

CHAPTER I

INTRODUCTION

1.1 General Overview of Research Object



Figure 1.1 Maybelline Logo

Source : (Wikimedia Commons, 2017)

Maybelline is a cosmetics brand that was produced by L’Oreal Group, which first appeared in Indonesia in 1979. At this moment, L’Oreal comes with 15 brands which are divided into three categories; Luxury, Consumer and Professional. The brands are L’Oreal Paris, Maybelline New York, Garnier, L’Oreal Professional, Kerastase Paris, Matrix, Lancome, Biotherm, Shu Uemura, Yves Saint Laurent and Kiehl’s (L’oreal Indonesia, 2019).

Maybelline is the number one make-up brand in the world. Maybelline has combined the latest technology and trends. Maybelline offers cosmetics that are innovative, easy to obtain and easy to use for all women. In 2016, L’Oreal Profits was estimated to have reached USD 27.6 Million (L’oreal Indonesia, 2019).

Maybelline offers more than 200 cosmetic products. The most famous product from Maybelline is mascara, and this makes mascaras are inseparable from women’s daily lives. Maybelline’s new products are now following the new trends and with attractive new bold colors. Maybelline has also won many awards not only in Indonesia, but also in America, Britain, and Japan. It has reached the number one for the highest sales in the world for the Mascara and BB Cream by Maybelline.

1.2 Research Background

The desire to look beautiful and attractive is every woman's dream. Woman always want to look perfect and attractive every time. Hence, one the way to support an attractive appearance is to use beauty product. Women as the main consumers in beauty products have a high desire to buy. In using beauty products usually consumers always use products that suit with their skin tone (Aisyah, 2018).

The desire to use beauty products, creates competition in an increasingly competitive world of the personal care and cosmetics industry. This matter It can be seen from the many types of cosmetics on the market, both the one produced domestically and abroad. Diversity of beauty products existing in the market, in fact affect a person's attitude in choosing a product beauty that suits her skin, and doesn't have that risk or effect harmful to skin health (Aisyah, 2018)

Supported by advances in science and technology today beauty products and cosmetics, have undergone many changes with the release of the latest innovations in accordance with the needs and one of the desires of consumers is beauty products (Aisyah, 2018).

Currently, beauty products on the market include Maybelline, Wardah, Oriflame, and Revlon. Of the various brands, one of the beauty brands that will be studied is Maybelline's, because it is Mascara Maybelline has become one of the beauty needs of women. Because competition for beauty products is increasingly growing then every producer is required to be able to innovate on their products so that new products emerge and are in demand by consumers. Apart from that the producers are being sued to find out the target market share, one way is the producer must know consumer behavior (Aisyah, 2018).

According to Kotler and Keller (2016, p. 166) Consumer Behavior is a Study about How individuals, groups and organizations choose, buy,

use and how the goods, services, ideas or experiences to satisfy needs their wants.

According to Kotler and Armstrong (2017, p. 157) the Purchase Decision is that the buying decision behavior refers to the final purchase behavior of consumers, both individuals and households who buy goods and services for personal consumption.

One of the factors that can influence the purchase decision is brand image. According to Kotler and Keller (2016, pp. 263-264) which states that consumers who embrace the perceptions and beliefs according to experience which they have felt and encapsulated in their memories. The goodness of brand image will influence consumers in making purchases. Usually, consumers have a better perception of a brand image of a products, of course, will be proportional to the price offered by the manufacturer. Because, it is already imprinted in the consumer's memory, the better the brand image of a product, the higher the price offered. It also becomes one of the factors that influence consumer purchases.

The other factor that influences the purchase decision is price. According to Kotler and Armstrong (2017, p. 151) price is an amount of money charged for goods or services or the amount of the money exchanged consumers for the benefits of owning or using the product or services. To set the price of a product, the company must be able to adjust the price with the quality of the product to be offered, because when the price offered is in accordance with the quality of the product, the more it will be high consumer interest in making purchases.

