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The Impact of Visual Promotion and Consumers' Perception of Risk toward Consumers' Purchasing Decision in a Skin Care Store in Shopee

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Abstract - **In 2020, almost 74% of Indonesian population have access and use the internet to facilitate online transactions. Online shopping has limitation of low direct interaction between products and potential consumers. This leads to the needs of online retailers to create effective strategies in order to attract consumers to choose their store over the others, including attracting them visually and creating strategies to lower perceived risks. A survey was distributed, resulting 206 responses and the results indicate that visual promotion and consumers' perception of risk (including the impact of giving out consumer money-back guarantees, hassle-free returns, and e-WOM) are positively and significantly affecting online consumers' purchase intention and purchase decision of Indonesian woman with age ranging from 23-65 years old, who have experiences in buying skin care products in online store in Shopee for the last 3 months. This study provides meaningful implications and recommendations for online retailers in the beauty industry to use attractive visual promotion and offer risk reduction strategies to influence customer's purchase intention and purchase decisions as discussed in this study.**

Keywords - **Consumer Behavior, E-Commerce, Perceived Risk, Purchase Decision, Purchase Intention, Visual Promotion.**

I. INTRODUCTION

Background

Online transactions are now common and no longer a rare thing, where advances in internet technology are utilized well. Records by Asosiasi Penyelenggara Jasa Internet Indonesia state, almost 197 million or 74 percent of the Indonesian population have access and used the internet in 2019-2020, which is a potential market and a great opportunity for e-commerce-based companies to develop their businesses in Indonesia [1].

In 2019, Indonesia has the highest rate of e-commerce use of any country in the world, where more Indonesians than ever are shopping online, with 90 percent of all Indonesia's 152 million internet users between the ages of 16 and 64 reported have already experienced in purchasing products and services online before [2]. Statista shows the e-commerce market in Indonesia is poised to grow at a CAGR of 9.3% and will be valued at $16,338 million by 2023, with the prediction that the number of users will continue to grow to 42.1 million in 2021 and increase to 43.89 million in 2022, with the average of online spending go up to 375 million USD [3]. According to the data of Indonesia's top e-commerce players, until July 2020, Indonesian branch Shopee ranked first among the most clicked e-commerce sites in Indonesia, with high in demand and widely downloaded by users on AppStore and PlayStore in e-commerce category (93,440,300 monthly web visits) [4][5]. This shows Indonesian people's enthusiasm in shopping online using Shopee as the top rank of most sought after and most accessed online shopping platform.

Reflecting on the facts in this modern era, women's lifestyle had a lot of changes, including the increased attention of women to the use of beauty and skin health products [6]. Data reinforces the fact that beauty products are one of the best-selling items on the internet and e-commerce, besides fashion, health and herbal products, gadgets, household products, and food, which are becoming trends nowadays, especially in Asia Pacific Region [7]. Statista shows the Beauty & Personal Care market is expected to grow annually by 5.0% (CAGR 2020-2025) [8].

It is inevitable that shopping using online methods limits direct interaction and causes a lack of physical contact between products and potential consumers, affect consumer buying behavior and be a major deterrent to online shopping [9]. In an effort to offer an up-close and realistic experience to online consumers, online websites usually present clear, specific, and real information to convince consumers about the goodness of their product, encourage and exert a positive influence on various aspects of consideration in the purchasing process of consumers. Previous studies show that product's video advertisement has strong power and are very important for more effective selling in e-commerce [10][11]. Providing a close and realistic impression of the tangible and real situation will bring customers closer to direct experiences that can increase their understanding and the clarity of product information [12][13].

Products offered in online stores cannot be fully evaluated by consumers before purchase, making consumers unsure and uncertain about the product and the benefits. To reduce these feelings, it is important for online retailer to offer a policy of having a money-back guarantees, which allow refunds of anything purchased [14]; return policies, which may allow consumers to easily return products for a refund or money-back guarantees claims [15]; and the availability of electronic word-of-mouth (e-WOM) in the form of reviews, testimonials and previous consumer ratings on stores (store's ratings), which are define as major external sources for potential buyers to get desired information before making a purchase or payment.

