

The Effect of Promotion, Price and Product Quality on Wardah Skincare Purchasing Decisions

Promotion, Price and
Product Quality

Jovita Sekar Arum

Faculty of Economics and Business, Universitas Muhammadiyah Surakarta, Indonesia
E-Mail: b100200638@student.ums.ac.id

451

Nur Achmad

Faculty of Economics and Business, Universitas Muhammadiyah Surakarta, Indonesia
E-Mail: nur.achmad@ums.ac.id

Submitted:
1 FEBRUARY 2024

Accepted:
25 MARET 2024

ABSTRACT

The Indonesian beauty industry has experienced very rapid development in recent years. This can be seen from the increasing number of local and international beauty brands offering various facial skin care products and services. The aim of this research is to find out whether there is an influence of promotion, price and purchasing decisions on facial skin care products which is moderated by brand image. This research method uses a quantitative type of research with the aim of collecting and analyzing numerical data to answer questions. Primary data was collected through distributing questionnaires online. The population used in this research were FEB UMS students. The sample in this study were Feb UMS students who had used Wardah brand skincare products 1-2 times or >2 times. To determine the research sample size, the researcher measured the size of the sample that would be researched. Referring to Hair's opinion, namely, the number of indicators $\times 5$. In this study the number of indicator questions was 21 items, so 21 indicators $\times 5$, namely 105 respondents. This research uses Structural Equation Model (SEM) analysis techniques with Partial Least Square (PLS), a smart PLS software tool to analyze and process data. From the research results, it was found that promotions and prices do not have a significant influence on purchasing decisions. Product quality has an influence on purchasing decisions. Brand image has a positive and significant influence on purchasing decisions. And brand image is able to mediate the variables of promotion, price and product quality on Wardah skincare purchasing decisions.

Keywords: Promotion, Price, Product Quality, Brand Image, Purchase decision

ABSTRAK

Industri kecantikan Indonesia mengalami perkembangan yang sangat pesat dalam beberapa tahun terakhir. Hal ini terlihat dari semakin banyaknya brand kecantikan lokal maupun internasional yang menawarkan berbagai produk dan layanan perawatan kulit wajah. Tujuan dari penelitian ini untuk mengetahui apakah ada pengaruh promosi, harga dan keputusan pembelian produk perawatan kulit wajah yang dimoderasi oleh brand image. Metode penelitian ini menggunakan jenis penelitian kuantitatif dengan tujuan mengumpulkan dan menganalisis data numerik untuk menjawab pertanyaan. Pengumpulan data primer didapat melalui sebaran questioner secara online. Populasi yang digunakan dalam penelitian ini adalah mahasiswa FEB UMS. Sampel pada penelitian ini ialah mahasiswa Feb UMS yang pernah menggunakan produk skincare bermerek wardah sebanyak 1-2 kali atau >2 kali. Untuk menentukan ukuran sampel penelitian, peneliti mengukur besaran sampel yang akan diteliti merujuk pada pendapat Hair yaitu, jumlah indikator $\times 5$. Dalam penelitian ini jumlah indikator pertanyaan sebanyak 21 item, jadi 21 indikator $\times 5$ yaitu 105 responden. Penelitian ini menggunakan teknik analisis Structural Equation Model (SEM) dengan Partial Least Square (PLS) alat bantu software smart PLS untuk menganalisis dan pengolahan data. Dari hasil penelitian didapat bahwa promosi dan harga tidak memiliki pengaruh secara signifikan pada keputusan pembelian. Kualitas produk memiliki pengaruh pada keputusan pembelian. Brand image berpengaruh secara positif dan signifikan

JIMKES

Jurnal Ilmiah Manajemen
Kesatuan
Vol. 12 No. 02, 2023
pp. 451-458
STIE Kesatuan
ISSN 2337 – 7860
E-ISSN 2721 – 169X
DOI: 10.37641/jimkes.v12i2.2516

