
THE INFLUENCE OF COUNTRY OF ORIGIN, BRAND IMAGE, AND PRODUCT QUALITY ON PURCHASING DECISIONS FOR COSRX SKINCARE

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Abstract

Skincare has developed rapidly in the last few years, the skincare brands available are very diverse, one of which is Cosrx which comes from South Korea. South Korea is considered a highly innovative country in the beauty and skincare industry, known for its advanced technology and effective product formulations. This research aims to determine the influence of Country of Origin on the decision to purchase Cosrx skincare, the influence of brand image on the decision to purchase Cosrx skincare, and the influence of product quality on the decision to acquire Cosrx skincare. The research method used is quantitative research. The sample in this study used the Likert formula and the results were 90 respondents. The Purposive Sampling method was used for sampling. The data analysis approach uses the PLS (Partial Least Square) program. Based on the research results, country of origin, brand image and product quality all positively and significantly influence consumer purchasing decisions for Cosrx skincare.

Keywords: Country of Origin, Brand Image, Product Quality, Purchasing Decision

INTRODUCTION

The skincare industry has grown rapidly in recent years. Skincare has become an integral part of daily lifestyle for many individuals to keep their skin healthy, and avoid skin problems. Consumers today are increasingly paying attention to product formulations, looking for products that contain natural, organic ingredients and are free from harmful chemicals. Meanwhile, skincare products that offer anti-aging benefits, UV protection, or antioxidant content are increasingly in demand by consumers. Thus, skincare has become a primary need for all genders (Nasyatul, 2020).

ZAP Clinic surveyed in 2019 and 2020, South Korea became the country of origin of Indonesian women's favorite skincare brands, with the percentage increasing from 46.6% to 57.6%. This shows the dominance of South Korea in the Indonesian skincare market. One of the skincare brands from South Korea that is popular among Indonesians is Cosrx. Cosrx has the slogan "Expecting Tomorrow" and the motto "Listen to Your Voice," which shows their commitment to focusing on customer desires and creating a better skin transformation (Ratna, 2022).

Databoks.katadata.co.id (2022) for the June-August period Cosrx was in fifth place with the largest sales revenue in Indonesian e-commerce at 2.8 M. However, this does not rule out the possibility of a decline in sales. In September of the same year, Cosrx's Market Share decreased, putting Cosrx in 6th place with a percentage of 3.64%. The decline in Cosrx's sales may be due to fierce competition and ineffective marketing strategies. However, Cosrx continues to develop new strategies and product innovations to reclaim market share. These efforts proved successful with increased sales in 2023, reaching more than 270,000 pcs (Prnewswire.com, 2023). Cosrx makes it easier for consumers to buy products by providing a choice of purchasing at the official store or the official online store. Before buying, consumers are faced with the purchasing decision process. Purchasing decisions occur when consumers realize a certain need or desire that they want to fulfill.

When choosing a product, consumers not only consider the allure and physical characteristics of the product but also where the product comes from (Country of Origin). Country of Origin plays an important role in success in the global market as it relates to reputation, quality, and expected characteristics. The origin of the product also influences

consumer perceptions of the country's style, trends, and cultural values. In addition to Country of Origin, some factors influence consumers to make purchasing decisions. One of the efforts to achieve consumer stimulation to make purchasing decisions is a good brand image. For a company, the image refers to how consumers perceive the identity or characteristics of the company. This perception depends on the knowledge that consumers have about the company.

Cosrx recently issued a warning about the increase in counterfeit products being sold through TikTok Shop and Amazon (Cosmeticsbusiness.com, 2023). The presence of counterfeit Cosrx products has caused harm to consumers and the company itself. Nonetheless, Cosrx acted immediately by providing clarification and education on the difference between genuine and counterfeit products and strengthened its brand image by emphasizing the quality, safety, and reliability of its genuine products. Another factor that consumers consider in making purchases is product quality. Cosrx, as a leading brand in the skincare industry, with a focus on quality ingredients and strict controls, as well as effective and safe results for the skin, Cosrx has managed to maintain consumer trust and gain global recognition.

This research is in line with previous studies, such as those conducted by Vanessa et al., (2023), which found that Country of Origin influences purchasing decisions. In addition, research by Ajeng and Aminah (2022) regarding the effect of brand image on purchasing decisions also shows that brand image influences purchasing decisions. Other research by Ajeng and Aminah (2022) also revealed that product quality influences purchasing decisions.

REVIEW OF LITERATURE

Country of Origin

Falah et al., (2020) define Country of Origin as the impression, reputation, and perception that customers and business people have of a country's products. Nayumi and Sitinjak (2020) define Country of Origin as an individual's perception of the country of origin of a product formed by information obtained from various sources. This perception consists of three main elements: individuals' trust in their country, their trust in their citizens, and their desire to engage with the country. Cateora et al., (2007) in Fajriyah and Eva (2019) argue

that the indicators contained in the Country of Origin are: (1) the level of technological progress, (2) the type of product, (3) prestige or prestige, (4) the quality of the product of the country of origin, (5) the image of the country of origin.