Previous studies explore factors affecting customer satisfaction and intention to repurchase the products, without first focusing on factors affecting customers intention and decision to choose and make purchase on their store over the other stores [16][17][18]. Considering an ideal situation on online shopping environment, it is critical and important to first knowing how to attract our targeted market to aware and look up to our store, choose our store over the other similar store to have a purchase intention and make a purchase decision, which is then important to be followed by e-retailers' actions to make customer satisfied and have a repurchase intention and decision to the store. This study aims to analyze and identify factors that influence consumers' purchasing decision of skin care products in a skin care store in Shopee, and give suggestions and recommendations to help online retailers find and improve the appropriate marketing strategies to satisfy their potential customers, especially in beauty and skin care industry, by analyzing and examining the impact of customers' purchase intention on their purchase decision; the correlation between visual promotion and consumers' perception of risk toward customers' purchase intention; the impact of customers' preference toward video promotion on visual promotion; and the impact of consumers' money-back guarantees, hassle-free returns, and e-WOM on consumers' perception of risk in online shopping context.

II. LITERATURE REVIEW

Shopee as Online Shopping Platform (E-commerce)

Online shopping is now a trend among Indonesian people. Shopee, which is one of the largest e-commerce companies in Indonesia, continues to enrich its applications to answer these opportunities [3][5]. Shopee takes advantage of existing e-commerce business opportunities by enlivening the mobile marketplace segment through mobile applications and mobile websites to facilitate buying and selling transactions through smart devices or gadgets, where users can easily do buying and selling transactions with just a few clicks in a short time. In addition, since the Southeast Asian region is known to be fond of social media, Shopee has started to incorporate the function of social media into its applications to make it more attractive and easier for users to access.

Beauty and Skin Care Market in Indonesia

According to Statista (2019), skin care market worth US $1.98 billion at the moment and is projected to grow by more than 20% by 2023 [8]. The demand for beauty and personal care products in Indonesia are rising and growing, was valued at US $9,758 million in 2019 and is expected to increase to US $14,716 million by 2027, registering a CAGR of 7.5% from 2021 to 2027, with the major drivers of this growth are hair care products (37%), followed by skin care products (32%), and make-up (10%). In 2020, Statista updated the data of the most popular product categories in online marketplaces in Indonesia as of 2018, with beauty category being ranked in the 3rd position in Shopee online marketplace, with a percentage of 12% [19]. The market demand on beauty and skin care product are predicted to rise each year as Indonesians are becoming increasingly aware of their well-being, where make-up is increasingly becoming part of women's lifestyles and the habit of buying beauty products in any economic condition is growing [20].

Purchase Intention and Purchasing Decision in Online Shopping Environment

Purchase intention is consumer's cognitive plans or behavior that appears and is carried out as a response to an object that indicates an urge or desire for a consumer to make a purchase of a product or service [21]. While, purchase decision made by consumers is the stage where the buyer has made his choice and made a product purchase, along with the payment and process of consuming the product [22]. Schiffman and Kanuk believe that purchase intention provides a measure of the likelihood of customer buying a particular product, and that proved there is a positive correlation between purchase intention and actual purchase [23]. Other research and study also already proven that purchase intention has a positive and significant impact on the purchase decision, where they have proved through different approach in online shopping context (in e-commerce case) and result in data that customer's online purchase intention positively and significantly influences the purchase decision to make an actual-online purchase [24][25][26][27].

Visual Promotion

Visual promotion refers to any marketing communication which may comprise many visible-visual elements, which in this context have purposes to give clear, specific, and real information as a positive influence on various aspects of consideration in the purchasing process of consumer. Nowadays, it is common to have visual promotion in extraordinary forms, such as in the form of 3-D advertisement or product's videos, to make potential buyer easier and more precisely on inspecting and examining the product specification. 3-D advertising can provide a close and realistic impression of the tangible and real situation, able to brought customers closer to direct experiences and increase their understanding of the product, attract consumers' imagination, simulate customers to be better understood the product with virtual presence and virtual experience [13][28]. Li *et al.,* and Flavián *et al.* studied that 3-D advertising is capable to enhance presence to varying degrees, which ultimately influencing the product knowledge, brand attitudes, and purchase intentions of consumer [28][29].

Customers' Preference Toward Video Promotion

Video commerce can be defined as the process of delivering content in the form of video to promote and convey information on commercial products or services on the internet, in order to attract customers and increase sales. Video commerce is the most effective and efficient way to clearly demonstrate a product to potential buyers, the product features, its benefits, how to use it, and further information related. Flavián, Gurrea and Orús in their studies toward e-commerce environment proved the theories supported the positive direct effect of vivid information on influencing consumers [29], how the levels of vividness provided by different interactive presentation techniques affect users' attitudes toward the brand, the website, and the online purchase intentions [13][28][30]. Vivid information will result in the ease of imagining the product and create subjective experience, which can lead consumer to anticipate the satisfaction of having the product, increase the desire of having it, and positively affect customer's attitudes and purchase intention.