Kata kunci: Promosi, Harga, Kualitas Produk, Brand Image, Keputusan Pembelian

INTRODUCTION

The Indonesian beauty industry has experienced very rapid development in recent years. This can be seen from the increasing number of local and international beauty brands offering various facial skin care products and services. Indonesian people consider beauty care to be important for maintaining appearance and health. This causes high market demand and tight competition in the beauty industry (Konstantopoulou et al., 2019, Rahmawati et al., 2022). According to data from the Central Statistics Agency (*Badan Pusat Statistik/BPS*), the chemical, pharmaceutical, medicine and beauty industries experienced an increase of 9.61% in 2021 due to the Covid-19 pandemic. National Agency of Drug and Food Control (*Badan Pengawas Obat dan Makanan BPOM_RI*) in 2020-2022 has noted that there was an increase of 20.6% in companies in the beauty sector. This is what causes intense competition in the beauty industry, especially skincare (Sabita & Mardalis, 2023). The local beauty brand is Wardah, one of the beauty brands. This brand was founded in 1995 and focuses on halal and environmentally friendly beauty products. Wardah offers a variety of beauty products, including skincare, makeup and body care products, and has become one of the leading beauty brands and is trusted by the Indonesian people. The Wardah brand carries out promotions through various media, such as television advertisements and social media such as Instagram and Tiktok (Isyanto et al., 2020).

Promotions can increase brand perception and encourage customers to choose Wardah skincare products, which can result in increased product sales. However, keep in mind that effective promotion via social media requires a strategy that is continuously updated and developed according to market changes and trends. According to Naszariah et al. (2021), promotion is communication between marketers and consumers to change the attitudes of customers who previously did not know about the product and inform them about the product so they become customers. Belanche et al. (2021); Indriana et al. (2022) states that brand image is customers' beliefs about the brand that appears in their minds. Building a strong brand image can provide huge benefits, including a competitive advantage. Data from Wardah explains that Wardah skincare is ranked 5th out of the top 10 local Indonesian skincare brands. A strong brand image can increase sales prices and company profits. Compared to other customers, consumers who trust a brand and have a positive relationship with it are more likely to pay a high price for that brand (BİLGİN, 2018; Casidy, 2019). Kotler (2012), price is the amount of money that customers must pay for the services or goods they want. Comparison of the prices of Wardah skincare products with Y.O.U skincare. These two brands have essence with the same function and content. Y.O.U radiance is priced at IDR 139,000 and Wardah white secret is priced at IDR 125,000. Thus, it can be said that Wardah offers cheap prices for people and students who want to care for their skin with quality beauty products.

There is no doubt about the quality of Wardah products because this brand prioritizes the use of safe and halal ingredients in making its beauty products. Apart from that, Wardah also ensures that its products are produced with strict safety and quality standards to ensure the products produced are safe and of high quality. By using safe and halal ingredients, Wardah not only maintains the quality of its products but also provides trust and comfort for consumers. This is one of the reasons why Wardah is one of the skincare brands trusted by many consumers in Indonesia. Consumers make decisions to purchase products by considering internal and external factors, including promotions, price and product quality (Dmitrijeva et al., 2020; Eka Dinisari Hafat et al., 2022). The aim of this research is to analyze the influence of promotion, price and product quality on purchasing decisions for Wardah skincare products with brand image as an intervening variable.

METHOD

This research method uses a type of quantitative research with the aim of collecting and analyzing numerical data to answer questions. This research uses a questionnaire survey distributed online, for measurement using each question using a Linkert scale (Sekaran & Bougie, 2016; Ball, 2019). The population of this study are people who have used Wardah skincare products and the samples are FEB students at the Muhammadiyah University of Surakarta class of 2020 and 2021 who have used Wardah brand facial skincare products 1-2 times or >2 times. To determine the size of the research sample. The researcher refers to Hair's opinion, namely the number of indicators x 5. In this study the number of question indicators was 21 items, so 21 indicators x 5, namely 105 respondents. The sampling technique used is non-probability as a sampling method, which does not guarantee equality of opportunity in each population (Pace, 2021). In this study variables were measured using five Linkert scales. Data processing and analysis was carried out using the Smart Partial Least Square Structural Equation Model (PLS-SEM) tool. To find out how the variables in a complex model interact with each other, this statistical technique is used.

