

CHAPTER I

INTRODUCTION

A. Background

Competition in the cosmetic industry is currently very competitive. The cosmetic sector is still growing significantly in 2020. This can be seen from the growth performance of the chemical, pharmaceutical and traditional medicine industries, where cosmetics are included, which grew 9.39 percent and contributed 1.92 percent to Gross Domestic Product (GDP). In the last five years, the Food and Drug Supervisory Agency (BPOM) noted that 185,290 cosmetic products were circulating in the community Association of Indonesian Cosmetics Companies and Associations (PPAK Indonesia).

Companies are organizations that serve consumers by offering and selling goods or services. To obtain the purpose of profit from sales received from consumers and fulfill the objectives for consumers, namely to meet needs or obtain satisfaction from the goods or services they receive. Companies do not just sell their goods. For an item to be purchased by consumers, a company must make many efforts that can bring consumers to buy the company's goods or services. Efforts include marketing products widely and on a large scale and providing promotions that provide economic value. So that companies can increase sales. However, although these businesses focus on their products and sales to consumers, business is not entirely dependent on transactions between organizations and consumers. One of the most important goals of every organization is to serve customers as best as possible (de Waal, 2012). In order

to fulfill this goal, employees of the organization need to realize that customers are the most important thing in the world to them and that without satisfied customers, the organization does not have a reason to exist.

Purchasing decisions are thoughts in which individuals evaluate various options and decide on a product from the many choices. According to Kotler & Armstrong (2016), the purchase decision is the buyer's decision-making process where the consumer buys. According to Schiffman & Kanuk (2014) purchase decision is defined as a choice of two or more choices. According to Tjiptono (2012), the purchase decision is a process where consumers recognize the problem, seek information about a particular product or brand, and evaluate how each of these alternatives can solve the problem, leading to a purchase decision. From this understanding, it can be concluded that the purchase decision is a decision-making process that begins with the introduction of the problem, then evaluates it and decides the product that best suits the needs.

The development of technology and information greatly affects the behavior of consumers who want to be practical and efficient both in product consumption to meet their needs and desires. Nowadays, social media has become a daily necessity for a person. Of course, it can affect the way companies communicate with their consumers. This encourages companies to be good at reading the market situation in the community to share information openly. Currently, young people cannot be separated or avoided from using gadgets to access social media because, in their daily lives, they need information through these social media Ayun (2015). Social media in the

current era has helped women a lot in getting information on various beauty products and various other beauty content through the existence of Beauty Influencers or Beauty Vloggers who have provided much information on social media (Nurhadi, 2020)

A Beauty Influencer is well-known on social media and specializes in the world of beauty. The presence of Beauty Influencers is used as a tool to promote a beauty brand through the submission of reviews that are made as attractive as possible. According to Zukhrufani & Zakiy (2019), Beauty Influencers are considered to occupy a strong role that influences a large number of followers because each upload is when promoting a beauty product from a brand. Shimp and Andrew (Anggraini & Suryoko, 2018) also explain how advertisers are willing to pay a high amount to a Beauty Influencer who is liked by the audience in order to influence consumer behavior towards the products being sold.

The selection of social media is an important factor for a beauty brand in marketing and promoting its products through content and strategies that can attract many people, especially women. In addition, the role of beauty influencers is suitable to effectively improve brand image and increase consumers' Brand Awareness of the brand. It is important for marketers to build a perception to understanding a buying process.

Declare that brand image is an asset and a liability associated with a brand name and a sign that the assets and liabilities can simultaneously increase or decrease the value by providing a product or service to consumers (Magid, D,

& S, 2006). Brand images are the customer's response towards the brand, sign or the perception of belonging to a person towards the brand of product or service (Dichter, 1985; Keller, 1993; Kotler and Armstrong, 2008). In general, brand image has the attributes and benefits associated with a brand that has its characteristics and is different from competitors (Webster and Keller, 2004).

Consumption of cosmetics must comply with government regulations. For Muslim consumers, cosmetics must also have a halal label. Halal means it does not contain ingredients that are not allowed to be used and consumed, such as alcohol or harmful chemicals, fat, placenta, or gelatin from pigs or animals that are not slaughtered according to Islamic rules (*Q.s Al Baqarah 168-169*, n.d.).

Consumers or Muslim companies must be aware of halal in a product. Both halal in terms of raw materials and processes (Jamal Abdul Nassir & Nur Shahira, 2009). Explains that finding and consuming halal products following Islamic law is consumers' awareness and level of knowledge. Based on the above background, this study aims to examine THE EFFECT OF BEAUTY INFLUENCER, AND HALAL LABELING ON PURCHASE DECISIONS THROUGH BRAND IMAGE AS A MEDIATION VARIABLE TOWARD HALAL PRODUCT OF WARDAH COSMETIC.

B. Research Problem

Based on the background of the problems that have been discussed previously, then the formulation of the problem in this study include:

1. Does beauty influencers affect the purchase decisions?
2. Does beauty influencers affect the brand image?

3. Does beauty influencer affect the purchase decisions through brand image ?
4. Does the brand image affect the purchase decision?
5. Does the halal label affect the purchase decision?
6. Does the halal label affect the brand image ?
7. Does the halal label affect the purchase image through brand image?

A. Reaseach Purpose

1. To test the influence of beauty influencers on the purchase decision.
2. To test the influence of beauty influencers on brand image.
3. To test the influence of beauty influencers on purchase decision through brand image.
4. To test the effect of brand image on purchase decisions.
5. To test the effect of halal label on purchase decision.
6. To test the effect of halal label on brand image.
7. To test the effect of halal label on purchase decision through brand image.

C. Research Benefit

1. Theoretical Benefits

This research is expected to be useful in marketing management science related to the influence of beauty influencers, brand origin, halal labelization toward halal products of wardah cosmetics.

2. Practical Benefits

- a. For Marketers

For marketers, this research is expected to be an illustration and input for marketers about the benefits of beauty influencers, brand origin, halal labelling on customer purchasing decisions.

b. For Researchers

This research is part of the learning process, which is expected to add insight, knowledge, and reasoning power so that they can better understand the application of the theories that have been studied in lectures.

c. For Further Researchers

For further researchers, it is hoped that this research can be used as an additional library for similar research.