Consumers' Perception of Risk

Perceived risk is a fundamental concept in consumer behavior which implies that consumers experience pre-purchase uncertainty regarding the types and degree of losses that may be felt due to the purchase and use of a product [31]. Perceived risk is an important concept that is considered and influenced consumer behavior in online shopping. In online shopping environment, consumers perceive more risks than they had in traditional, brick and mortar store (offline store) [32]. Before deciding to buy, consumers always look for strategies to reduce the risks that may arise to reduce uncertainty and prevent the bad results they might experience [33][34]. Facilitating consumers with factors that can reduce the perceived risk may affect the purchasing decision making process, in which things such as offering money-back guarantees; hassle-free returns policies; and facilitating reviews, testimonials, and stores' ratings, may help consumers reducing perceived risk and increase product certainty at the pre-purchase stage, which will also increase consumer intention to purchase product offered [34].

Consumers' Money-Back Guarantees (CMBGs)

In shopping online on the internet, customers cannot touch or feel a product before they purchase it online. When consumers are unsure about the benefits they will get from a product, they are less willing to purchase it than they would be if they can be assured that the product will meet their needs. Even more, Davis *et al.* in their studies argues that consumers can buy products that already performs effectively and properly, like what it should be, but does not match consumers' taste and expectations [14]. Usually, seller offered money-back guarantees, a policy in which the retailer or seller publicly agrees to refund the full purchase price to a customer for any reason, even if the product adequately fulfills its implicit or explicit performance claims, in order to reduce risk of purchasing products with unsatisfactory performance, personal misfit, or negative social feedback. Other research examined factors formed by perceived risks in online shopping and determine whether the risk reduction strategies (advertisements, word of mouth, brand, store loyalty, the relation between price and quality, and 100% money back satisfaction guarantee) encourage consumers' purchase intention in an online store [34][35]. The studies resulted in significant result that the money-back guarantees as effective risk reduction strategies is needed the most to affect online consumers' purchase intention.

Hassle-Free Returns

In order to eliminate consumer concerns on risks on consuming goods purchased online, some sellers offer "return of goods without reasons" policies. The return policy can reduce the economic and product risks that consumers feel in the online shopping process. Poel and Leunis confirm that the return policy can reduce consumer perceived economic and product risk in the process of shopping online (as non-store retailing entail a higher perceived risk than traditional type of store) [36]. If the consumers are not satisfied with the product, the consumer can easily return the product based on a return policy with certain limitations, with the hope of reducing consumer concerns and consideration before shopping. Besides, some researchers in their research on identifying the factors that influence consumer purchasing decisions through e-commerce examine effect of return policies on consumers' online purchasing decision [35][37][38], and found out that there is strong causal relationship between the availability of return policy and its management with the consumers' online purchasing decision, showing that return policy, which will increase customers feelings of being safe and trust sellers while buying products online (since they are promised with ease of return of goods and avoidance of possible post-purchase regret), perceived risk, and more confidence toward the brands, is factor that strongly affect consumers purchase decision in e-commerce environment.

E-WOM: Online Consumer Reviews, Testimonials, and Ratings

In an online environment, consumers can only obtain information by browsing large amounts of information through new online search engines, different devices, and new-specific strategies to obtain the appropriate information as needed to make purchasing decisions. In the process of searching for information, online ratings and reviews have become trusted sources to examine and evaluate products offered in online platform when making online purchase decisions [39]. Electronic word-of-mouth (e-WOM) refers to any attempt made by former, potential, or actual customers of a brand or product to convey and highlight the positive or negative attributes a product or brand had through online media platforms [40]. Kamtarin in his research determined that online consumer purchase intentions and decisions are significantly influenced by perceived value, trust, and e-WOM [41]. Further, Ventre and Kolbe analyze the relationships of perceived usefulness of online reviews and trust; trust and perceived risk; and perceived usefulness of online reviews, trust, and perceived risk as possible factors that influence online purchase intention, proved that the trust created through

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online reviews helps reducing the perceived risk in e-commerce [42].
According to previous studies that have discovered relationship between some variables tested in this study, thus the framework model was developed and conceptualized in a conceptual framework as shown below on Figure 1.