Brand Image

Venessa and Arifin (2017) define brand image as consumers' perceptions and assumptions of a brand that distinguishes it from competitors. Brand image is how consumers see and believe in a brand, as reflected in their relationships or memories (Sumpu and Tumbel, 2018). According to M. Mandagie and J. L Sepang (2014), there are three indicators of brand image, namely: (1) maker image, (2) product image, and (3) user image.

Product Quality

According to Ernawati (2019), the main factor influencing consumer decisions in buying a product is the quality of the product. Consumers are more likely to choose products that they believe have better quality. As stated by Kotler and Keller (2016) in Istiyono and Rizal (2022), the product's ability to function according to its purpose includes aspects of accuracy, durability, and reliability. Amrullah et al., (2017) argue that the indicators contained in product quality are: (1) performance, (2) appearance, (3) conformity to specifications, (4) durability, (5) reliability, and (6) aesthetics product quality.

Purchasing Decision

Buying decisions are the process by which consumers choose products that they feel match their needs, wants, and expectations, intending to achieve satisfaction or avoid dissatisfaction with these products. (Dewi et al., 2019). Kotler (2004) in (Solihat, 2018) there are several indicators in purchasing decisions, namely: (1) stability in a product, (2) habit of buying products, (3) giving recommendations to others, (4) repurchasing.

RESEARCH METHOD

This research adopts a quantitative approach. The population in focus are students from the Faculty of Economics and Business (FEB) UPN "Veteran" East Java. The sampling method used is probability sampling, using a purposive sampling technique where researchers select samples based on certain criteria. The total sample involved in this research was 90 (18 indicators x 5). Variables were measured using a Likert scale with a value range

of 1 to 5. Data analysis was carried out using the Partial Least Square (PLS) method version 4.0.

RESULTS AND DISCUSSION

Outer loadings (Mean, STDEV, T-Values)

Table 1
Outer loadings

	Factor Loading (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistic
X1.1 <- (X1)	0.815	0.81	0.051	15.962
X1.2 <- (X1)	0.831	0.828	0.054	15.264
X1.3 <- (X1)	0.900	0.899	0.031	29.136
X1.4 <- (X1)	0.825	0.824	0.056	14.815
X1.5 <- (X1)	0.896	0.896	0.024	37.194
X2.1 <- (X2)	0.846	0.847	0.044	19.118
X2.2 <- (X2)	0.843	0.838	0.047	17.78
X2.3 <- (X2)	0.871	0.873	0.024	36.401
X3.1 <- (X3)	0.885	0.884	0.041	21.348
X3.2 <- (X3)	0.917	0.917	0.026	34.8
X3.3 <- (X3)	0.861	0.861	0.044	19.616
X3.4 <- (X3)	0.924	0.924	0.021	43.278
X3.5 <- (X3)	0.895	0.895	0.04	22.595
X3.6 <- (X3)	0.929	0.929	0.022	41.616
Y1.1 <- (Y)	0.881	0.880	0.035	25.252
Y1.2 <- (Y)	0.883	0.883	0.035	25.362
Y1.3 <- (Y)	0.865	0.865	0.034	25.121
Y1.4 <- (Y)	0.794	0.790	0.059	13.513

Source: Data Processing, SmartPLS Output

Based on the outer loading table above, all reflective indicators on the variables Country of Origin (X1), Brand Image (X2), Product Quality (X3), and Purchase Decision

(Y) show a loading factor (original sample) greater than 0.50 and/ or significant (the T-Statistic value is greater than the Z value $\alpha = 0.05$ (5%) = 1.96), so that the estimation results for all indicators have good validity.

Validity Test and Reliability Test

Table 2
AVE and Composite Reliability

	Average Variance Extracted (AVE)	Composite Reliability
<i>Country of Origin (X1)</i>	0.729	0.931
Citra merek (X2)	0.728	0.889
Kualitas produk (X3)	0.814	0.963
Keputusan pembelian (Y)	0.734	0.917

Source: Data Processing, SmartPLS Output

The AVE test results for the Country-of-Origin variable (X1) were 0.729, the Brand Image variable (X2) was 0.728, the Product Quality variable (X3) was 0.814, and the Purchasing Decision (Y) was 0.734. These variables have a value of more than 0.5, so overall, the validity of the variables in this study can be considered good.

Construct reliability is measured by the composite reliability value, where the construct is considered reliable if the score exceeds 0.70. Indicators that have a composite reliability value above this threshold are considered consistent in measuring their latent variables. The test results show that the Country of Origin, Brand Image, Product Quality, and Purchase Decision variables have a composite reliability value that exceeds 0.7, indicating an adequate level of reliability.

Correlation Test

Table 3.

	X1	X2	X3	Y
<i>Country of Origin (X1)</i>	1.000			
Citra Merek (X2)	0.865	1.000		
Kualitas Produk (X3)	0.903	0.907	1.000	
Keputusan Pembelian (Y)	0.922	0.919	0.941	1.000

Source: Data Processing, SmartPLS Output

From the latent variable correlations table above, it is obtained that the average correlation value between variables with one another shows a moderate average correlation value. The highest correlation value is between the Product Quality variable (X3) and the Purchase Decision (Y) of 0.941. This shows that in this research model, the high and low Purchasing Decisions are more influenced by the Product Quality variable than the Country-of-Origin variable and the Brand Image variable.