RESULT

The outer model values obtained by all variable instruments have values above >0.70 so that all instruments are said to be valid and valid. To determine the validity of variables, the Average Variance Extracted (AVE) value test can be carried out. The AVE test results can be seen in Table 2. Cronbach's alpha is a useful measurement to prove composite reliability results. With a minimum value of 0.6. Meanwhile, Composite Reliability has the benefit of knowing the reliability value of the instrument in the research model being tested.

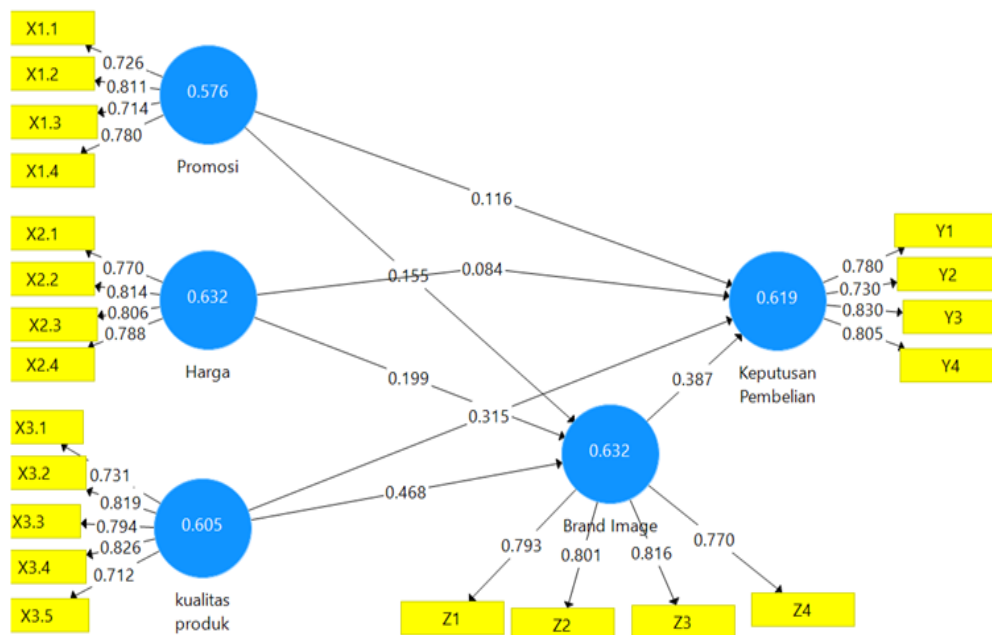


Figure 1. Outer Model

Table 1. Convergent Validity Results

Variable	Indicator	Outer Loadings
Promotion (X1)	X1.1	0.726
	X1.2	0.811
	X1.3	0.714
	X1.4	0.780
Price (X2)	X2.1	0.770
	X2.2	0.814
	X2.3	0.806
	X2.4	0.788
Product Quality (X3)	X3.1	0.731
	X3.2	0.819
	X3.3	0.794
	X3.4	0.826
	X3.5	0.712
Brand Image (Z)	Z.1	0.793
	Z.2	0.801
	Z.3	0.816
	Z.4	0.770
Buying decision (Y)	Y.1	0.780
	Y.2	0.730
	Y.3	0.830
	Y.4	0.805

The variables in this study have an AVE value > 0.5. So, it can be concluded that the validity requirements are met by all variables. From the test results in table 2, it can be seen that the Promotion variable has a Cronbac's alpha result of 0.754, Price has a value of 0.806, Product Quality has a value of 0.806, Brand Image has a value of 0.806, and Purchase Decision. has a result of 0.835. From the presentation of the results of the Cronbac's Alpha test, it shows that the value of all variables is >0.6 so that all indicators are considered quite good. Meanwhile, the composite reliability value of all variable instruments is considered reliable because it has a value of more than 0.7. From testing using smart PLS, a Q²₁ value was obtained with a result of 34.2% and a Q²₂ result with a result of 36.8%. It can be concluded that the level of diversity produced by the independent variable relative to the dependent variable can be categorized as fit because the Q² test value is more than 0.