Women's beauty products consist of various types, including mascara products. Mascara is a cosmetic that is generally used for beautify the eyes. Its function, among others, is to thicken and extend eyelashes. One of the famous mascara products is Maybelline. The following is a

table explaining the Top Brand Index for Mascara beauty product categories 2018-2020.

Table 1.1 Top Brand Index for Mascara Cosmetics Category 2018-2020

TBI	Year					
	2018		2019		2020	
1	Maybelline	22.0%	Maybelline	26.2%	Maybelline	33.5%
2	Wardah	19.0%	Wardah	15.5%	Wardah	12.3%
3	Oriflame	11.5%	La Tulipe	10.9%	La Tulipe	11.0%
4	Revlon	11.4%	Oriflame	10.8%	Oriflame	7.8%

Source: www.topbrand-award.com (2021)

Based on Table 1.1 it is known that the sale of Mascara cosmetics Maybelline remains at the top of the top brands. in 2018 with a percentage of 22.0% later in 2019, namely with a percentage of 26.2% and in 2020 Mascara Maybelline with a percentage of 33.5% this shows that there is an increase in sales each year. This means that the products offered by the company are acceptable and used by consumers. If we look at the table, Mascara cosmetics Maybelline stays at its peak and every year the product experiences increase in sales. Even though the price offered is more expensive from other products. Here's a list of product price comparisons maybelline with other products.

Table 1.2 Mascara Cosmetics Price Comparison in February 2021

Brand	Lowest Price	Highest Price
Maybelline	Rp. 73.000,-	Rp. 159.000,-
Wardah	Rp. 49.500,-	Rp. 90.000,-
Oriflame	Rp. 129.000,-	Rp. 129.000,-
La Tulipe	Rp. 80.000,-	Rp. 80.000,-
Revlon	Rp. 129.000,-	Rp. 129.000,-

Source: shopee.co.id (Shopee Official Shop)

From Table 1.2 above it can be explained that in the lowest price table, Maybelline mascara not the cheapest price and on the highest price table, Maybelline mascara's price is actually the most expensive than the other brands.

One of business strategy that Maybelline brand does for increasing their sales, is by making continuous innovation and improve their product quality. This is intended to improve or enhance the brand image of their own products. So it will create the better brand image, that will affect on customer purchasing decision. When consumers have remembered a brand image products, then they will believe in the products offered and there are high possibilities for them to repurchase the product (Aisyah, 2018).

Maybelline as one of the Paris cosmetics vendors in Indonesia that was produced by L'Oreal Group. L'Oreal was affected by the lockdown policy of a number of countries when the Covid-19 outbreak hit almost all countries in early 2020 (CNBC, 2020). But in Indonesia itself for the past 3 years, from 2017 to 2020 mascara products remain ranked first on the Top Brand Index in the mascara product category. Although the price is fairly more expensive than other mascara's brand. Based on this phenomena, it is important to learn about how its brand image and product price influence its customers in making decision before purchasing Maybelline Macara products. Based on the explanation above, the author wants to do research with the title **"THE INFLUENCE OF BRAND IMAGE AND PRODUCT PRICE TOWARDS MASCARA PURCHASE DECISION (A STUDY ON MAYBELLINE CUSTOMER IN INDONESIA)"**

1.3 Problem Statement

The attempt to look attractive and gorgeous is the ambition of every woman. Women still want to look perfect and desirable every time. The ability to use beauty products causes competition in an increasingly competitive world of personal care and cosmetics. Supported by advancements in science and technology today, beauty products and cosmetics have undergone many changes with the arrival of the latest technologies in line with needs, and one of the consumer's wishes is beauty products (Aisyah, 2018).

Since competition for beauty products is the more and more, every manufacturer must be able to innovate on their products so that new products arise and are in demand by customers. Apart from the fact that the manufacturers are being sued to find the target market share, one approach is for the manufacturer to know consumer behaviour (Aisyah, 2018).