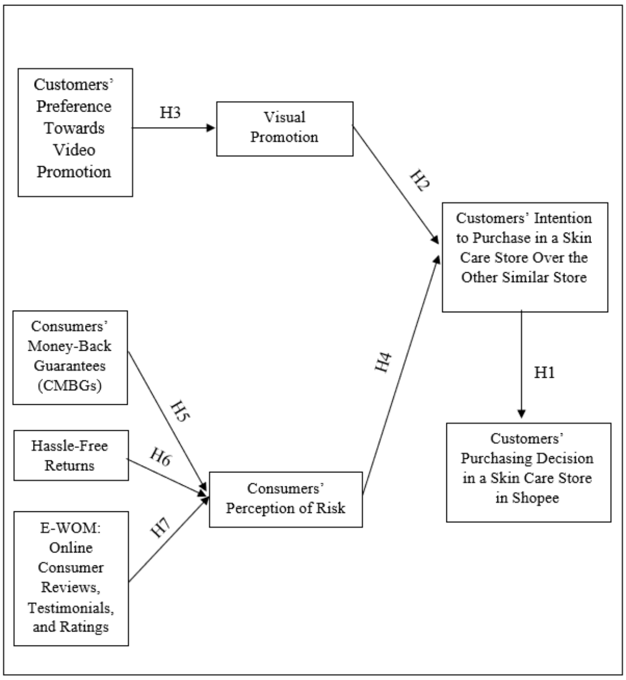

Fig. 1. Conceptual Framework

According to the structured model above, this study will test 7 hypotheses:

H1: There is a significant correlation between customers' purchase intention and customers' purchasing decision to buy product in a skin care store in Shopee as online shopping platform.

H2: There is a significant correlation between visual promotions and customers' intention to purchase in an online skin care store over the other similar store.

H3: There is a significant correlation between customers' preference towards video promotion and visual promotion.

H4: There is a significant correlation between the reduction of consumer's perceived risk and customers' intention to purchase in a skin care store over the other similar store.

H5: There is a significant correlation between the impact of giving out consumer money-back guarantees (CMBGs) and the reduction of consumer's perceived risk in online shopping context.

H6: There is a significant correlation between the impact of giving out hassle-free returns and the reduction of consumer's perceived risk in online shopping context.

H7: There is a significant correlation between the availability of e-WOM (online consumer reviews, testimonials, and ratings) and the reduction of consumer's perceived risk in online shopping context.

III. METHODOLOGY

Research Approach

This study uses a quantitative approach. A quantitative approach will be conducted to analyze hypotheses, test the variables, and answer research questions by gathering numerical data, then apply the mathematical model and statistical technique for the data analysis [43][44]. The research process will consist of several steps, as mentioned on Figure 2 below.

Fig. 2. Research Design Flowchart

In collecting the data and information needed, a survey method is conducted in the form of a structured questionnaire to a sample of the targeted population. This research uses dependent variable in the form of customers' purchasing intention and customers' purchasing decisions, and independent variables in the form of visual promotion and consumers' perception of risks, with the indicator using customers' preference towards video promotion, money-back guarantees, hassle-free returns, and e-WOM.

Sample and Sampling Techniques

According to Siti Rabiah (2019), in this modern era, women's lifestyle had a lot of changes, including the increased attention of women to the use of beauty and skin health products. Based on the survey done by ZAP Beauty Index (2020), 45.4% of women in Indonesia already used skin care products, regardless of their age, includes Generation X (aged 45 to 65 years old), Generation Y (ages 23 to 44 years old), or Generation Z (ages 13 to 22 years old). In reality, Generation Z occupies the highest position, while in fact, generation Z is a generation that does not have a steady income yet, is still easy to change their mind to something more interesting and attractive to them, and still often behaves "always want to try something new and explore everything", including some new brands that have never been tried (is an adventurous shopper).
To get the data more valid and accurate, this research is conducted through exploring the population of all women in Indonesia, ages ranging between 23-65 years old (generation X and generation Y) that are actively using e-commerce as an online shopping platform and experienced in buying skin care products in at least one skin care store in Shopee for the last 3 months. The respondents will be asked several questions as indicators that show the effects of visual promotion, customers' preference towards video promotion, perception of risk, money-back guarantee, hassle-free returns, and e-WOM on their purchase intention

and purchase decisions at a skin care store on the online shopping platform, Shopee. The respondents can provide information about their experience, perception, and behavior towards questions that will be asked to provide insights into this research. According to "10-times rule" by Hair [45] and theory by Malhotra *et al.* [44], this study successfully collected 206 samples from the targeted respondents of Indonesian women.

Data Analysis

After collecting the data using the quantitative method, the generated hypothesis will be analyzed and tested using the PLS-SEM method by the SMART PLS application. Instead of CB-SEM, this study uses PLS-SEM to assess and analyze the relationship of visual promotion and customers' perception of risks toward customers' purchasing decisions in e-commerce, since it is an exploratory research and there is no previous existing model. The analysis will be done through some required assessments, which includes a reliability test to make sure the consistency of the tested variables [46]; validity test to explore how well the concept of the study is defined and whether the respondents' result is acceptable or not [44][46]; collinearity test to avoid any potential collinearity problems on the research [47]; bootstrapping procedure to test the significance of the structural path model [47]; coefficient of determination (R^2) and stone-geisser (Q^2) test to measure the proportion of the dependent variable variance over its mean that will be explained by the independent variables [46][47]; Cohen's F square (f^2) effect size to decide the significant relationship between the latent variables observed [46]; and testing the total indirect and total effect of independent, dependent, and mediating variables [47].

