

# The Influence of Brand Equity Towards Purchase Decision (Case Study of Korean Cosmetics Innisfree in Jabodetabek)

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## ABSTRAK

Tujuan dari penelitian ini adalah untuk mengidentifikasi pengaruh ekuitas merek (kesadaran merek, asosiasi merek, persepsi kualitas, dan loyalitas merek) terhadap keputusan pembelian konsumen menggunakan penelitian kuantitatif. Penelitian kuantitatif ini akan mendalami mengenai kesadaran merek, asosiasi merek, persepsi kualitas, dan loyalitas merek Innisfree di Jabodetabek, Indonesia. Penelitian ini menggunakan uji-t parsial untuk tingkat pengujian 0,05, uji-f untuk menguji pengaruh simultan terhadap variabel dependen, dan koefisien korelasi (R) dan determinasi ( $R^2$ ). Penelitian ini dilakukan di Jabodetabek, Indonesia menggunakan *non-probability sampling* yaitu *convenience sampling* dan menggunakan 220 responden sebagai sampel. Hasil penelitian menunjukkan bahwa asosiasi merek, persepsi kualitas, dan loyalitas merek memiliki pengaruh signifikan terhadap keputusan pembelian sedangkan kesadaran merek tidak memiliki pengaruh signifikan terhadap keputusan pembelian. Pengaruh variabel kualitas yang dirasakan terhadap keputusan pembelian dalam penelitian ini. Penelitian ini juga menunjukkan bahwa kesadaran merek, asosiasi merek, persepsi kualitas, dan loyalitas merek memiliki pengaruh signifikan secara simultan terhadap keputusan pembelian dengan 0,730 dari  $R^2$  yang disesuaikan.

**Kata kunci:** Ekuitas Merek, Kesadaran Merek, Asosiasi Merek, Kualitas Persepsi, Loyalitas Merek, Keputusan Pembelian.

## ABSTRACT

The purpose of this study is to identify the influence of brand equity (brand awareness, brand association, perceived quality, and brand loyalty) towards consumer purchase decision using quantitative research. This quantitative research will evaluate the influence of brand awareness, brand association, perceived quality, and brand loyalty towards purchase decision of Korean cosmetics Innisfree in Jabodetabek, Indonesia. This research using t-test for testing partial level of 0.05, f-test for testing simultaneous influence to dependent variable, and coefficient of correlation (R) and determination ( $R^2$ ). This research is conducted in Jabodetabek, Indonesia using non-probability sampling which is convenience sampling and using 220 respondents as the sample. The result indicates that brand association, perceived quality, and brand loyalty have significant influence towards purchase decision while brand awareness have no significant influence towards purchase decision. Perceived quality become the strong influence variable towards purchase decision in this research. This research also indicates that brand awareness, brand association, perceived quality, and brand loyalty have simultaneous significant influence towards purchase decision with .730 of the adjusted  $R^2$ .

**Keywords:** *Brand Equity, Brand Awareness, Brand Association, Perceived Quality, Brand Loyalty, Purchase Decision.*

## 1. Introduction

In the era globalization, the level of human needs will be increasing. From the increasing of needs, it will impact on the demand of goods that also increases. In addition, as technology develops, humans will focus more on aesthetic values as well as existence in order to show at the social level of a person (Ikhwati, 2017).

It goes the same way as the development of cosmetics. Nowadays, costumers are not only focus on the values of their uses, but also on the quality of products and brands of a product. Cosmetics is an attempt to beautify the human body as a whole starting from the eyes, hair, lips, skin to nails. There are a lot of various brand, function, colors and design for cosmetics. There are 2 (two) types of cosmetics according to its use for the skin,

which are: (1) skin-care cosmetics and (2) make-up cosmetics (Sukristiani et al., 2014).

Cosmetics industry in Indonesia recorded a growth of 20% or four-times the national economic growth in 2017. Nowadays, cosmetic products have become a primary needs for women who are the main target of the cosmetics industry. In addition, along with the times, the cosmetics industry also began to innovate on cosmetic products for men and youths (*Kementrian Perindustrian*, 2018). There are locals and foreigners cosmetic products as the affecting factors of national cosmetics' growth. South Korea is one of the countries that imported the cosmetic products to Indonesia. In 2011, Indonesia import value of Korean cosmetics is always increasing for the last 5 years from 2011 to 2015 (Table 1).

