

## CONSUMERS CONSIDERATION IN CHOOSING COSMETIC PRODUCTS

*Pramono Hariadi*

*E-mail: hariadipramono@yahoo.com*

### ABSTRACT

The purpose of this study is to identify and analyze the factors to be considered by consumers before choosing cosmetic product. The population in this study is customers of Oriflame in Purwokerto, that use the Oriflame product in Purwokerto minimum once. The number of samples is 116 respondents. Accidental sampling was used to determine the respondents. Based on the result of research the conclusion is: 1) Brand name, Product quality, Product design, Service quality had positive effect on customer satisfaction; 2) Price had negative effect on customer satisfaction; and 3) Customer satisfaction had positive effect on brand loyalty. The implication of this research are Oriflame in Purwokerto should increase it brand name, product quality, price, product design, and service quality because customers will be satisfied.

**Keywords:** brand name, product quality, product design, service quality, customer satisfaction, brand loyalty

**JEL classification:** M31

### INTRODUCTION

The increasing degree of competition at cosmetic industry has influence the consumer attitude in buy-

ing products. For customer, buying cosmetic products is not only to fulfill need but also dignity. Survey of Frontier Consulting group at Marketing magazine shows the rating of cosmetic product in 2011 and 2012. Table 1 shows the rating of lipstick product in a top brand index, that shows the movement position among brand cosmetics. For example Oriflame position in 2011 was in a top brand (the second level), but in 2012 the Oriflame decreased not in a top brand (the sixth level). There are some factors, which become consumer considerations before consumers make their decisions to buy product. Lau *et al.*, (2006) state that there are seven factors that influence consumers' brand loyalty, which are brand name, product quality, price, product design, service quality, customer satisfaction, and brand loyalty. Studies conducted by Khraim, Hamza Salim in the Emirate of Abu Dhabi in the UAE in 2011 purposed to investigate the influence of brand loyalty on cosmetics buying behavior of female consumers in the Emirate of Abu Dhabi in the UAE show that there is positive and significant relationship between factors of brand loyalty (brand name, product quality, price, design, promotion, service quality and store environment) with cosmetics brand loyalty.

Brand name is the creation of an image or the development of a brand identity. Brand name is important for the firm to attract customers to purchase the product and influence repeat purchasing behavior. The product quality encompasses the features and characteristics of a product or service that bears on its ability to satisfy stated or implied needs. Perfectionist

**Table 1**  
**The Rating of Lipstick Product in a Top Brand Index**

No	Brand	2011 TBI	Brand	2012 TBI
1	Pixy	15.3%( TOP )	Revlon	14.6%( TOP )
2	Oriflame	14.8%( TOP )	Pixy	10.3%( TOP )
3	Red-A	11.8%( TOP )	Mirabella	10.1%( TOP )
4	Maybelline	10.2%	Viva	9.8%
5	Body Shop	9.5%	Sariayu	8.8%
6	La Tulipe	3.6%	Oriflame	7.0%
7	Mirabella	2.6%	Maybelline	5.0%
8			La tulipe	4.7%
9			Wardah	2.9%

or quality consciousness is defined as an awareness of and desire for high quality products, and the need to make the best or perfect choice versus buying the first product or brand available.

Customers have a strong belief in the price and value of their favorite brands so much so that they would compare and evaluate prices with alternative brands (Keller, 2003). Price is the process by which consumers translate price into meaningful cognitions, and it has interested researchers for several years. Consumer evaluations of beautification products. Furthermore, Product design is visual appearance, which includes line, shape and details affecting consumer perception towards a brand (Frings, 2005). They gain satisfaction from using the latest brands and designs which also satisfies their ego. A common definition of service quality is a kind of personal selling, and it involves direct interactions between salespeople and potential buyers (Khraim, 2011). The service should correspond to the customers' expectations and satisfy their needs and requirements (Lovelock, 2010). The purpose of this study is to analyze the effect of brand name, product quality, price, product design, service quality on customer satisfaction and to analyze the effect of customer satisfaction on brand loyalty of cosmetic consumers