IV. RESULTS

The constructed model of this study consists of 8 variables (visual promotion, customers' preference towards video promotion, consumers' perception of risk, consumers' money-back guarantees, hassle-free returns, e-WOM, customers' intention to purchase, and customers' purchasing decision), connected by 7 paths. In the process of analyzing and identifying the relationship model of the tested variables, Partial Least Square is used in this research and the analysis results from 206 respondents of Indonesian women are as follows.

Reliability Test

The original result of data analysis indicates that all of the indicators identified to be reliable, since all of the indicators show the acceptable score of outer loadings, greater than 0.4 with the fulfillment on the convergence criteria [47][48]. However, the author decided to remove indicators VP2, VP3, VP4 from visual promotion variable to increase its AVE to be significantly accepted.

Besides, the author also did the internal consistency reliability test, which is measured with the composite reliability value. For exploratory research, the preferred score of composite reliability of each variable is 0.6 or higher [49]. Based on Table 1, the composite reliability values of all variables are inferred to be reliable. After all variables are tested to be reliable, the analysis can be further executed to the next steps.

TABLE 1. INTERNAL CONSISTENCY RELIABILITY RESULT

Variables	Composite Reliability	Reliability
Visual Promotion	0.806	Reliable
Customers' Preference Towards Video Promotion	0.936	Reliable
Consumers' Perception of Risk	0.841	Reliable
Consumers' Money-Back Guarantees (CMBGs)	0.883	Reliable
Hassle-Free Returns	0.924	Reliable
E-WOM: Online Consumer Reviews, Testimonials, and Ratings	0.896	Reliable
Customers' Intention to Purchase	0.822	Reliable
Customers' Purchasing Decision	0.858	Reliable

Validity Test

The next step to evaluate is the validity test. Validity test is used to know how well the concept of the study is define correctly by the measure, to assess and determine whether the responses are appropriate for the study and whether the respondents' result is acceptable or not [44][46].

TABLE 2. CONVERGENT VALIDITY RESULT

Variables	Average Variance Extracted (AVE)	Validity
Visual Promotion	0.511	Valid
Customers' Preference Towards Video Promotion	0.710	Valid
Consumers' Perception of Risk	0.517	Valid
Consumers' Money-Back Guarantees (CMBGs)	0.654	Valid
Hassle-Free Returns	0.635	Valid
E-WOM: Online Consumer Reviews, Testimonials, and Ratings	0.591	Valid
Customers' Intention to Purchase	0.536	Valid
Customers' Purchasing Decision	0.602	Valid

In assessing the convergent validity, the Average Variance Extracted (AVE) should be at least 0.5 or higher [44]. Based on the AVE calculation result shown in Table 2, all of the related variable's AVE values are identified to be valid.

Besides, the discriminant validity also executed as other method by using the AVE value. All the latent variable are considered to be valid, as shown by the latent variables in row and column (or the value on the diagonal side that is highlighted with bold writing) on Table 3, since all the related variables AVE's square root values are greater than its correlation values with any other latent variables (shown by the Fornell-Larcker Criterion) [50].

TABLE 3. DISCRIMINANT VALIDITY RESULT

	CITP	CMBG	CPD	CPOR	E-WOM	HFR	CPTVP	VP
Customers' Intention to Purchase	**0.732**							
Consumers' Money-Back Guarantees (CMBGs)	0.489	**0.809**						
Customers' Purchasing Decision	0.673	0.493	**0.776**					
Consumers' Perception of Risk	0.562	0.611	0.567	**0.719**				
E-WOM: Online Consumer Reviews, Testimonials, and Ratings	0.584	0.465	0.650	0.501	**0.769**			
Hassle-Free Returns	0.573	0.725	0.616	0.640	0.564	**0.797**		
Customers' Preference Towards Video Promotion	0.391	0.412	0.334	0.386	0.256	0.398	**0.842**	
Visual Promotion	0.495	0.480	0.454	0.487	0.401	0.478	0.550	**0.715**

Collinearity Test

Collinearity test is performed to check whether there are potential collinearity issues or not on the research, assessed from the Variance Inflation Factor (VIF) value. All the outer indicators in this study fulfil the preferred value and show the VIF value lower than 5, which indicates that there are no multicollinearity problems/issues on the research [47].

