questionnaire is developed based on the paper of (Khraim, 2011) for the brand name, product quality, price, promotion, service quality, store environment, packaging, (Hong and Cho, 2011) for the purchase intention, and (Widiawaty, 2015) for the brand familiarity. Moreover, In order to generate the responsible result, the questionnaire must be tested through validity and reliability in the pilot test to see whether the questions have answered the research question, using SmartPLS using SmartPLS to test the validity and reliability through Cronbach's alpha and AVE. The conceptual model is examined and tested through PLS-SEM method for the purchase intention attributes and One-Way Anova for the level of purchase intention differences, and the data analysis will be implemented by SmartPLS and SPSS software.

FINDINGS AND ARGUMENT

The constructs Coronbach's alpha are: brand familiarity:.784, brand name: .693, packaging .832, price: .640, product quality: .740, promotion: .847, service quality: .911, store environment: .747, purchase intention: .761. According to Moss et al., (1998), Cronbach's alpha value above 0.6 is considered acceptable, therefore all factors are passed the reliability test. As well as the AVE, all factors are above 0.5 therefore the data passed the validity test.

Based on the findings, all of the factors besides brand name, packaging and store environment are proven to have significant influence on the purchase intention of female local cosmetics users. The results are shown in the table of hypothesis testing result below:

Table 1Hypothesis Testing Results

Hypothesis	Structural Path	Path Coefficients	T Statistics (|O/STDEV|)	Coefficients of Determination (R2)	Cross Validated Redundancy (Q2)	Result
H1	Brand Name -> Purchase Intention	0.067	1.781	0.27	0.152	Rejected
H2	Product Quality -> Purchase Intention	0.124	3.570			Accepted
H3	Price-> Purchase Intention	0.102	3.036			Accepted
H4	Packaging-> Purchase Intention	0.111	2.916			Accepted
H5	Store Environment-> Purchase Intention	0.003	0.090			Rejected
H6	Promotion-> Purchase Intention	0.129	3.491			Accepted
H7	Service Quality-> Purchase Intention	0.098	2.483			Accepted
H8	Brand Familiarity-> Purchase Intention	0.136	4.218			Accepted

Table 2 ANOVA

ANOVA

PI_AVG

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	10.269	3	3.423	3.827	.010
Within Groups	871.226	974	.894		
Total	881.495	977			

Based on the table 1, product quality, price, packaging, promotion, service quality, and brand familiarity proven have a significant influence towards purchase intention of local cosmetics users, this explained by the t-statistics that has the value of 3.570, 3.036, 2.916, 3.491, 2.483, 4.218 sequentially, that have more than 1.96, which indicated it supported the hypothesis of H2,H3,H4,H6,H7, and H8. This results supports the previous studies conducted by Hanzaee & Andervazh (2012); Janany (2018);Phan & Mai (2016); Arslan (2014); Widiawaty (2015) that found product quality, price, packaging,promotion, service quality, and brand familiarity has significant influence on purchase intention. Contrary, brand name and store environment have no significant influence on purchase intention of local cosmetics users, this explained by the t-statistics that has the value below 1.96 which indicated it not supported the hypothesis of H1 and H5. It is contradictory with Hanzaee & Andervazh (2012) and Vuong & Nguyen (2018) studies that found brand name and store environment has significantly influence on purchase intention. This may be caused by the different scope and object of this research from the previous studies, since this study have conducted in a scope of Jakarta and Bandung and research on Indonesian local cosmetics brand, which generate different answers and perspective from the previous studies. Based on Table 2, the significance is 0.010 < 0.05, which indicate that the significance differences between Wardah, Makeover, BLP, and Rollover Reaction does exist.

CONCLUSION

The main purpose of the research was to investigate the factors that influence the purchase intention towards female local cosmetics users and to investigate the influence of brand familiarity towards the purchase intention of female cosmetics users. Based on the findings, the factors that influence the purchase intention are product quality, price, packaging, promotion, service quality, and brand familiarity, with product quality as a key factor that influence purchase intention. This indicated that local cosmetics users are quality-oriented, they tend to focus on what satisfied them and fulfill their needs. The company's improvement on product quality may bring a high benefit to the company. However, it shows that price has significant influence on purchase intention as well as the product quality and promotion. The consumers think that they still buy the product no matter the amount of price but still considered are the products provides goods value for money (worth to buy) or not. Therefore, the researcher suggested to create the quality of product that align with the price that the company's offer, that makes the consumers satisfied and think it is worth to buy the product. Moreover, since the consumers agreed that the increase of price not hinder them to purchase, it is suggested that the company's focus on the promotional activities that not involve prices such as discounts or price reduction rather to more enhance on the non-price promotion such as giveaway or creating an-appealing advertising to attract the consumers to buy the products. Moreover, since brand familiarity is also has a significant influence on the purchase intention, it is important for the company to create a brand knowledge in the mind of consumers, this can be done by enhancing the promotional activities such as advertising to create the brand familiarity in the consumers' mind. On the other hand, this study indicate that consumers are more focus on its service quality rather than the store environment, therefore, rather focusing on creating the ambience of the store, it is more important to pay attention on the quality of the service that make the consumers feel more comfortable while they do shopping. Therefore, with this research result the company suggested to improve and enhance the factors that proven to influence the purchase intention, so that it will bring beneficial to the company and prevent the brand switching behavior. Moreover, with this research, it could bring an insight on how the company maintain their customers to stay and attract the new customers by enhancing this purchase intention factors.

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