**MATERIALS AND METHODS**

Consumers tend to perceive the products from an overall perspective, associating with the brand name

all the attributes and satisfaction experienced by the purchase and use of the product (Khraim, 2011). Keller (2003) argued that image cannot be measured by attribute measurements alone but must include measurements of consumer's perceptions of the value and benefits attainable from using the brand. This indicated the importance of examining the effect of image based benefits on consumer's satisfaction. To date, no study investigating the linkages between images based benefits (i.e. functional, symbolic and experiential benefits) and satisfaction have been found. However, studies examining the impact of "benefits" that customer received from interpersonal relationships and "benefits" derived from shopping purchase experience on customer's satisfaction exist. For example, Carpenter and Fairhurst (2005) identified two types of shopping benefits as desired by consumers: utilitarian and hedonic benefits in the retail branded purchasing context. They found that both utilitarian and hedonic benefits have a positive effect on customer's satisfaction. This leads to the following hypothesis:

**H1** : Brand name have a positive effect on consumer satisfaction

Product Quality encompasses the features and characteristics of a product or service that bears on its ability to satisfy stated or implied needs. In other words, product quality is defined as "fitness for use" or "conformance to requirement" (Russell and Taylor, 2006). It is the totality of features and characteristics of a product or service that bears on its ability to satisfy

given needs (Chavan, 2003). If a product fulfils the customer's expectations, the customer will be pleased and consider that the product is of acceptable or even high quality. While studies on the way in which quality affects customer satisfaction have been going for more than two decades, most of the research on how quality affect satisfaction and loyalty in the past has focused largely in pure product or pure service settings (e.g. Brady and Cronin 2001). Thus, the correlated hypothesized are:

**H2** : Product quality have a positive effect on consumer satisfaction

Consumer's satisfaction can also be built by comparing price with perceived costs and values. If the perceived values of the product are greater than cost, it is observed that consumers will purchase that product. Loyal customers are willing to pay a premium even if the price has increased because the perceived risk is very high and they prefer to pay a higher price to avoid the risk of any change (Yoon and Kim, 2000). Price is used as an indicator of product quality, which results in better expectations from the product and determines higher satisfaction. Therefore, this research reveals crucial evidence on price and satisfaction relation. Hence we may conclude that higher customer satisfaction is based not on real quality, but the price as they use it as an indicator of product quality (Dapkevicius, 2009). Wathne *et al.* (2001) found that when a competitor offers a lower price, it will increase the possibility of customer change, which will undermine the relationship inertia of consumers on the original store. Therefore, it can be seen that high and low prices will result in the consumer inertia being undermined. In the cosmetics consumption behavior, price should be an important impact factor, and will impact the customer's inertia and satisfaction to the original cosmetics store (Cheng, 2011). Therefore, the study used the above mentioned dissertations as a basis to establish the correlated hypothesized are:

**H3** : Price have a negative effect on consumer satisfaction

They gain satisfaction from using the latest brands and designs which also satisfies their ego (Khraim, 2011). Perceived process effort as the subjective perception of the time and mental energy invested in designing the product" (Dellaert and Stremersch 2005). Efforts are required from customer side to de-

sign own products requiring customers active involvement which are time and energy consuming may lead the customers towards the dissatisfaction. Due to the number of cognitive steps in decision making while choosing among the alternatives increases the complexity of decision making thus require extra consumer efforts in terms of energy and time and may yield in less customer satisfaction. So it can be concluded:

**H4** : Product design have a positive effect on consumer satisfaction

Trust in salespeople appears to relate to overall perceptions of the store's service quality, and results in the consumer being very satisfied with the stores in the end. Additionally, personalization (i.e. reliabilify, responsiveness, personalization and tangibles) significantly influence consumers' experience and evaluation of service, and in tum, affects the brand loyalty of consumers (To and Leung, 2001). In addition, service quality has significantly impacts on customer satisfaction and service quality and customer satisfaction were highly related. Thus, the correlated hypothesized are:

**H5** : Service quality have a positive effect on consumer satisfaction

Several studies have verified that consumer's satisfaction has positively influenced loyalty. When consumers are satisfied with the product/brand, they are more likely to recommend the product to others, are less likely to switch to other alternative are likely to repeat purchase (Hassenzahl, 2011). This leads to the following hypothesis:

**H6** : Customer satisfaction have a positive effect on brand loyalty

This research is a case study of Oriflame product which conducted in Purwokerto that consist of North Purwokerto, South Purwokerto, west Purwokerto, and East Purwokerto. The population of this research cannot be specified, and then determination of sample size uses the model of interval estimates. With 5% significance and the coefficient confidence level of 95% is 1,960, If the possibility of sample on the set of 10%, then the calculation minimum sample is 96 respondents, then the research uses samples as much as 116 respondents, to anticipate the questionnaire which is not valid. The Sample distributes as table 2 and Systematic sampling method operated to choose the sample. Data Collection Method through questioners and Literature Study. Scale used in this

study was Semantic Differential. Respondents gave answers, in the range of positive answers to negative. This depended on the perception of respondents to the appraisal. Respondents who give an assessment with the number 7, the perception of respondents are very positive, while if the answer to number 4, then neutral, and if the answer in number 1, then the respondent's perception is very negative. The Data Analysis Technique using Structure Equation Modeling and hypothesis is accepted if  $C.R > t$ -table.

**Table 2**  
**The Distribution of a Sample Based on Cluster**  
**According to Office of Population and Civil**  
**Registry**

District	Soul	Percentage	Amount a Sample
South Purwokerto	81.111	32%	37
West Purwokerto	57.640	23%	26
East Purwokerto	64.682	25%	30
North Purwokerto	51.800	20%	23
Total	255.233		116

**RESULT AND DISCUSSION**

The majority of the respondents are 17 until 20 years old. Most of them are private sector employees and students and the majority of them are Female of course because the most costumers using cosmetic are female. They are come from senior high school and have become customer for quite a long time. Based on the often of used the Oriflame product showed the majority of the respondent are everyday use cosmetic this because a woman usually used a make-up every day. The average income of the respondent are smaller than 1jt rupiah. This was because citizens' purwokerto have an income in up UMR of purwokerto, and many respondents are a student.

Based on the analysis the hypothesis states that brand name has a positive influence on customer satisfaction is accepted. It means if customer feels the good of brand name level, thus the customer satisfaction is good as well about the bad or good of brand name. According to Angel (2005), a brand name concept is

an abstract concept, it means a satisfaction is just an image and more near to somebody influence. This is a concept that explains a brand name is related with a snob appeal of consumer. The indication is from the existence of someone pride when consuming or using a product. The abstract concept of brand name is popularized by Tina (2007) with symbolic term. It forms an image of parallel with a symbolic of dignity. Symbols that exist in catalog of Oriflame product aim to show products of Oriflame is having high standard and always keeping the feasibility of guidance.

The second hypothesis states that product quality has a positive influence on customer satisfaction is accepted. It means if customer feels the product has high quality, thus the high also in a customer satisfaction the bad or good of product quality. The abstract concept of brand image is not by itself having good brand name if a company no needs to maintain a product quality (Angel, 2005; Keller, 2007). In fact, Keller (2007) defines that a strong brands are created after the accumulation of a product quality. Product or service that can satisfy is a product or service which can give something sought by consumer until the adequate level (Alida, 2007). In the context theory of customer behavior, satisfaction is more defined from perspective of consumer experience after consuming and using a product or service.