Table 2. Validity and Reliability Test

Variable	AVE	Cronbach Alpha	Composit reliability	Q-square
Promotion (X1)	0.576	0.754	0.844	
Price (X2)	0.632	0.806	0.873	
Product Quality (X3)	0.605	0.835	0.884	
Brand Image (Z)	0.632	0.806	0.873	0.342
Buying Decision (Y)	0.619	0.835	0.867	0.368

Discriminant validity in this research uses the Fornell-Larcker criterion, where this test is carried out to measure the comparison between square roots of AVE values associated with variables. So, the value of the square root must be greater than the correlation value. Smart-PLS multicollinearity testing using the Variance Inflation Factor (VIF) method. Where the VIF value is <5, it shows that the resulting value does not experience multicol symptoms. The following are the results of the VIF test in this study. The results on brand image to purchasing decisions is 2.244. The price on purchasing decisions is 2.553 and the price on brand image is 2.464. Promotion of brand image was 1.854 and promotion of purchasing decisions was 1.908. Product quality on brand image is 2.558 and product quality on purchasing decisions is 3.049.

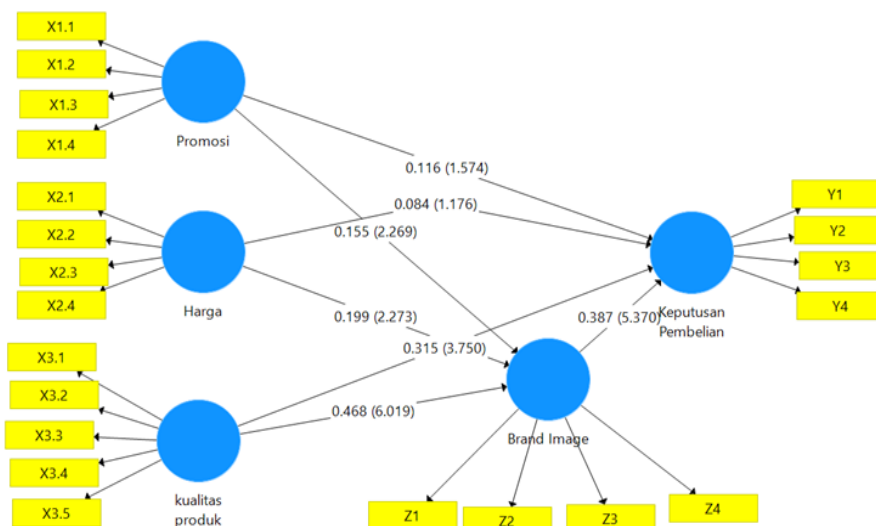


Figure 2. Inner Model

To test the relationship between variable instruments, significance values and research R-Square. Structural testing of the inner model is carried out. From the R square test, hair is of the opinion that the R square value of 0.50 is moderate, the resulting value for the brand image variable is 0.554. The brand image variable is 55.4% influenced by three indicators, namely promotion, price and product quality. The R square value of purchasing decisions is 0.673, so purchasing decisions are influenced by brand image by 67.3%. Hypothesis testing in quantitative research is testing the truth or accuracy of the hypothesis that has been prepared. This test uses the bootstrapping method in Smart PLS. Darwin & Umam (2020), the purpose of the specific indirect effect test is to find out which independent variables have a large or small influence on the dependent variable and to find out whether the moderator variable can mediate the influence between variables X and Y.

Table 3. R-square Test Result

Variable	R Square	R square adjusted
Brand image	0.554	0.549
Buy Decision	0.673	0.631

Table 5. Path Coefficients Test Result

Variable	T Statistics	P Values
Path Coefficients Test Result		
Brand Image -> Buy Decision	4.844	0.000
Price -> Buy Decision	1.268	0.206
Promotion -> Buy Decision	1.501	0.135
Product Quality -> Buy Decision	3.757	0.000
Results of indirect influence testing		
Price -> Brand Image -> Buy Decision	2.036	0.043
Promotion -> Brand Image -> Buy Decision	2.208	0.028
Product Quality -> Brand Image -> Buy Decision	3.762	0.000