**Table 1: Imported Products Share of Indonesia's Personal Care and Cosmetics Market**

Importer	2011	% Market Share	2012	% Market Share	2013	% Market Share	2014	% Market Share	2015	% Market Share
US	\$16,079,505	2%	\$21,856,802	2%	\$19,414,099	2%	\$29,362,407	2%	\$31,398,239	3%
France	\$75,479,067	8%	\$86,917,904	8%	\$116,412,949	9%	\$108,292,629	9%	\$91,161,614	8%
Japan	\$67,930,921	7%	\$88,935,399	8%	\$69,343,991	5%	\$55,136,944	5%	\$60,164,089	5%
South Korea	\$3,904,477	0%	\$6,271,792	1%	\$11,447,774	1%	\$11,447,774	1%	\$13,552,034	1%
Thailand	\$267,960,152	28%	\$261,377,267	24%	\$312,785,450	24%	\$312,785,450	26%	\$214,817,043	19%
China	\$121,639,368	13%	\$136,573,510	13%	\$178,788,835	14%	\$182,987,685	15%	\$170,925,456	15%
Others	\$409,405,412	43%	\$486,213,740	45%	\$583,273,197	45%	\$495,991,534	41%	\$546,371,430	48%
Total Imports	\$962,398,902	100%	\$1,088,146,414	100%	\$1,291,466,295	100%	\$1,196,004,423	100%	\$1,128,389,905	100%

Source: Asia Cosmetics Market Guide 2016

South Korea growth as one of the fastest growing markets for beauty and personal care markets, achieving nearly 6% growth in one year—that is very great in comparison to runners up U.S. (3.9%)

and UK (2.1%). The global exposure of Korean wave such as drama, fashion, songs, foods, and beauty make the Korean products including the beauty products more well-known and high on demands. Euromonitor

placed the total value of skin care sales and color cosmetics in South Korea at USD 6.2 billion in 2014 (Cosgrove, 2016).

One of the Korean cosmetics brand that entered in Indonesian market is Innisfree which is the brand under Amorepacific group that leads in cosmetics industry, established in the year of 2000 in South Korea. Innisfree accomplished strong sales growth based on the differentiated brand power. In China and other Asian markets, Innisfree experienced increased brand awareness, which has led to growth in exports and travel retail sales (Amorepacific, 2015). Innisfree is targeting the millennials segment that makes Innisfree must provide comfortable, effective, and efficient solutions for the cosmetics products (Bachdar, 2018).

As a leading eco-friendly green cosmetic brand, Innisfree pursuing a beautiful dream delivering natural wellness and optimum skin inspired by Jeju Island's pure and innocent nature. Innisfree expected to accomplished strong sales growth based on differentiated brand power. There are many products testimonials about Innisfree since 2015 like posted in *salamkorea.com* that reviews Innisfree products for acne-skin type (Adelima, 2015) and in *moslema.com* reviews the popular make-up in Indonesia (Lidya, 2016). In the research of Rizkia (2018), listed the top used brands in Indonesia and Innisfree listed in the table below:

**Table 2: Innisfree Brand Index**

Popularity Rank	2015	2016
1	Sephora	Etude House
2	The Body Shop	The Face Shop
3	<b>Innisfree</b>	Nature Republic
4	Nu Skin	Missha
5	Oriflame	Other Options
6	The Face Shop	<b>Innisfree</b>

Source: Rizkia, 2018

As shown on the table above, there is a decreasing in the popularity position of the brand Innisfree from 3<sup>rd</sup> position to 5<sup>th</sup> position in 2016.

Research about the beauty products in Indonesia also did by ZAP beauty clinic and Markplus in 2018, they did a research by total participants of 17,889 people. The research has the result that South Korea is 46% as the favorite origin country for cosmetics brands, following

by Indonesia 34,1% and Japan 21.1%. Innisfree is chosen by the participants who joined the research and has the result of only 4.6% (822 people) from 17,899 people that chose Innisfree as their favorite brand, following after SK-II (8.9%), Laneige (7.7%), and The Body Shop (5.5%). Based on the research, the percentage of Innisfree is still quite low (4.6%) compare to the total percentage of Korean favorite cosmetics brands in Indonesia (Bella, 2018).