Structural Path Significance

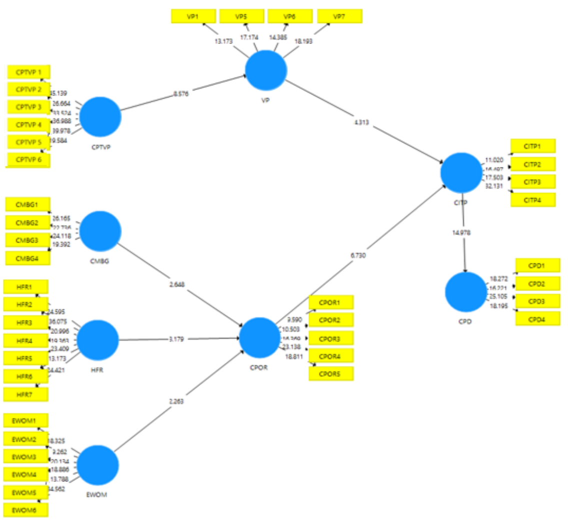

Fig. 3. Bootstrapping Result

Bootstrapping method is performed to show the significance level of the hypothesis test between each variable tested in the study, in order to determine whether the hypothesis is accepted or rejected. The path coefficient will consider as significant if the value of T-statistics is greater than 1.96 by using a two-tailed t-test with 5% significance level (0.05) [47].

From Fig. 3, it can be concluded that all path coefficients of the inner and outer model are significant. The "Visual Promotion □ Customers' Intention to Purchase" T-statistics value is 4.313. The "Customers' Preference Towards Video Promotion □ Visual Promotion" T-statistics value is 8.576. The "Consumers' Perception of Risk □ Customers' Intention to Purchase" T-statistics value is 6.730. The "Consumers' Money-Back Guarantees □ Consumers' Perception of Risk" T-statistics value is 2.648. The "E-WOM □ Consumers' Perception of Risk" T-statistics value is 2.263. The "Hassle-Free Returns □ Consumers' Perception of Risk" T-statistics value is 3.179. The "Customers' Intention to Purchase □ Customers' Purchasing Decision" T-statistics value is 14.978.

Besides, the result of R^2 (Coefficients of Determination) and Q^2 (Cross-validated Redundancy) test in this research model result in a GoF (Goodness of Fit) value of 0.133, means that this model has low capability to describe and explain empirical data, but still considered that the model formed are valid.

Hypothesis Testing

TABLE 4. HYPOTHESIS TESTING RESULT

Hypothesis	Structural Path	T-Values	P Value	Result
H1	Customers' Intention to Purchase -> Customers' Purchasing Decision	14.978	0.000	Accepted
H2	Visual Promotion -> Customers' Intention to Purchase	4.313	0.000	Accepted
H3	Customers' Preference Towards Video Promotion -> Visual Promotion	8.576	0.000	Accepted
H4	Consumers' Perception of Risk -> Customers' Intention to Purchase	6.730	0.000	Accepted
H5	Consumers' Money-Back Guarantees -> Consumers' Perception of Risk	2.648	0.008	Accepted
H6	Hassle-Free Returns -> Consumers' Perception of Risk	3.179	0.002	Accepted
H7	E-WOM -> Consumers' Perception of Risk	2.263	0.024	Accepted

Based on the results of Table 4, it is known that the hypothesis will be accepted if the t-value of the hypothesis show value greater than 1.96 and the P value lower than the significance level of 5% (0.05). Hypothesis 1 (H1) is accepted and confirms that there is a significant correlation between customers' purchase intention and customers' purchasing decision in online shopping context. Hypothesis 2 (H2) is accepted and concludes that there is a significant correlation between visual promotions and customers' intention to purchase in online shopping environment. Hypothesis 3 (H3) is accepted and shows a positive and significant correlation between customers' preference towards video promotion and visual promotion, which indirectly influence consumers' purchase behavior in online shopping context.

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Hypothesis 4 (H4) is accepted and clarifies that consumers' perception of risk is significantly correlated to customers' intention to purchase in a skin care store over the other similar store. The next hypothesis, H5 is accepted and indicates that there is a significant correlation between the impact of giving out consumer money-back guarantees and consumers' perception of risk in online shopping context. Hypothesis 6 (H6) is accepted and confirms that there is a significant correlation between the impact of giving out hassle-free returns and consumers' perception of risk in online shopping context. Lastly, hypothesis 7 (H7) is accepted and proves a significant correlation between the impact of e-WOM (online consumer reviews, testimonials, and ratings) and consumers' perception of risk in online shopping context.

