
A COMPARISON ANALYSIS OF PURCHASE DECISION OF WOMEN COSMETIC PRODUCTS IN MANADO (CASE STUDY KOREAN COSMETIC AND INDONESIAN COSMETIC BRAND)

*ANALISA PERBANDINGAN KEPUTUSAN BELI PRODUK KOSMETIK WANITA DI
MANADO
(STUDI KASUS MEREK KOSMETIK KOREA DAN KOSMETIK INDONESIA)*

HELMY CABRINA BURHANUDDIN

*International Business Administration (IBA), Management Program,
Economics and Business Faculty, Sam Ratulangi University, Manado 95115, Indonesia
Email: helmyburhanuddin@gmail.com*

ABSTRACT:

The lifestyle nowadays has been changing rapidly along with the development of globalization. Every year, the perspective of beauty is always growing, not only as a desire or wants but it has become daily needs for all women and it has been one of the most important beauty hallmarks. It could even be said that women and cosmetic are inseparable. Women are very concerned about skin and beauty and want to always look good and fresh. The objective of this research is to analyze the difference in purchase decision between Korean Cosmetic Brand and Indonesian Cosmetic Brand on Price, Social Influences, Celebrity Endorsement, and Product Packaging. The method analysis on this research is Independent T-Test to compare Korean Cosmetic and Indonesian Cosmetic Brand in Manado. The sampling method is convenience sampling as many as 200 respondents. The result concluded that there is no significant difference in purchase decision on price and social influence between Korean cosmetic brand and Indonesian cosmetic brand, but there is a significant difference in purchase decision on celebrity endorsement and product packaging between Korean cosmetic brand and Indonesian cosmetic brand. The research recommend the marketers of both brands, which are Korean cosmetic brand and Indonesian cosmetic brand, should consider more on the factors that influence the purchase decision.

Keywords: *price, social influence, celebrity endorsement, product packaging, purchase decision*

ABSTRAK:

Gaya hidup saat ini telah berubah dengan cepat seiringnya dengan perkembangan globalisasi. Setiap tahun, perspektif kecantikan selalu berkembang, tidak hanya sebagai keinginan atau ingin melainkan menjadi kebutuhan sehari-hari bagi semua wanita dan ini telah menjadi salah satu keunggulan kecantikan yang paling penting. Bahkan dapat dikatakan bahwa wanita dan kosmetik tidak dapat dipisahkan. Wanita sangat prihatin tentang kulit dan kecantikan dan ingin selalu terlihat baik dan segar. Tujuan dari penelitian ini adalah untuk menganalisis perbedaan terhadap keputusan beli antara merk kosmetik Korea dan kosmetik merk Indonesia pada harga, pengaruh sosial, celebrity endorsement, dan kemasan produk. Penelitian ini menggunakan metode Independent t-test untuk membandingkan keputusan beli terhadap kosmetik merk Korea and Indonesia. Metode sampling menggunakan convenience sampling sebanyak 200 responden. Hasil dari penelitian ini menyimpulkan bahwa tidak perbedaan yang signifikan dalam keputusan beli pada harga dan pengaruh sosial antara merk kosmetik Korea dan Indonesia, tetapi ada perbedaan yang signifikan dalam keputusan beli pada celebrity endorsement dan kemasan produk antara merk kosmetik Korea dan Indonesia. Studi ini direkomendasikan kepada para pemasar kedua merk kosmetik Korea dan Indonesia harus lebih mempertimbangkan pada faktor-faktor yang mempengaruhi keputusan beli.

Kata Kunci: harga, pengaruh sosial, celebrity endorsement, kemasan produk, keputusan beli

1. INTRODUCTION

Research Background

Every year, the perspective of beauty is always growing, not only as a desire or wants but it has become daily needs for all women and it have been one of the most important beauty hallmark. Along with the customer desire of wearing cosmetic that is drastically increase, which makes cosmetic industries produce many kind of products, such as skincare and make-up in the world including Indonesia. Many foreign brands that is well known starting to enlarge their cosmetic market and challenged the Indonesian cosmetic industries with the circulation of imported cosmetic product in domestic market.

