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The Influence of Price and Product Quality on Cosmetic Purchasing Decisions in a Marketplace

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Abstract

This study aims to examine the impact of price and product quality on consumer choices while purchasing cosmetics in a particular market. The research methodology entails conducting an online survey targeting 100 active users of a marketplace company who have purchased beauty products. The findings indicate that the combination of price and product quality substantially influences purchase choices, accounting for a total contribution of 87.4%. These data suggest that these elements are significant contributors to acquiring cosmetics online. The research suggests that Maybelline's management should prioritize the value dimensions of price and product quality in their marketing tactics. They should focus on techniques that uphold or improve product quality while ensuring competitive prices. This result offers valuable insights for cosmetic companies in navigating the growing competition in the e-commerce market.

Keywords : Price, Product Quality, Purchasing Decisions, Marketplace

INTRODUCTION

Consumers' purchasing behavior has become more diverse due to the escalating rivalry in the beauty business. Women have a high demand for cosmetics, making them one of the most commonly required products. Cosmetics can be classified into two types based on their functions: skincare cosmetics, which are used to maintain the cleanliness and care for facial skin, and decorative cosmetics (makeup), which are used to enhance the appearance of the skin by covering imperfections and creating a more attractive look. Using decorative cosmetics can also have positive psychological effects, such as increased self-confidence.

Due to the wide variety of brands available in the market, consumers are motivated to gather information about cosmetic items that align with their purchasing power regarding costs and quality. In October 2020, the World Industry performed market research to determine Indonesia's five leading cosmetic firms. The

research considered sales value, market categories, and brands.

A significant advancement is the beauty industry's entry into e-commerce as a sales platform that links businesses and consumers, particularly women. Women are intrinsically linked to the realm of aesthetics. The availability of several e-commerce platforms offers women a convenient way to fulfill their beauty product requirements. Beauty products are highly sought-after items in the online buying realm.

Tokopedia surpasses Shopee regarding web visitor count, with Shopee ranking second with 134.38 million web visitors⁴ over the same period. Based on SimilarWeb's App Performance data for e-commerce applications in Indonesia, Shopee has more Daily Active Users (DAU) than Tokopedia. Shopee's app received 33.27 million daily visitors in December 2021, and Tokopedia's app had 8.82 million visitors. Based on the available data, it can be inferred that Shopee achieved better performance than Tokopedia in the Indonesian e-commerce market

during the fourth quarter of 2021, with Tokopedia ranking second. This suggests that Tokopedia must enhance its performance and quality to attract a more extensive user base in the e-commerce industry.

E-commerce is a digital platform that facilitates transactions and the exchange of information between vendors and purchasers. (Sidharta & Suzanto, 2015) The online marketplace is created by interconnecting numerous computers into a vast network known as the Internet (Dliyaul Haq, 2023). By implementing e-commerce, a company can effectively market its products or services to a worldwide audience without being limited by geographical limits. The growth of e-commerce sales in Indonesia has been rapid, necessitating sellers and companies to adjust to evolving trends. For instance, Tokopedia offers a platform for sales between consumers. Despite the Covid-19 pandemic, beauty items sold on Tokopedia continued to be in great demand. One particular beauty product saw a significant increase in transactions, with a tenfold rise from July to September 2020.

The COVID-19 outbreak has brought about a significant shift in consumer behavior, with an 80% surge in online purchases for cosmetic products, marking a notable transition from traditional brick-and-mortar purchasing to online shopping (Kompas.com, 2020). Gati Wibawaningsih, the Director General of Small, Medium, and Various Industries (IKMA) at the Ministry of Industry (Kemenperin), has observed that due to social distancing measures, consumers are spending more time at home, leading to increased focus on skincare, body care, and hair care. The restriction on mobility has

compelled consumers to engage in online commerce. This shift in consumer behavior is a significant event that businesses need to take into account for their future strategies. (Qin & Prybutok, 2008; Supriadi et al., 2023; VO et al., 2020)

The escalating sales of cosmetic items, both domestic and international, annually emphasize the intensifying competitiveness in the industry. This competition motivates corporations to develop unique attributes for their products consistently. Consumers are typically drawn to cosmetic items that utilize premium materials, provide competitive pricing, and uphold product integrity. This is not just a selling point; it is a promise. A promise that often leads to online purchases, such as Maybelline cosmetics on the Tokopedia marketplace. In the cosmetic industry, it is not just about the competition; it is about the trust and loyalty of the consumers.

