ABSTRACT

The competition of cosmetics industry in Indonesia is increasingly high. To overcome the competition, company is forced to create competitive excellence to defeat competitors. Consumer loyalty is an important matters for company to survive and compete with other companies.

The purpose of this study is to study the factors that influence brand loyalty of cosmetic products in Indonesia and to find out whether the research model can be applied to cosmetic consumers in Indonesia.

The research type used is descriptive research with quantitative method. Data analysis technique used is Partial Least Square (PLS) with sample of 390 respondents through SmartPLS 2.0 software. The sampling technique used is non-probability sampling with purposive sampling type.

Based on the results of research and analysis conducted can be seen that the brand image has significant impact on consumer satisfaction, perceived quality has significant impact on consumer satisfaction, the price has no impact on consumer satisfaction, promotion has significant impact on consumer satisfaction and consumer satisfaction has significant impact on brand loyalty.

From the result of research found that perceived quality had the greatest influence in consumers brand loyalty, this means that firms should keep upgrading the product quality in order to gain competitive position in cosmetic sector.

Keywords: Brand Image; Perceived Quality; Consumer Satisfaction; Brand Loyalty; SEM-PLS