The hypothesis path coefficient results were obtained, namely Brand image on purchasing decisions with a p value obtained of 0.000 or <0.05 and a statistical T value of 4.844, the hypothesis result was accepted. The price of purchasing decisions with a P value of $0.206 > 0.05$ and a statistical T value of 0.268, the hypothesis is rejected. Promotion of purchasing decisions with a p value of 0.135 or > 0.05 and a statistical t value of 1.501, then the hypothesis is rejected. Product quality on purchasing decisions with a P value of 0.000 or <0.05 and a statistical T value of 5.919, the hypothesis results are accepted. From the results of the analysis in table 5, it is found that the value of price on purchasing decisions is through brand image as an intervening variable with a statistical t value of 2.039 and a p value of 0.043. This means that the brand image variable mediates the influence of the price variable on purchasing decisions. The promotional value of purchasing decisions mediated by the brand image variable has a statistical value of 2.208 and a p value of 0.028. This means that brand image is able to mediate between promotional variables and purchasing decisions.

DISCUSSION

The results of the research conducted can be interpreted that promotions do not have a positive and significant effect on purchasing decisions. It is proven in table 5 of the path coefficient test that the p value is 0.135 or greater than 0.05 and the statistical t value is 1.501, so the hypothesis is rejected, meaning that promotion has no significant effect on purchasing decisions for Wardah skin care products. The results of this research contradict the results of previous research conducted by Lee & Kim (2020) with (H1) the result that promotions have an insignificant influence on purchasing decisions. The results of the research carried out mean that price does not have a significant effect on purchasing decisions. The resulting value of 0.206 is more than 0.05 and the statistical T value of 0.268 is rejected so that price has no influence on the decision to purchase Wardah skincare H2. This research is in line with research Ansari Harahap et al. (2018) which explains that price does not have a significant effect on purchasing decisions.

The research results show that product quality variables have a positive and significant effect on purchasing decisions. Looking at the test results obtained by a p value of 0.000 or <0.05 and a statistical T value of 5.919, the hypothesis result is accepted by H3. This means that product quality has a significant influence on purchasing decisions for Wardah skincare among UMS students, Feb. This is in line with research conducted by Albari (2019) that product quality has a positive and significant effect on purchasing decisions. Products with the best quality will satisfy consumers in using the product (Lina, 2022). Guaranteeing good product quality can influence Wardah skincare purchasing decisions.

The p value obtained was 0.000 or smaller than 0.05 and the statistical T value was 5.198. As a result, the hypothesis H4 is accepted, then brand image has a significant effect on the variables. The test results are supported by previous research conducted by Muslim et al. (2020) and Achmad et al. (2021), it was found that brand image is able to influence purchasing decisions positively and significantly. A good brand image that has been attached to consumers can increase purchasing decisions (Waluya et al., 2019). H5 Brand image is able to mediate the influence of price on Wardah skincare purchasing decisions. This can be proven from the test results, namely the statistical t value is 2.039 and the p value is 0.043, so it can be interpreted that the brand image variable can mediate the influence of price on Wardah skincare consumers' purchasing decisions among Wardah skincare consumers. UMS student February, In line with research conducted by Amron (2018) and Maharani & Achmad (2024), brand image is able to mediate the influence of price on purchasing decisions. So consumers often rely on the brand image of a product to make purchasing decisions.

Brand image is able to mediate the relationship between promotion and purchasing decisions seen from the test results. H6 The value of promotions on purchasing decisions is mediated by the brand image variable with statistics of 2.208 and a p value of 0.028. This is supported by the results of previous research conducted by Mukhlish (2022) that

promotions mediated by brand image can influence consumer purchasing decisions. A brand image that has good value in society can increase the promotion and purchasing decisions of Wardah skincare consumers among Feb UMS students. In this research, it is known that brand image is able to mediate the influence of product quality on purchasing decisions. H7 The value of promotion on purchasing decisions mediated by the brand image variable has a statistical value of 2.208 and a p value of 0.028. In line with research conducted (Syafulloh et al., 2022), product quality has an indirect influence on purchasing decisions which is mediated by brand image. Wardah's positive brand image can strengthen purchasing decisions. The better the quality of the products created by the Wardah company, the more positive the brand image will be and consumer purchasing decisions will increase.