These days Korean cosmetics brand had became a huge popularity in Asia. Kpop or Hallyu Culture is recently popular all over Asia and even worldwide that also affect people in Indonesia, especially Indonesian women. The popularity of Korean brands influenced by the Korean stars, which are actress, actors, boygroup and girlgroup. The presence of the Korean stars that became the ambassador or as a model of cosmetic brand made them to imitate just like their idols.

In more specific, people in Manado had made the demand of make-up and skincare products increase significantly in linear national growth. These days Manadonese consumers have been leaning towards foreign products instead of the domestic products. Consumer tends to use foreign brand because of prestige reason. Branded items have been a trend for quite awhile now. So there was very tight competition in cosmetic industries today.

In purchase decision, there are some factors that influenced people of purchase decision that are price, social influence, celebrity endorsement and product packaging. Therefore, the statement above has brought the author to research the study with the title "A Comparison Analysis of Purchase Decision of Women Cosmetic Between Korean Cosmetic Brand And Local Cosmetic Brand in Manado."

Research Objective

The objectives of this research are to analyze the significant difference between:

1. Korean cosmetic brand and Indonesian cosmetic brand based on price
2. Korean cosmetic brand and Indonesian cosmetic brand based on social influence
3. Korean cosmetic brand and Indonesian cosmetic brand based on celebrity endorsement
4. Korean cosmetic brand and Indonesian cosmetic brand based on product packaging

Theoretical Framework

Marketing

Kotler and Keller (2009) stated that marketing is an organizational function and set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders.

Price

According to (Hawkins et al., 2001) price is the amount of money one must pay to obtain the right to use the product. One can buy ownership of a product or for many products, limited usage rights.

Social Influence

Social influenced is the effect that people have upon the beliefs or behaviors of others (Aaronson, 2004). Three aspect of Social Influence, they are:

1. Social influence in which individuals change their attitudes or behavior in order to adhere to existing social norms.
2. A form of social influence involving direct request from one person to another.
3. A form of social influence in which one person obeys direct orders from another to perform some action(s).

Celebrity Endorsement

According to McCrackern (1989) a celebrity endorser is an individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement. Friedman and Friedman (1979) stated that a celebrity endorser is an individual who is known to the public for his or her achievement in areas others than of the product class endorsed.

Product Packaging

Kotler defines packaging as "all the activities of designing and producing the container for a product." And the package includes the primary container, like the tube of toothpaste and the bottle of perfume; the secondary package is thrown away when the product is used, like wrapping paper; and the shipping package which uses for transportation to store (Kotler et al. 2005).

Purchase Decision

Peter and Olson (2004) the key process in consumers' decision making is the integration process by which knowledge is combining to evaluate two or more alternative behavior and select one. Most of the large company research consumer buying decision in increasing detail to answer question about what consumer buy, where they buy, how and how much they buy, when they buy and why they buy (Kotler et al., 2005).