As they already enter the Indonesia market since 2015 and open their official store in Jakarta by the year of 2017, they still have less interest in Indonesian consumers among the other competitors. In the competition among the other Korean and local cosmetic brands, can Innisfree lead Korean cosmetics market in Indonesia, as vision by Amorepacific to grow its business to become Asia's number one cosmetics maker. Amorepacific is also trying to increasing their worldwide sales from 20% to 50% by the year of 2020 (Cosgrove, 2016).

Nowadays, marketers are confronted with the question of how they can be more efficient in addressing cosmetic-makeup products towards female consumers using brand equity as a driving tool. Because of these reasons it has become essential to identify the extent to which the brand equity lie in the purchasing as it will help to see their strengths and weaknesses in their use of brand equity and can improve their performance accordingly (Perera & Dissanayake, 2013).

## 2. Literature Review

### *Brand*

Brand is an important part of purchasing decisions. For most firms, the ultimate goal of marketing success is to generate a brand, which can differentiate their companies from others (Walangitan et al., 2015). A well-known brand in the community are easier to win the market rather than brands that are unknown (Alfionita & Yulianto, 2016).

### *Brand Equity*

Severi and Ling (2013); Walangitan et al. (2015); Alfionita and Yulianto (2016); Ikhwati (2017) explain that the brand equity elements are influence each variable. Brand equity contains several elements that can create the value. It is anything related with the brand's strength in the market. The dimensions of brand equity are consist of brand association, brand awareness, perceived quality, and brand loyalty.

### *Brand Awareness*

Brand awareness is the first step to creating brand equity (Amegbe, 2016). In the research of Ikhwati (2017), defines that brand awareness is the ability of costumers to recognize or remember a brand is a member of a particular product category. Indicator to measure brand awarenes are brand knowledge, brand recalling, brand recognition and brand familiarity. Through seeing anything that is linked with the certain brand, a customer can easily aware and recognize the product (Walangitan et al., 2015).

Lama (2017) and Satvati et al., (2016) further explains that brand awareness has power to persuade the consumers and it can impact on the purchasing intention of the consumers. Various social media and marketing channels can be used to promote the brand in order to build the strong brand awareness. Brand awareness is described as common knowledge that consumers have about the functional characteristics or attributes of products and brands. It is

expected that higher brand awareness leads to increase consumer purchase intention.

*H1: Brand Awareness has positive influence towards Purchase Decision*

### **Brand Associations**

Brand associations are related to brand image, which is defined as a series of brand associations with certain meanings and will be stronger as the consumption experience or brand exposure increases (Ikhwati, 2017). The value of a brand is often based on associations to which it is linked. Associations such as the name of Ronald McDonald can create a positive attitude or feeling about the brand that has been linked (Satvati et al., 2016). Buyers eventually identify with the brand and they also form some emotional bond with and sentimental attachment to the brand. Buyers are usually persuaded to believe in some perceived cordiality associated with a particular brand. Hence, costumers tend to consume the brand and associate themselves with the brand to identify who they are, who they wish to be and/or how they wish to be seen (Amegbe, 2016). Indicators of brand association are brand image, brand personality, brand perceived value, psychological association, and brand attitude (Perera & Dissanayake, 2013).

Marketers use brand association as a tool “to differentiate, position and extend brands, to create positive attitudes and feelings towards brands, and to suggest attributes or benefits of purchasing or using

a specific brand”, while consumers use brand association as a way to memorize the information about particular brand or product in order to help them in purchasing decision (Bumrungrkitjareon & Tanasansopin, 2011). Brand association has been recognized as important element on that influence on purchase, found out that stronger the brand association and stronger the attitude and purchase intention. (Perera & Dissanyake, 2013).

*H2 : Brand Associations has positive influence towards Purchase Decision*

### **Perceived Quality**

Ikhwati (2017) defines perceived quality as the customer perceptions of the overall quality or excellence of a product or service related to what is expected by the customer. There are several factors to be considered in order to analyze and measure perceived quality which are: reliability, serviceability, appearance, performance, and durability (Walangitan et al., 2015).