Purchase Decision is that consumer buying behavior refers to the final purchase intentions of customers, both individuals and households, who purchase products and services for personal consumption; Kotler, Armstrong (2017, p. 157).

Factors that can influence the purchase decision are brand image and product price. Kotler and Keller (2016, pp. 263-264) states that consumers who embrace the perceptions and beliefs according to experience which they have felt and encapsulated in their memories. According to Kotler and Armstrong (2017, p. 151) price is an amount of money charged for goods or services or the amount of the money exchanged consumers for the benefits of owning or using the product or services.

Beauty items on the market today include Maybelline, Wardah, Oriflame and Revlon. Of the different brands, one of the beauty brands that will be researched is Maybelline's, because it's Mascara. Maybelline has been one of women's beauty needs (Aisyah, 2018). Maybelline is one of the most popular mascara brands in Indonesia. Over the last 3 years, mascara products have remained ranked first in the Top Brand Index in the mascara product category from 2017 to 2020 (Top Brand, 2021). However, the price is more expensive than the other mascara brand (Shopee Official Shop, 2021).

The importance of brand image to the company is undeniable, as the image of the brand can have an impact on the purchase decision. In order to meet the needs of the company, the company should have a good brand image around the consumer. One of the ways to enhance the purchase

decision, and also to increase consumer demand, is that price is one of the marketing mix factors. In order to find out whether there is any influence on the purchase decision on the price of the product, this research is carried out. As for the formulation of problems in this study, the research questions are:

1. How big is the consumer assesment of brand image and product price toward purchase decision of Maybelline in Indonesia?
2. How strong is the consumer purchase decision of Maybelline in Indonesia?
3. Do brand image and product price positively influence the purchase decision of Maybelline in Indonesia?

1.4 Research Objectives

The purposes of this study are:

1. To learn the influence of brand image on purchase decision on Maybelline Mascara in Indonesia;
2. To learn the influence of product price on purchase decision on Maybelline Mascara in Indonesia;
3. To determine how much are the infulence brand image and product price on purchase decision on Maybelline Mascara in Indonesia.

1.5 Research Aims

This research is expected to be used by the parties in need. Benefit of this research are:

1.5.1 Academic Uses

Improving authors insight and knowledge about the infulence of brand image and product price towards mascara purchase decision (Case study : Maybelline customer in Indonesia).

1.5.2 Practical Uses

Providing information about the influence of brand image and product price towards mascara purchase decision (Case study : Maybelline customer in Indonesia).

1.5.3 General Uses

The results of this study are expected to be a reference for further research or similar research.

1.6 Systematic of Writing

A. CHAPTER I INTRODUCTION

This chapter is a general, concise and solid explanation that describes the precisely the content of the study. The contents of this chapter include: General Overview of Research Objects, Research Background, Problem Formulation, Research Objectives, Research Aims, and Systematics of Writing.

B. CHAPTER II LITERATURE REVIEW

This chapter contains theories from general to special, accompanied by previous research and followed by a research framework that ends with a hypothesis.

C. CHAPTER III RESEARCH METHODOLOGY

This chapter confirms the approachment, methods, and techniques used to collect and analyze findings that can answer research problems. This chapter includes descriptions of: Types of Research, Variable Operationalization, Population and Samples (for quantitative) / Social Situations (for qualitative), Data Collection, Validity and Reliability Tests, and Data Analysis Techniques.

D. CHAPTER IV RESEARCH ANALYSIS AND RESULT

The results of research and discussion are systematically described in accordance with the formulation of problems and research objectives and presented in separate subtitles. This chapter contains two parts: the first part presents the results of the research and the second part presents the

discussion or analysis of the results of the research. Each aspect of the discussion start from the results of the data analysis, then interpreted and then followed by the withdrawal of conclusions. In the discussion compared with previous researches and theoretical basis.

E. CHAPTER V CONCLUSION AND SUGGESTION

Conclusion is the answer to the research question, then becomes a suggestion related to the benefits of research.