Conceptual Framework

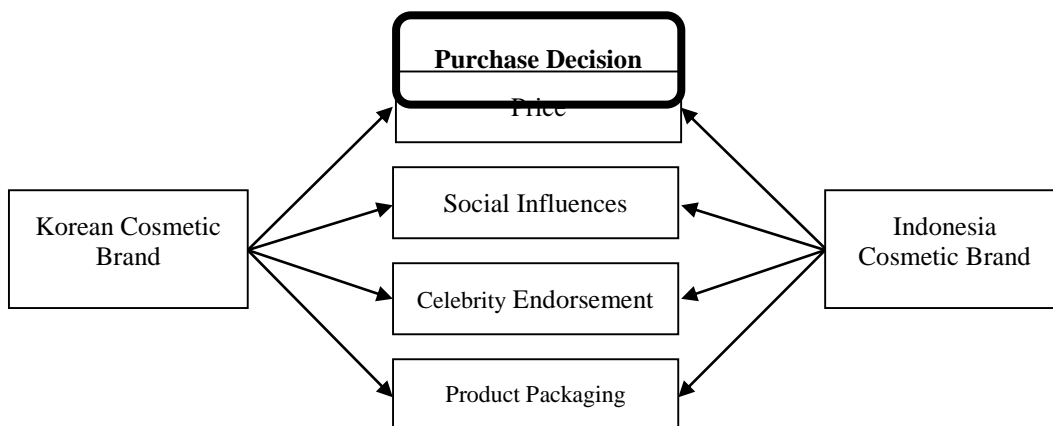


Figure 1. Conceptual Framework
 Source: Literature Reviews, 2016

Research Hypothesis

- H₁ : There is a significant difference in purchase decision based on Price between Korean Cosmetic Brand and Local Cosmetic Brand.
- H₂ : There is a significant difference in purchase decision based on Social Influence between Korean Cosmetic Brand and Local Cosmetic Brand.
- H₃ : There is a significant difference in purchase decision based on Celebrity Endorsement between Korean Cosmetic Brand and Local Cosmetic Brand.
- H₄ : There is a significant difference in purchase decision based on Product Packaging between Korean Cosmetic Brand and Local Cosmetic Brand.

2. RESEARCH METHOD**Type of Research**

This research is comparison type. This research is a quantitative method since using questionnaire as a tool to gather data and analysis.

Place and Time of Research

The study was conducted in Manado between two months from June – August 2016.

Population and Sample

The population in this research are women consumer cosmetic in Manado. The population in this research is all the cosmetic users of Korean cosmetic brand and Indonesian cosmetic brand. The sampling design of this research is convenience sampling that is considered as the best way of getting some information quickly and efficient. The sample of this research is the customers of Korean cosmetic and Indonesian cosmetic in Manado, as many as 200 respondents.

Data Collection Method**Primary Data**

According to Sekaran and Bougie (2009), data collected first-hand for subsequent analysis to find solutions to the problem research. In this study, the primary data is the questionnaire data from the respondents. Questionnaires are distributed to respondents so they can respond directly on the questionnaire.

Secondary Data

Secondary data is the data that have already been gathered by researchers, data published in statistical and other journals, and information available from any published or unpublished source available either within or outside the organization, all of which might be useful to the researcher (Sekaran and Bougie, 2009). The secondary data are taken from journals, textbook and relevant literature from Internet.

Operational Definition and Measurement of Research Variables

Table 1. Operational Definition

No.	Variable	Definition	Indicator
1	Price	Price is the amount of money charged for a product or service, or the sum of the values that consumers exchange for the benefits of having or using the product or service.	1. Affordable 2. Compatible with product quality 3. Competitive when compared to other products 4. Compatibility with benefits 5. Discount
2	Social Influence	Social influenced is the effect that people have upon the beliefs or behaviors of others.	1. Friends 2. Family 3. Environment 4. Word of mouth 5. Social Media
3	Celebrity Endorsement	A celebrity endorser is an individual who is known to the public for his or her achievement in areas others than of the product class endorsed.	1. Visibility 2. Credibility 3. Attractiveness 4. Power
4	Product Packaging	Packing defines as all activities of designing and producing the container for a product.	1. Form 2. Material 3. Color 4. Label
5	Purchase Decision	The key process in consumers' decision making is the integration process by which knowledge is combining to evaluate two or more alternative behavior and select one.	1. Need/Problem recognition 2. Information search 3. Alternative evaluation 4. Purchase decision 5. Post-purchase behavior

Source: Data Processed (2016)

This research use the Likert Scale to measure the variable defined. Malhotra (2002:284) defined the Likert Scale as “An interval scale that specifically uses the five response categories ranging from ‘strongly disagree’ to ‘strongly agree’ which requires the respondents to indicate a degree of agreement or disagreement with a series of statement related to the stimulus.”

Data Analysis Method

Validity Test

Validity is a test of how well an instrument that is developed measures the particular concept it is intended to measure (Sekaran and Bougie, 2009). In other words, this test is actually to look at the feasibility of the questions in the questionnaire item can define a variable or not.