CONCLUSION

The results of this research show that promotions have an insignificant influence on purchasing decisions. H1 Promotion on purchasing decisions has no significant effect. The statistical T value is rejected so that price has no influence on the decision to purchase Wardah skincare (H2). Price does not have a significant effect on purchasing decisions. Product quality has a positive and significant effect on purchasing decisions. statistical T value then the hypothesis result is accepted H3. This means that product quality has a significant influence on purchasing decisions for Wardah skincare among UMS students, Feb. Hypothesis H4 is accepted, then brand image has a significant effect on the variables. It was found that brand image was able to influence purchasing decisions positively and significantly. H5 Brand image is able to mediate the influence of price on Wardah skincare purchasing decisions. This can be proven from the test results, namely the statistical t value, so it can be interpreted that the brand image variable can mediate the influence of price on Wardah skincare consumers' purchasing decisions among Wardah skincare consumers. Brand image is able to mediate the relationship between promotion and purchasing decisions seen from the test results. H6 The value of promotions on purchasing decisions is mediated by brand image variables with statistics. This is supported by the results of promotions mediated by brand image which can influence consumer purchasing decisions. Brand image is able to mediate the influence of product quality on purchasing decisions. H7 The value of promotions on purchasing decisions mediated by brand image variables has statistical value. Product quality has an indirect influence on purchasing decisions which is mediated by brand image. Wardah's positive brand image can strengthen purchasing decisions.

REFERENCES

- [1] Achmad, N., Nestri, M. S., & Sholahudin, M. (2021). *The Influence of Brand Ambassador & Eletronic Word of Mouth (e-WOM) on Consumer Buying Interest in Lazada Marketplace With Brand Image as a Mediator* (Issue 7).
- [2] Albari, A. (2019). *The Influence of Product Quality, Service Quality and Price on Customer Satisfaction and Loyalty*. <https://www.researchgate.net/publication/339796640>
- [3] Amron, A. (2018). The Influence of Brand Image, Brand Trust, Product Quality, and Price on the Consumer's Buying Decision of MPV Cars. *European Scientific Journal, ESJ*, 14(13), 228. <https://doi.org/10.19044/esj.2018.v14n13p228>
- [4] Ansari Harahap, D., Amanah, D., & Fauzia Agustini, dan. (2018). Harahap, Amanah dan Agustini: Effect of Product Completeness and Price Effect of Product Completeness and Price on Consumer Purchasing Decision in SMEs Market Medan. In *Jurnal Manajemen: Vol. XXII* (Issue 01).
- [5] Ball, H. L. (2019). Conducting online surveys. *Journal of human lactation*, 35(3), 413-417.
- [6] Belanche, D., Casaló, L. V., Flavián, M., & Ibáñez-Sánchez, S. (2021). Understanding influencer marketing: The role of congruence between influencers, products and consumers. *Journal of Business Research*, 132, 186-195.
- [7] BİLGİN, Y. (2018). The Effect Of Social Media Marketing Activities On Brand Awareness, Brand Image And Brand LOYALTY. *Business & Management Studies: An International Journal*, 6(1), 128-148. <https://doi.org/10.15295/bmij.v6i1.229>