Perceived quality is the perception of product quality and superiority in the customer’s mind, which can lead to the consideration of purchase decision (Ponbamrungwong & Chandsawang, 2011). According to Lama (2017), the higher perceived quality improves consumers’ perceived value that increase consumer purchasing intention. Consumers have some perceptions on product quality, price and styles before going to buy the product. Perceived quality forecast the level of the



product quality and directly influence the consumers purchase intentions by satisfying the consumer's needs and wants.

*H3: Perceived Quality has positive influence towards Purchase Decision*

**Brand Loyalty**

Brand loyalty has been expressed as the consumer's positive feeling about the same brand, consumer purchasing the brand more frequent than the others as well as buying and using the same brand for a long time (Chinomona & Maziriri, 2017). Indicators of brand loyalty are: motivate to recommend to others, motivate to purchase alternative products, usage rate, motivation to switch (Gunawardane, 2015).

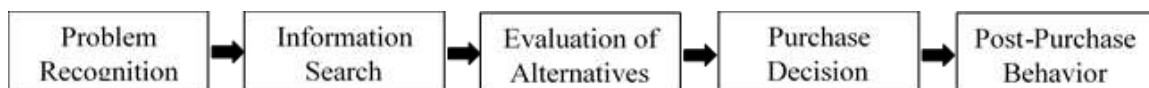
A loyal customer tends to make a continuous purchase of a certain product (Walangitan et al., 2015). Strong loyalty to a brand will result in increased sales and strengthen the confidence of marketing intermediaries. This habit is a repetitive

buying behavior, which means that there will be a repeat purchase decision as well (Ikhwati, 2017). Brand loyalty can influence the consumer's decision making process and persuade the consumer to buy the same product to outwit the competitor's brands. Furthermore, states the brand loyalty is the core element of the product and brand value (Lama, 2017).

*H4: Brand Loyalty has significant positive influence towards Purchase Decision*

**Purchase Decisions**

According to Kotler and Keller (2012), purchase decision is behavior procedure to assess at least two alternatives behaviors and decide to choose one of them. A good company try to understand all of the consumer's buying decision process and utilized their experience in learning, selecting the product, consuming, even until product disposal. There are five stages in doing purchase decision as follows:

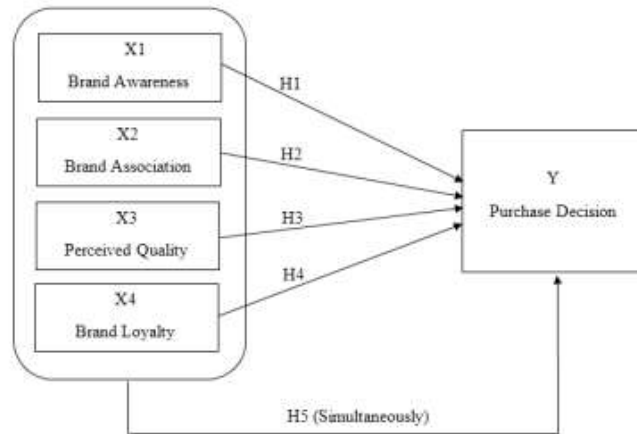


*Figure 1. Five Stages of Purchase Decision*  
Source: Kotler and Keller (2012)

*H5: Brand Awareness, Brand Associations, Perceived Quality, Brand Loyalty has simultaneously influence towards Purchase Decision*

**RESEARCH MODEL**

The relationship of independent variables (Brand Awareness, Brand Associations, Perceived Quality, Brand Loyalty) with the dependent variable (purchase decisions) is explained by a framework as follows:



**Figure 2. Theoretical Framework**

Source: Perera & Dissanayake (2013); Walangitan et al., (2015); Ikhwati (2017).

### 3. Research Methods

This table will measure indicator of each variable about *Brand Awareness*, *Brand*

*Associations*, *Perceived Quality*, *Brand Loyalty* and *Purchase Decisions*. All the observed variables can be seen in Table 3.