Reliability Test

The reliability of measure is established by testing for both consistency and stability. Consistency indicates how well the items measuring a concept hang together as a set, Cronbach's alpha is reliability coefficient that indicates how well the items in a set are positively correlated to one another (Sekaran and Bougie, 2009).

Normality Test

In Independent sample T-test, the residual is assumed to be normally distributed. Residual is the difference between the observed and model-predicted values of the dependent variable. The residual for a given product is the observe value of the error for that product. A histogram or P-P plot or Q-Q plot of the residuals can help researchers to check the assumptions of normality of error term.

Independent t-test

The independent-samples t test evaluates the differences between the means of two independent or unrelated groups. That is evaluating whether the means for two independent groups are significantly different from each other. The independent-sample t test is commonly referred to as a between groups design, and can also be used to analyze a control and experimental group.

3. RESULT AND DISCUSSION

Result

Validity Test

All the total values for each independent variables and dependent variable are above 0.3. It means all the indicators are valid.

Table 2. Validity Test

No.	Variables	Pearson Correclation
1.	Price (X_1)	.653
2.	Social Influence (X_2)	.763
3.	Celebrity Endorsement (X_3)	.592
4.	Product Packaging (X_4)	.589
5.	Purchase Decision	.829

Reliability Test

The reliability test explains that the entire variable is reliable and this research used Cronbach Alpha. If Alpha is less than 0.6 which means the result are unreliable. The interpretation of Alpha Cronbach (Sekaran, 2003) is: < 0.6 indicates unsatisfactory internal consistency or consider that the data is unreliable, > 0.6 or 0.7 indicates that the data is acceptable, 0.8 indicates good internal consistency or consider that the data resulted is reliable.

Table 3. Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.725	.720	5

Source: Data Processed, 2016

In this research, it shows that the Cronbach's Alpha Value of all indicators is above 0.6, which means all the variables is reliable.

Normality Test

To identify the normality test, this research using the table of Kolmogorov-Smirnova test to show the normality of the data. The data will distribute if the value of sig \geq 0.05.

Table 4. Normality Test

Tests of Normality

Brand		Kolmogorov-Smirnova			Shapiro-Wilk		
		Statistic	df	Sig.	Statistic	df	Sig.
Price (X1)	Korean Cosmetic	.083	100	.086	.976	100	.059
	Indonesian Cosmetic	.082	100	.091	.981	100	.155
Social Influence (X2)	Korean Cosmetic	.076	100	.168	.989	100	.616
	Indonesian Cosmetic	.076	100	.159	.989	100	.549
Celebrity Endorsement (X3)	Korean Cosmetic	.085	100	.070	.975	100	.058
	Indonesian Cosmetic	.081	100	.109	.968	100	.015
Product Packaging (X4)	Korean Cosmetic	.080	100	.112	.967	100	.013
	Indonesian Cosmetic	.085	100	.071	.967	100	.014
Purchase Decision (Y)	Korean Cosmetic	.084	100	.079	.986	100	.390
	Indonesian Cosmetic	.078	100	.137	.986	100	.405

a Lilliefors Significance Correction

Source: Data Processed 2016

The data from Korean cosmetic and Indonesian cosmetic brand are higher than 0.05, which means the data of Korean and Indonesian cosmetic were normally distributed. From the data above, it can be concluded that all the indicators are distribute normally.

Group Statistic Result

Table 5. Group Statistics

	Brand	N	Mean	Std. Deviation	Std. Error Mean
Price (X ₁)	Korean Cosmetic	100	18.69	2.402	.240
	Indonesian Cosmetic	100	18.25	2.405	.241
Social Influence (X ₂)	Korean Cosmetic	100	20.50	3.541	.354
	Indonesian Cosmetic	100	20.44	3.270	.327
Celebrity Endorsement (X ₃)	Korean Cosmetic	100	14.68	2.326	.233
	Indonesian Cosmetic	100	13.25	2.455	.246
Product Packaging (X ₄)	Korean Cosmetic	100	15.50	2.484	.248
	Indonesian Cosmetic	100	13.97	2.311	.231

Source: Data Processed 2016

The result above shows that the mean of Korean cosmetic is higher than Indonesian cosmetic brand in terms of price, social influence, celebrity endorsement and product packaging, meaning customers prefer to buy Korean cosmetic brand rather than Indonesian cosmetic brand.