An analysis of Maybelline product prices on Tokopedia and Shopee indicates that prices on Tokopedia are comparatively higher than those on Shopee. The cost disparity results in fewer customers buying Maybelline cosmetics on Tokopedia, as they favor Shopee due to its more affordable prices.

Price is a crucial determinant in shaping purchasing choices. (Chakraborty & Swinney, 2021; Shen & Yahya, 2021) Consumers usually conduct price research and select the product that aligns most with their purchasing capacity while making purchasing decisions. (Jasmani & Sunarsi, 2020) Price refers to the specific monetary value assigned to a product or service. It represents the total amount of money consumers must pay to obtain the benefits of owning or utilizing the product. (Aditia et al.,

2021) Companies must be aware keenly aware of price's influence on consumer behavior. Consumers take into account the price they will pay after assessing the product. Consumers anticipate a correlation between the price and the quality of the goods.

Consumers do not exclusively rely on pricing when making purchasing decisions; the quality of the product also plays a vital role. This supports Rusel's claim in Sinurat et al., (2021) that a product's quality substantially impacts consumer buying decisions, as high quality has a beneficial effect on the firm.

Price and product quality are pivotal factors in the decision-making process when purchasing cosmetic products, as evidenced by this trend. The exponential growth of the cosmetic sector in Indonesia is a clear indicator of the significant surge in the demand for cosmetics, thereby presenting a formidable challenge for companies to not just survive, but thrive in the face of intense global competition. Maybelline, a leading brand in the cosmetics industry, was founded in 1915 by T.L. Williams in New York, USA. A multitude of beauty product brands are available in both the Indonesian and global markets. The ease of acquiring beauty goods, especially through online platforms like Tokopedia, has further intensified the competition.

The lifestyle change, particularly the rise in online shopping and the decrease in in-person cosmetic sales has compelled Maybelline and its rivals to develop novel marketing tactics for online purchases, such as using platforms like Tokopedia.

METHOD

The research method refers to the specific approach researchers employ to gather data. This study utilizes descriptive and verificatory methodologies. By employing these techniques, one can discern the meaningful connections between the variables being studied, leading to findings that elucidate the attributes of the research subject.

The objective of this research is to assess hypotheses through the application of statistical computations. More precisely, it investigates the impact of X1 (Price) and X2 (Product Quality) on Y (Purchase Decision). Verificative research entails testing a theory by assessing whether a hypothesis is accepted or rejected.

The population encompasses all objects or subjects within a specific area that satisfy specific criteria about the study problem. The study focuses on individuals who are customers of Maybelline cosmetic items in the Tokopedia marketplace.

A sample is a smaller group with the same qualities as the larger population. Narimawati (2010:38) defines a sample as a subset of the population chosen to serve as the unit of observation in a study. Based on the definitions offered by experts, it may be inferred that a sample is a portion of the population that accurately represents the entire population.

The sample size for this study comprises 100 respondents. The employed sampling technique is Purposive Sampling, which entails selecting data sources based on predetermined criteria. The sample consists of individuals who have made purchases of Maybelline cosmetic goods on the Tokopedia marketplace.

The validity test, a crucial step in our research, is performed to ensure the authenticity of the questionnaire. A questionnaire is considered valid when it is capable of eliciting accurate data pertaining to the variables under investigation.

A reliability test is performed to ascertain the consistency of measurement outcomes when the exact measurement is done multiple times using the same instrument.

RESULTS AND DISCUSSION

The combined **1** impact of price and product quality **2** on the buying choice of Maybelline cosmetics in the Tokopedia marketplace is 87.4%, demonstrating that these two criteria substantially influence purchasing decisions. This chart illustrates that price and product quality factors can account for most of the variability in purchasing decisions. Given that the total value of these dimensions surpasses the 50% benchmark, it emphasizes the significance of Maybelline's management to consider the value dimensions of pricing and product quality in their marketing efforts.

Understanding the significant influence of price and product quality on purchase decisions is not just informative, but also strategic. It allows management to allocate resources and marketing efforts more efficiently. Maybelline can focus on techniques that enhance product quality while also maintaining a competitive price, thereby attracting consumer interest and strengthening its position in the online cosmetics market. Therefore, grasping the collective impact of pricing and product quality on purchasing

decisions is a key factor in making strategic decisions **3** within the company.