The third hypothesis: price has a negative effect on customer satisfaction is accepted. That means, if customer feel the higher level price, hence customer satisfaction about the product will be low. From customer point of view, the customer not satisfied if the high a price of product, because the majority of customer are in middle class. Usually, the middle class is very sensitive with the high of price. Price is an important aspect, but the more important is product quality to achieve customer satisfaction. Although this element influences a customer in terms of cost that be taken out, usually on more expensive price a customer has hope higher quality value (Bei, 2001). Base on the results, it can be proven that price variable influence significantly on customer satisfaction. Even base on this research, a price variable is dominant compared with service quality variable. That shows value price and product quality together with the significant influence on customer satisfaction. According Kotler (2005), perception of customer on price is defined

by two factors, that are product quality and consumers purchase power. At group of high class, usually a price is no problem as long as a product can increase dignity. Therefore more expensive a price product will be searched by customer. A less price creates perception of product not qualified, on the contrary a high price creates perception of product that qualified.

The fourth hypothesis that said product design has a positive effect on customer satisfaction is accepted. That means if customer feels the many kinds of variance are unique and interested of product design, the higher is also in customer satisfaction about the bad or good of product design. From customer point of view, the customers satisfy if a product design is unique and different from the others. The product is not related to a benefit and a value of product. This confirms customer satisfaction on design (Justin, 2004). The product design is concept of hedonic, means only will be felt by consumer in itself full with the things a fantastic. A package is something interesting that can make the customers is attracted to buy the product. In other word, a good package will attract customers.

The fifth hypothesis: service quality has a positive effect on customer satisfaction is accepted. That means if customer feel the higher level service quality, the higher also in customer satisfaction about the bad or good of service quality. From customer point of view, the customers satisfy if the high a service quality of product, consultant is well-trained, willing to help, friendly and courteous for customers. So, the customers feel satisfy. Many studies prove that quality of service influences customer satisfaction. Research of Brady (2001) succeeded to find empirical fact that quality of service and management emotional response of consumers are of some factors that can influence service loyalty. Emotional responses of consumer are evaluation of consumer on quality of service which can be described as affective process of consumer in assessing goodness or badness component of service is different either way evaluating the performance of services perception or compare with the performance of service with marketing of MLM. The result of evaluation will produce positive emotions like happy, satisfy, excited or negative emotions like angry, annoyed, disappointed on a service.

The sixth hypothesis that states customer satisfaction has a positive effect on brand loyalty is ac-

cepted. That means if the customer satisfaction is high, then it will create positive brand loyalty on customer. From customer point of view, if customers feel their needs are fulfilled by service and product. So, customer will intend to continue using and repurchasing in the future. Satisfaction can form a perception, and in this case can pose products of company in mindset of its customer. The reason is that a satisfied customer can disseminate experience to other consumers (Bei, 2001). On the contrary, customer dissatisfaction can be bad promotion to company because can lose a new customer. Customer who satisfies with personal values and having mood is positive on a service given will have high loyalty on company. The contradictory finding is concluded by Diah (2006) that she says though customer feel satisfy, but he or she can switch if a competitor give s more the service performance that fits the expectation. Means, the loyalty is not always influenced by satisfaction. This research can explain a small of coefficient influence of satisfaction on loyalty.

## CONCLUSION AND SUGGESTION

### Conclusion

Based on the result of research that have been discussed can be concluded that when buy a cosmetic consumer considered the brand name, product quality, price, product design, service quality on the top of that customer satisfaction has a positive effect on brand loyalty. Refer to the conclusion, cosmetic company should increase the exhibition and to be a sponsor of some events, increase exploiting natural materials from nature, and products adapted in each country, give discount or bonuses, changing old packaging with new packaging, such as colors, form, and picture, building service quality through behaving politely, friendly, empathy, and giving a personal care to consumer.

### Suggestion

The present study has limitations in the suitability of model. But it has development model from the previous study by addition of the dimensions on variable that is customer satisfaction, and the less amount of independent variable. They are brand name, product

quality, price, product design, and service quality. It does not matter because the model in this study has passed test of confirmatory model analysis, so that this model is considered feasible in this study. Future research should be able to develop a model to better and also may consider other variable s. Future research should investigate factors affecting brand loyalty, such as attribute product, opinion leadership, and contagious product.

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