- [8] Casidy, R., Prentice, C., & Wymer, W. (2019). The effects of brand identity on brand performance in the service sector. *Journal of Strategic Marketing*, 27(8), 651-665.
- [9] Dmitrijeva, J., Schroeder, A., Ziaee Bigdeli, A., & Baines, T. (2020). Context matters: how internal and external factors impact servitization. *Production Planning & Control*, 31(13), 1077-1097.
- [10] Eka Dinisari Hafat, S., Ali, H., Author, C., & Ela Dinisari Hafat, S. (2022). *Literature Review Determination Of Work Quality And Work Productivity: Analysis Of Commitment And Work Culture*. 3(5). <https://doi.org/10.31933/Dijms.V3i5>
- [11] Indriana, A., Sholahuddin, M., & Kuswati, R. (2022). *Journal of Business and Management Studies The Impact of e-WOM and Celebrity Endorser on Purchase Intention Mediated by Brand Image: A Study on Halal Cosmetic Products*. <https://doi.org/10.32996/jbms>
- [12] Isyanto, P., Sapitri, R. G., & Sinaga, O. (2020). Micro influencers marketing and brand image to purchase intention of cosmetic products focallure. *Systematic Reviews in Pharmacy*, 11(1), 601–605. <https://doi.org/10.5530/srp.2020.1.75>
- [13] Konstantopoulou, A., Rizomyliotis, I., Konstantoulaki, K., & Badahdah, R. (2019). Improving SMEs' competitiveness with the use of Instagram influencer advertising and eWOM. *International journal of organizational analysis*, 27(2), 308-321.
- [14] Kotler, P. (2012). *Kotler on marketing*. Amerika Serikat: Simon and Schuster.
- [15] Lee, S., & Kim, E. (2020). Influencer marketing on Instagram: How sponsorship disclosure, influencer credibility, and brand credibility impact the effectiveness of Instagram promotional post. *Journal of Global Fashion Marketing*, 11(3), 232–249. <https://doi.org/10.1080/20932685.2020.1752766>
- [16] Lina, R. (2022). Improving Product Quality and Satisfaction as Fundamental Strategies in Strengthening Customer Loyalty. *AKADEMIK: Jurnal Mahasiswa Ekonomi & Bisnis*, 2(1), 19-26.
- [17] Maharani, R. A., & Achmad, N. (2024). Pengaruh Brand Ambassador Dan Brand Image Terhadap Keputusan Pembelian Produk Bening's Skincare Dengan Trustworhtiness Sebagai Variabel Intervening. *Jesya*, 7(1), 1037–1052. <https://doi.org/10.36778/jesya.v7i1.1529>
- [18] Mukhlis, A. B. N. (2022). Pengaruh Promosi dan Kualitas Produk yang Dimediasi Citra Merek Terhadap Keputusan Pembelian. *Journal Economics, Technology, and Entrepreneur*, 01(02), 89–107.
- [19] Muslim, M., Mubarak, R. R., & Wijaya, N. H. S. (2020). The effect of brand image, brand trust and reference group on the buying decision of sneakers. *International Journal of Financial, Accounting, and Management*, 1(2), 105–118. <https://doi.org/10.35912/ijfam.v1i2.170>
- [20] Naszariah, R., Naseri, N., Mohd Esa, M., Abas, N., Zamratul, N., Ahmad, A., Azis, R. A., & Norazmi Bin Nordin, M. (2021). An Overview Of Online Purchase Intention Of Halal Cosmetic Product: A Perspective From Malaysia. In *Turkish Journal of Computer and Mathematics Education* 12, (10).
- [21] Pace, D. S. (2021). Probability and non-probability sampling-an entry point for undergraduate researchers. *International Journal of Quantitative and Qualitative Research Methods*, 9(2), 1-15.
- [22] Rahmawati, A., Padmanty, S., & Setyawan, A. A. (2023). Pengaruh Kualitas Pelayanan Digital, Kepercayaan Pada Produk Terhadap Kepuasan Pelanggan Produk Skincare Lokal. *Determinasi: Jurnal Penelitian Ekonomi Manajemen dan Akuntansi*, 1(1), 17-23..
- [23] Sabita, R., & Mardalis, A. (2023). Do celebrity endorsement, halal label, and Word of Mouth affect Millennials to purchase skincare? *Ahmad Mardalis Journal of Enterprise and Development (JED)*, 5(2), 2023.
- [24] Sekaran, U., & Bougie, R. (2016). *pdf Research Methods For Business : A Skill-Building Approach*. Bandung: Alfabeta.
- [25] Syafulloh, D., Widagdo, S., & Amin, S. (2022). Pengaruh Harga, Kualitas Produk, Inovasi Produk Dan Gaya Hidup Terhadap Keputusan Pembelian Melalui Brand Image Sebagai Variabel Intervening. *JMBI: Jurnal Manajemen Bisnis Dan Informatika*, 2(2), 24–37. <https://doi.org/10.31967/prodimanajemen.v2i2.548>
- [26] Waluya, A. I., Iqbal, M. A., & Indradewa, R. (2019). How product quality, brand image, and customer satisfaction affect the purchase decisions of Indonesian automotive customers. *International Journal of Services, Economics and Management*, 10(2), 177-193.