**Table 3. Indicators of The Variables**

Variables	Definitions	Indicators	Sources
<b>Brand Awareness</b>	The ongoing process that creates vision, add values, and strongly connected with the product benefits and consumer's purchase intention	Brand Knowledge Brand Recall Brand Recognition Brand Familiarity	Lama (2017) and Perera and Dissanayake (2013)
<b>Brand Associations</b>	How the product can successfully associate their product with anything that may add some benefit to their products.	Brand Image Brand Personality Brand Perceived Value Psychological Associations Brand Attitude	Walangitan et al. (2015) and Pratiwi (2013) and Perera and Dissanayake (2013)
<b>Perceived Quality</b>	Customer perceptions of the overall quality or excellence of a product or service related to what is expected by the customer	Reliability Serviceability Product Quality Expectation Durability Product Information	Ikhwati (2017), Walangitan et al. (2015) and Perera and Dissanayake (2013)
<b>Brand Loyalty</b>	The positive feeling about the same brand, purchasing the brand frequently than the others as well as buying and using the same brand for a long time	Motivate to recommend others Motivation of the Alternatives choice Usage Rate Motivation to switch	Chinomona and Maziriri (2017) and Gunawardane (2015)
<b>Purchase Decision</b>	Several processes behavior in deciding what products and brands to buy	Problem Recognition Information Search Alternatives Evaluation Purchase Decision Post-purchase Decisions	Kotler and Keller (2012)

Population in this research are the people who have bought Korean cosmetics Innisfree. Sample that used in this study are the users of Innisfree products. The sampling method used in this study is *non-probability* sampling, with technique *convenience sampling*. According to Hair et al. (2010), the number of sample sizes must be at least 5 or 10 times from the number of construct in variables. Thus, the minimum sample needed in this study are 165 respondents. The data used in this study is primary data that was obtained by distributing questionnaires using *google spreadsheets* to the respondents. The data obtained through field research and self-processed. Data collection methods used

in this study are questionnaire methods by answering questions that have been provided. The technique used in this study is quantitative research using SPSS ver. 25. Previously, a pretest were conducted to 30 respondents to validate the reliability and validity of each construct which would later be used as research questionnaires in actual research. Descriptive analysis were used in this research to measure each construct. This research measured each indicators by using a five-point likert scale, where a score with 1 as '*Strongly Disagree*', 2 as '*Disagree*', 3 as '*Neutral*', 4 as '*Agree*', and 5 as '*Strongly Agree*'. This scale enable respondents to represent their degrees of agreeing or disagreeing towards each indicators.

**Table 4: Reliability and Validity Pre-test Results**

Variable	r-table	r-computation	Cronbach's Alpha	Action
Brand Awareness	0.361	.588	.827	Continue
	0.361	.652		Continue
	0.361	.501		Continue
	0.361	.530		Continue
	0.361	.823		Continue
Brand Association	0.361	.708	.809	Continue
	0.361	.782		Continue
	0.361	.821		Continue
	0.361	.441		Continue
	0.361	.438		Continue
	0.361	.522		Continue
	0.361	.738		Continue
Perceived Quality	0.361	.540	.848	Continue
	0.361	.765		Continue
	0.361	.771		Continue
	0.361	.691		Continue
	0.361	.682		Continue
	0.361	.788		Continue
Brand Loyalty	0.361	.411	.881	Continue
	0.361	.692		Continue
	0.361	.792		Continue
	0.361	.767		Continue
	0.361	.769		Continue
Purchase Decision	0.361	.822	.865	Continue
	0.361	.790		Continue
	0.361	.725		Continue
	0.361	.856		Continue
	0.361	.468		Continue
	0.361	.436		Continue
	0.361	.743		Continue
	0.361	.725		Continue
	0.361	.863		Continue
	0.361	.877		Continue

Source: SPSS 25.0; Developed by Researchers (2019)



In the early stage of the research, researchers collect data for the purpose of *pre-test* that conducted in the end of February 2019 by distributing the questionnaires to 30 respondent who were users of Innisfree products that used as respondents for this study. The researchers conducted *pre-test* to find out whether the filling instruction, construct question and other important parts of the questionnaire can be understood and indeed accurately represent each variable. The *pre-test* also used to reduce the potential problems arising from the initial data collected by using SPSS ver 25.0 software to test reliability and validity. The results will be used to evaluate the research questionnaire and then distribute again to the actual respondent.

Reliability and validity testing is done by looking at the values of *Cronbach's Alpha* for each variable and *Corrected Item-Total Correlation* that generated from each indicators. According to Hair et al. (2010)

minimum result for *Cronbach's Alpha* should above .60 and minimum result for *Corrected Item-Total Correlation* is if r value > r table. The r table used in this research is .361. The results *Cronbach's Alpha* from the Table 4 show all variable exceed minimum requirements, which mean all variables are valid and reliable.