Independent t-test

Table 5. Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Price (X ₁)	Equal variances assumed	.009	.926	1.294	198	.197	.440	.340	-.230	1.110
	Equal variances not assumed			1.294	198.000	.197	.440	.340	-.230	1.110
Social Influence (X ₂)	Equal variances assumed	.434	.511	.124	198	.901	.060	.482	-.890	1.010
	Equal variances not assumed			.124	196.763	.901	.060	.482	-.890	1.010
Celebrity Endorsement (X ₃)	Equal variances assumed	.209	.648	4.228	198	.000	1.430	.338	.763	2.097
	Equal variances not assumed			4.228	197.427	.000	1.430	.338	.763	2.097
Product Packaging (X ₄)	Equal variances assumed	.508	.477	4.509	198	.000	1.530	.339	.861	2.199
	Equal variances not assumed			4.509	196.978	.000	1.530	.339	.861	2.199

Source: Data Processed 2016

From the table 5, found that Sig. (2-tailed) < 0.05 on variable price (X₁) shows 0.197 > 0.05. Moreover, it is found the t_{value} of variable price t_{value} = 1.294 and t_{table} = 1.972 which t_{value} < t_{table} = 1.294 < 1.972. Which means there is no significant difference in terms of price between Korean cosmetic brand and Indonesian cosmetic brand in purchase decision.

The second point from the Table 5, found that Sig. (2-tailed) < 0.05 on variable social influence (X_2) shows $0.901 > 0.05$ while on the t_{value} of variable price $t_{\text{value}} = 0.124$ and $t_{\text{table}} = 1.972$ which $t_{\text{value}} < t_{\text{table}} = 0.124 < 1.972$. Which means there is no significant difference related to social influence between Korean cosmetic brand and Indonesian cosmetic brand in purchase decision.

On the third point of the table 5 found that Sig. (2-tailed) < 0.05 on variable celebrity endorsement (X_3) shows $0.000 > 0.05$ while on the t_{value} of variable price $t_{\text{value}} = 4.228$ and $t_{\text{table}} = 1.972$ which $t_{\text{value}} < t_{\text{table}} = 4.228 < 1.972$. Therefore, celebrity endorsement has significant difference between Korean cosmetic brand and Indonesian cosmetic brand in purchase decision.

Based on fourth point from the table 45 found that Sig. (2-tailed) < 0.05 on variable product packaging (X_4) shows $0.000 > 0.05$. Moreover, on the t_{value} of variable price $t_{\text{value}} = 4.509$ and $t_{\text{table}} = 1.972$ which $t_{\text{value}} < t_{\text{table}} = 4.509 < 1.972$. Thus, product packaging has significant difference between Korean cosmetic brand and Indonesian cosmetic brand in purchase decision.

Discussion

The purpose of this research is to find the difference on purchase decision towards women's cosmetic users in Manado by comparing the Korean cosmetic brand and Indonesian cosmetic brand. This research is to analyze about the differences between the two objects based on these four variables, which are Price, Social Influence, Celebrity Endorsement and Product Packaging. On analyzing this research it used Independent T-test method as for the data analysis.

Based on the variables that had been to be research on finding the differences, on the first factor which is price that would be influencing the women's cosmetic users in Manado on purchase decision as the result there is no differences in purchase decision between Korean cosmetic brand and Indonesian cosmetic brand. Women's in Manado buy cosmetic because of the price is affordable, compatible with product quality, competitive when compared to other brand, compatibility with benefits and discount. Which means whether it is Korean cosmetic brand or Indonesian cosmetic brand, their buying capacity in terms of price are all the same.