This study's findings indicate that price and product quality collectively exert a substantial influence on the variable of purchasing choice. This discovery aligns with prior research. Consumers consider several elements, such as price and product quality, while purchasing. Consumers evaluate their expectations against the outcomes they attain while acquiring a product. In order to fulfill their expectations, consumers will assess the price and quality of products to match their preferences. This was demonstrated in the study conducted by Tania Aristya and Wahyudi Henky S (2019), whereby it was discovered that both price and product quality substantially influence consumers' purchase choices.

When engaging in online transactions, consumers frequently consider multiple criteria. Nevertheless, customers often need clarification regarding whether the e-commerce platform they select will fulfill their expectations regarding pricing, product quality, and the availability of requested items. Hence, it is essential to possess an e-commerce platform that exhibits exceptional functionality to help consumers locate the desired items at prices commensurate with the quality of the products they acquire.

Consumers don't just consider pricing when selecting e-commerce platforms for their online transactions, they also value product quality. The decision to buy a product is significantly influenced by its quality. To foster client loyalty and enhance business efficiency, e-commerce platforms strategically align product prices with their quality.

Price and product quality play crucial roles in the decision-making process when purchasing cosmetic products. The exponential expansion of the cosmetic sector in Indonesia reflects a significant need for cosmetic products, which in turn forces enterprises to thrive amidst global rivalry. Maybelline is a prominent brand in the cosmetics industry. It was established in 1915 by T.L. Williams in New York, USA. Multiple beauty product brands are accessible in both the Indonesian and global markets. Acquiring beauty goods has become exceedingly convenient in the present era, mainly through online platforms such as Tokopedia.

With the shift in consumer behavior towards more online purchases and fewer physical cosmetic sales, Maybelline and its competitors face the challenge of developing innovative marketing techniques to adapt. A successful strategy involves leveraging marketplace platforms like Tokopedia.

Year after year, the escalating sales of beauty items, locally and internationally, emphasize a fiercely competitive business landscape that necessitates enterprises to develop and distinguish their products consistently. Consumers are primarily drawn to cosmetic items that provide superior components at reasonable prices, which may be conveniently accessed through online platforms such as the Maybelline cosmetics available on the Tokopedia marketplace.

This study examines the impact of pricing and product quality on Maybelline cosmetics' purchasing choices in the Tokopedia marketplace. The results suggest that the combination of price and product quality substantially influences purchase choices. This is

consistent with other research highlighting the crucial importance of pricing and product quality in buying. Amidst the growing prevalence of online transactions, establishing consumer confidence in e-commerce platforms is of utmost importance. Consumers desire reassurance that the selected e-commerce platform fulfills their expectations concerning pricing, product excellence, and the availability of goods.

Therefore, e-commerce platforms play a crucial role in meeting consumer expectations by offering a satisfactory shopping experience and products priced based on their level of quality. The cosmetic sector in Indonesia is experiencing significant growth, leading to increased competition. In the face of these challenges, organizations must engage in continuous innovation and adapt their marketing strategies. Utilizing marketplace platforms such as Tokopedia is a highly effective way to reach consumers and meet their evolving needs.

Ensuring the quality of the goods and providing competitive prices are not just strategies, but essential approaches to stay relevant in this ever-changing market. This research provides valuable insights for the cosmetic business and e-commerce, enhancing their understanding of customer purchase behavior in the current digital era. By staying attuned to these insights, businesses can adapt and thrive in the competitive landscape.

CONCLUSION

Our research underscores the pivotal role of pricing and product quality in shaping Maybelline cosmetics' purchasing decisions in the Tokopedia marketplace. The findings reveal that the interplay of these two factors

significantly sways consumer choices, with a cumulative impact of 87.4%. This underscores the need for Maybelline's management to place a premium on the value aspects of price and product quality in their marketing endeavors. Recognizing the significant influence of product quality and pricing on purchasing enables organizations to deploy resources and marketing efforts efficiently. Implementing strategies that focus on preserving or improving the quality of Maybelline products while also considering competitive prices can make Maybelline goods more appealing in the online cosmetics industry. This result emphasizes the significance of comprehending the aspects that affect purchasing decisions in the e-commerce setting, offering vital counsel for enterprises confronting intensifying competition in the digital cosmetics market.

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