Inner Model Analysis

R Square Analysis

Table 4
R Square Analysis

<i>R-Square</i>	
<i>Country of Origin</i>	
Citra Merek	
Kualitas Produk	
Keputusan Pembelian	0.928

Source: Data Processing, SmartPLS Output

The R2 value of 0.928 indicates that the model can explain about 92.80% of the phenomenon. The rest (7.20%) is explained by other variables not included in the model and error factors. This means that the Country of Origin, Brand Image, and Product Quality variables contributed 92.8% while other variables not included in the model had an effect of 7.20%.

Hypothesis Testing

Table 5
Hypothesis Testing

	<i>Path Coefficients (O)</i>	<i>Sample Mean (M)</i>	<i>Standard Deviation (STDEV)</i>	<i>T Statistic (O/STDEV)</i>	<i>P-values</i>
<i>Country of Origin (X1) → Keputusan Pembelian (Y)</i>	0.319	0.320	0.120	2.655	0.008
Citra Merek (X2) → Keputusan Pembelian (Y)	0.284	0.292	0.135	2.096	0.036
Kualitas Produk (X3) → Keputusan Pembelian (Y)	0.396	0.386	0.145	2.729	0.006

Source: Data Processing, SmartPLS Output

Based on the table above, it can be seen that the results of the hypothesis state:

H1: Country of Origin (X1) has a positive and significant effect on Purchasing Decisions (Y) with a path coefficient of 0.319 and a t-statistic value of $2.655 > 1.96$ (t-table value $Z\alpha = 0.05$), where the p-value = 0.008 is smaller than $\alpha = 0.05$ (5%).

H2: Brand Image (X2) has a positive and significant effect on Purchasing Decisions (Y) with a path coefficient of 0.284 and a t-statistic value of $2.096 > 1.96$ (t-table value $Z\alpha = 0.05$), where the p-value = 0.036 is smaller than $\alpha = 0.05$ (5%).

H3: Product Quality (X3) has a positive and significant effect on Purchasing Decisions (Y) with a path coefficient of 0.396 and a t-statistic value of $2.729 > 1.96$ (t-table value $Z\alpha = 0.05$), where the p-value = 0.006 is smaller than $\alpha = 0.05$ (5%).

The Effect of Country of Origin on Purchasing Decisions

The results of the analysis based on factor loading on the Country-of-Origin variable show that the indicator that has the most influence on Product Quality is Prestige or prestige. Consumers feel that Cosrx skincare products give a luxurious impression with high-quality textures and aromas, as well as usage results that make skin healthier and more well-groomed. These products make consumers feel special and enhance their skincare experience, thus increasing their confidence. This awareness of prestige makes consumers prefer and recommend Cosrx as a quality premium skincare. The results of this study are in line with research conducted by Chelsy Vanessa, Wan Laura Hardilawati, and Rian Rahmat Ramadhan (2023) which shows that Country of Origin has a positive and significant effect on purchasing decisions.

The Effect of Brand Image on Purchasing Decisions

The results of the analysis based on factor loading on the brand image variable show that the indicator that has the most influence on brand image is the user image. Consumers who care about skin health and have a regular care routine create positive associations with the product, this increases the trust and credibility of Cosrx. Because Cosrx users are often considered to have a high social status, Cosrx is seen as a premium skincare product. The results of this study are in line with research from Nathalia Indah Salim., and Laura Lahindah (2021) entitled "The Effect of Country of Origin and Brand Image on Purchasing Decisions

for Innisfree Brand Skincare Products in Bandung". which shows that brand image has a positive and significant effect on purchasing decisions.

The Effect of Product Quality on Purchasing Decisions

The results of the analysis based on factor loading on the Product Quality variable show that the indicator that has the most influence on Product Quality is Aesthetics. Cosrx skincare product packaging is known for its simple, minimalist, and functional design, reflecting the company's focus on product quality and effectiveness. Informative packaging design is not only visually appealing but also helps consumers understand the benefits and how to use the product, which ultimately improves their perception of product quality. Well-maintained packaging aesthetics also make the product more attractive and trusted by consumers so consumers decide to buy the Cosrx skincare. The results of this study are in line with research from Roosyidah Pitradjaja, and Tri Tjahjo Poernomo (2024) which shows that product quality has a positive and significant effect on purchasing decisions.

CONCLUSION

From the research that has been done, it can be concluded that Country of Origin has a positive effect on purchasing decisions. This shows that the better the perception of the Country of Origin of Cosrx skincare products, the greater the decision to buy the product. Brand image has a positive effect on purchasing decisions. This shows that the better the brand image that Cosrx has, the higher the level of purchasing decisions made by consumers. Product quality has a positive effect on purchasing decisions. This shows that the higher the quality of products owned by Cosrx, the higher the level of purchasing decisions made by consumers.

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