F Square (f^2) Effect Size

TABLE 5. F^2 EFFECT SIZE RESULT

	CITP	CMBG	CPD	CPOR	E-WOM	HFR	CPTVP	VP
Customers' Intention to Purchase			0.827					
Consumers' Money-Back Guarantees (CMBGs)				0.075				
Customers' Purchasing Decision								
Consumers' Perception of Risk	0.217							
E-WOM				0.042				
Hassle-Free Returns				0.085				
Customers' Preference Towards Video Promotion								0.433
Visual Promotion	0.104							

Cohen's F square (f^2) effect size is used to assess and evaluate the relationship between each latent variables observed, the strengths of the effects between them, the intensity of the relationship among the latent variables, and to find more in-depth understanding [47]. From the f^2 result shown on Table 5, can be concluded that consumers' money-back guarantees - consumers' perception of risk, hassle-free returns - consumers' perception of risk, and e-WOM - consumers' perception of risk have a small/weak effect size. While, consumers' perception of risk - customers' intention to purchase, and visual promotion - customers' intention to purchase have a medium/moderate effect size. Lastly, customers' preference towards video promotion - visual promotion, and customers' intention to purchase - customers' purchasing decision have a high/strong effect size.

Total Indirect and Total Effect

Total indirect is used as the indicator to measure the percentage of indirect effects given by the independent variables on the dependent variables through the mediating variables. While, the total effect represents the percentage of each independent variable effect on the dependent variable, directly and indirectly [47]. The result analysis shows almost all variables has medium to high direct effect on the other related-tested variables. While, the indirect effect on each variable tested shows low score (all indirect effect between variables tested has value <0.25). The detail of the total effect result shown on Table 6 below.

TABLE 6. TOTAL EFFECT RESULT

	Effect's Value
Direct Effects	
Customers' Preference Towards Video Promotion -> Visual Promotion	0.550
Consumers' Money-Back Guarantees -> Consumers' Perception of Risk	0.288
Hassle-Free Returns -> Consumers' Perception of Risk	0.328
E-WOM -> Consumers' Perception of Risk	0.182
Visual Promotion -> Customers' Intention to Purchase	0.289
Consumers' Perception of Risk -> Customers' Intention to Purchase	0.422
Customers' Intention to Purchase -> Customers' Purchasing Decision	0.674
Indirect Effects	
Consumers' Money-Back Guarantees -> Customers' Intention to Purchase	0.121
E-WOM -> Customers' Intention to Purchase	0.077
Hassle-Free Returns -> Customers' Intention to Purchase	0.139
Customers' Preference Towards Video Promotion -> Customers' Intention to Purchase	0.159
Consumers' Money-Back Guarantees -> Customers' Purchasing Decision	0.082
E-WOM -> Customers' Purchasing Decision	0.052
Hassle-Free Returns -> Customers' Purchasing Decision	0.093
Customers' Preference Towards Video Promotion -> Customers' Purchasing Decision	0.107
Consumers' Perception of Risk -> Customers' Purchasing Decision	0.284
Visual Promotion -> Customers' Purchasing Decision	0.195

V. DISCUSSION

The result of this study indicates a significant correlation between customers' purchase intention and customers' purchasing decision to buy product in online skin care store. It strengthens statements that a higher level of customers' intention to purchase, especially from an online shopping context, may result in a higher possibilities of actual purchase decisions [24]. In online shopping context, many things are being considered may create changes in customers' choices, preferences, and buying behavior [27][51]. Respondents in this research are found to be agreed that the higher customers' intention to purchase, the higher their purchase decision of skin care products in online shopping context will be.

Visual promotions are found to have a positive and significant correlation with customers' intention to purchase in a skin care store over the other store which offer the relative-similar products. The result is aligned with previous findings, which stated that the ability of creating an easy, engaging, and compelling online-virtual experiences through visual promotion will increase consumers' attitude and purchase intention toward the product [29][52]. It is also confirmed by the respondents' responses that visual promotion affected their intention to purchase skin care products in a specific skin care store, where the more visual promotions available on the store's landing page, the more people interested and willing to see and explore the store furthermore.

Customers' preference towards video promotion indicated to have a significant correlation with visual promotion. In line with previous findings, the presence of an online product presentation video is found to have a positive effect on consumers' ease of imagining the product and consumers' purchase intention toward the product [29]. The more the use of video promotion, the higher values for product knowledge will be conveyed, the more favorable the brand attitudes will be, and the more customers likely to purchase the product (creates purchase intention).