On the same result as there is no significant difference on social influence in term of Women's cosmetic purchase decision between Korean cosmetic brand and Indonesian cosmetic brand. Therefore, whether it is Korean cosmetic brand or Indonesian Cosmetic brand women's in Manado tends to buy cosmetic are influenced by some factors, which are friends, family (sisters, mother and others related to family), environment, word of mouth and social media (customers reviews or testimonial about the brand from facebook, blogs, or instagram).

Based on the result before, celebrity endorsement showed that there are some differences on women's cosmetic in terms of purchase decision whether to buy Korean cosmetic brand or Indonesian cosmetic brand. Some factors that influences for celebrity endorsement are visibility, credibility, attractiveness and the power of the celebrity. Those factors are all different in order for the women's customer to purchase decision of a product.

On product packaging results showed that there is difference between Korean cosmetic brand and Indonesian cosmetic in order to buy product as the purchase decision of the customer. Some factors that influence by product packing are form, material, color and label that affect the women's customer to make a decision whether to buy the product or not. Marketers of both brands must know what may attract the customer in order for them which one the product packaging from Korean cosmetic brand or Indonesian cosmetic brand is more attractive to buy.

4. CONCLUSION AND RECOMMENDATION

Conclusion

Here the result of the research that can be drawn as the conclusions:

- There is no significant difference in purchase decision in terms of price between Korean cosmetic brand and Indonesian cosmetic brand.
- There is no significant difference in purchase decision in terms of social influence between Korean cosmetic brand and Indonesian cosmetic brand.
- There is a significant difference in purchase decision in terms of celebrity endorsement between Korean cosmetic brand and Indonesian cosmetic brand.
- There is a significant difference in purchase decision in terms of product packaging between Korean cosmetic brand and Indonesian cosmetic brand.

Recommendation

Here the recommendation that can be proposed based on result of the research:

The marketers of both of two brands, which are Korean cosmetic brand and Indonesian cosmetic brand should more, considering on the factors that influence the purchase decision. As seen from the result especially for celebrity endorsement and product packaging, marketers have to improve more by finding or develop with new design ideas and more selective on the celebrity to be endorsed so that the customers may attract with the product and can compete with the other competitors, especially for the women's cosmetic customer in Manado.

And in term of price and social influences both brands Korean and Indonesian cosmetic have to keep maintain the price with the good quality so it will worth it to buy by the customer and it may affect the social influences as well.

REFERENCES

Paper in Journal

- [1] McCracken, G. (1989). *Who is the celebrity endorser? Cultural foundation of the endorsement process*. Journal of Consumer Research, Vol. 16, 310-321
- [2] Friedman, H., Friedman, L. 1979. Endorser effectiveness by product type. *Journal of Advertising Research*. Vol. 19, 63-71

Books

- [3] Kotler, P., Keller, K. 2009. *Marketing Management*, 13th Edition. Prentice Hall, New Jersey
- [4] Hawkins, D. I., Best, R. J., & Coney, K. A. (2001). *Consumer behavior: Building marketing strategy* (8th ed.). Boston: McGraw-Hill
- [5] Aaronson, E. 2004. *The social animal*. Ninth edition. New York: Worth Publishers.
- [6] Kotler, P., Wong V., Saunders J., Armstrong G. 2005. *Principles of Marketing*, 4th European edition, Pearson Education Limited.
- [7] Peter, J.P. and J. Olson, 2004. *Consumer Behavior and Marketing Strategy*. 7th Edition. McGraw-Hill/Irwin, ISBN 0-07-286487-7
- [8] Sekaran, U., and Bougie, R., (2009). *Research Method for Business : A Skill Building Approach* 5th edition. Wiley.
- [9] Malhotra, N. (2002). *Basic Marketing Research: A Decision-Making Approach*. 1st Edition. New Jersey: Prentice Hall
- [10] Sekaran, U. (2003). *Research Methods for Business* 5th Edition. New York: John Wiley and Sons.