Potential risks that are perceived by consumers while shopping skin care products in online are found to have significant impact on their purchase intention. Perceived risks correlate negatively toward customers' future intentions to purchase online, with condition that the less perceived risk existing in the online shopping condition, the more customers have intention to purchase products online, and vice versa [53]. Respondents in this research agree that the availability of risk reduction strategies offered by an online store will positively and significantly impacting their purchase intentions in online shopping context.

Consumer money-back guarantees (CMBGs) is found to have positive and significant correlation with consumers' perception of risk. This result support findings that consumer money-back guarantee is one of the risk reduction strategies which have a positive impact on purchase intentions [34]. Presenting the fact that consumers perceive more risks in online shops rather than in a traditional retail environment, it is proven that cash back guarantees are factors that relatively has strong impact to consumers' perception of risk in online shopping context and indirectly affect consumers purchase decision [35].

Besides CMBGs, hassle-free returns also found as one of the risk reduction strategies that are positively and significantly affecting consumers' perception of risk. The availability of strategies that minimize the return policy risk (by laying down clear policy and procedures) are found to positively and significantly reduce perceived risk on consumer behavior of online shoppers [38]. Survey on this study find high respondents' congruency, showing that the more availability of strategy that can reduce return policy risk in an online store, the lower the consumers will perceive risks on shopping skin care products online.

As shopping online limit direct interaction between potential consumers and the products, consumers need higher effort to gain as much information needed as possible. One of the most important things to collect external information is by take advantages from e-WOM (online consumer reviews, testimonials, and ratings). This study discussed the relationship between the impact of e-WOM on consumers' perception of risk and prove a positive and significant result. There are positive relationships between perceived usefulness of online reviews (which will build trust) with consumers perceived risk, as one of possible factors that influence online purchase intention [42]. The more reliable and trusted the online recommendation are, the more significant effect it has on consumers' perception of risk, which will lead to effect on customers' intention to purchase. When risks are perceived to be high (as in the case of e-commerce and online shopping), the social-online recommendation may help customers to lower their perception toward risk.

VI. CONCLUSION

This research has objective to analyze and identify the factors that influence consumers' purchasing decision of skin care products in a skin care store in Shopee as online shopping platform, and to give suggestions of what kind of recommendations that can be implemented by the online retailers in beauty and skin care industry to create and do appropriate marketing strategies to attract and satisfy their potential customers.

Based on the result of PLS-SEM analysis, consumers' purchasing decision in beauty and skin care industry is influenced by (1) visual promotion, which is proven to be preferred on video promotion; (2) consumers' perception of risk, which can be indicated by the availability of consumer money-back guarantees policies, clear return policies and return management, and the availability of e-WOM (reviews, testimonials and store's ratings); and (3) customers intention to purchase products online.

According to the result analysis of data from the quantitative approach and the evaluation of factors that influence consumers' purchasing decision of skin care products in Shopee (see Table 6), we can conclude that customers' preferences toward video promotion are strongly affect visual promotion, with 55% effect, which define that it's a good strategy for online retailers to attract their targeted consumer using visual promotion by providing attractive product's video promotion. While, in online perceived risk context, hassle-free return variable is tested to have highest effect toward customer's perception of risk as compared to the other tested variables, with 32.8% effect, followed by money-back guarantees variable as second variable which give 28.8% effect on customer's perception of risk, and lastly, e-WOM variable which give 18.2% effect on customer's perception of risk.

It is also confirmed that consumers' perception of risk is the factor which affects online customers' purchase intention the highest, with the effect of 42.2%. While, visual promotion is also affected customers' intention to purchase in online shopping context, with 28.9% effect indicated. As it is confirmed that customers' purchasing decision are 67.4% effected by their purchase intention, it is important for online retailers to pay attention on factors that affect customers' purchase intention, which in this study is found to be highly affected by the availability of risk-reduction strategies, and followed by the product's visual promotion.

In conclusion, as suggestions and recommendations, providing potential online buyers with clear, specific, and real information can offer an up-close and realistic experience, which will result in the increase of users' brand attitudes and purchase intentions. This strategy can be realized by attracting human sensory of sight and hearing through attractive visual promotion, which in this case is founded to effectively preferred by showing product's video promotions. This will provide a close and realistic impression of the tangible and real situation, bring customers closer to direct experiences and great consumers' imagination toward the product. Besides, online retailers also need to implement strategy that can convince consumers about the product's benefits and create a feeling of being safe, which in this case by having clear policies of hassle-free return, money-back guarantees, and the availability of online customer reviews, testimonials, and stores' rating (e-WOM). Those effective risk reduction strategies will give great and important role in affecting online consumers' purchase intention and purchase decision, especially in beauty and skin care market.

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