#### 4. Results and Discussions

The researchers conducts a survey by distributing questionnaires in the first week of March 2019. The questionnaire is distributed online and the questionnaires is done through social media: personal chat and Instagram using *Google Spreadsheets* in order to save time and facilitate data collection. After passing the screening stage of the questionnaires, the researchers managed to collect as many as 220 respondents. This number has fulfilled the minimum amount needed which is 165 respondents.

Table 5: Respondents Profile

Category	Sub-category	Frequency	Percentage (%)
Gender	Female	204	92.7
	Male	16	7.3
Age	17-20 years' old	78	35.5
	21-24 years' old	135	61.4
	25-27 years' old	6	2.7
	28-30 years' old	1	0.5
Domicile	Jakarta	94	42.7
	Bogor	28	12.7
	Depok	23	10.5
	Tangerang	10	4.5
	Bekasi	65	29.5
Occupation	Student	189	85.9
	Employee	21	9.5
	Unemployed	4	1.8
	Entrepreneur	2	0.9
	Freelancer	4	1.8
Monthly Spending	<2.000.000	134	60.9
	2.000.001-5.000.000	82	37.3
	5.000.001-10.000.000	4	1.8

Source: SPSS 25.0; Developed by Researchers (2019)

Normality test is done using both P-P plot and histogram. The histogram shows a nice bell-shaped curve depicting that the data are symmetrical in which it has a peak in the center and two tails on either side fall equally. While in the P-P plot, the data dots land near the straight line. Both results tell that the data is normally distributed.

In multicollinearity test, the result shows that all VIF values of four independent variables are below 10

(<10). It leads to conclusion that there is no multicollinearity among the four independent variables (brand awareness, brand associations, perceived quality, brand loyalty and purchase decisions). While heteroscedasticity scatter plot shows that the points are randomly distributed and do not form a certain pattern. Moreover, the points are scattered equally above and below 0 in the Y axis. It shows that there is no heteroscedasticity in the data.

**Table 6: Multiple Linear Regression Result**

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.267	1.199		.223	.824		
	Awareness	.065	.060	.051	1.079	.282	.551	1.816
	Association	.155	.054	.163	2.875	.004	.381	2.623
	Quality	.441	.068	.404	6.494	.000	.319	3.135
	Loyalty	.422	.080	.326	5.252	.000	.320	3.127

a. Dependent Variable: Purchase Decision

Table 6 shows that brand association, perceived quality, and brand loyalty have significant influence towards purchase decisions as the significance value is lower than 0.05. On the other hand, brand awareness is indicated to no have significant influence for the significance value is higher than 0.05. The analysis above is used as the basis to build multiple linear regression equation:

$$Y = .267 + .155X_2 + .441X_3 + .422X_4$$

Where:

Y = Purchase Decision

X<sub>2</sub> = Brand Association

X<sub>3</sub> = Perceived Quality

X<sub>4</sub> = Brand Loyalty

The equation tells:

1. As the constant value is positive, if Brand Loyalty, Perceived Quality, Brand Association is zero, the Purchase Decision Process will be still positive.
2. Each one unit increase in Brand Association hints an increase of 0.155 in Purchase Decision Process with assumption of other variables being constant.
3. Each one unit increase in Perceived Quality hints an increase of 0.441 in Purchase Decision Process with assumption of other variables being constant.
4. Each one unit increase in Brand Loyalty hints an increase of 0.422 in Purchase Decision Process with assumption of other variables being constant.

**Table 7: T-Test Result**  
**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.267	1.199		.223	.824		
	Awareness	.065	.060	.051	1.079	.282	.551	1.816
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	Quality	.441	.068	.404	6.494	.000	.319	3.135
	Loyalty	.422	.080	.326	5.252	.000	.320	3.127

a. Dependent Variable: Purchase Decision

Source: SPSS 25.0; Developed by Researchers (2019)

As the total respondents are 220 with significance level of 0.05, the thorough analysis is the following:

**Table 8: Hypotheses Analysis**

Hypotheses	Hypotheses Statement	T-value	Result
H1	Brand Awareness has positive influence towards Purchase Decision	.282	Data does not supports the hypothesis
H2	Brand Associations has positive influence towards Purchase Decision	.004	Data supports the hypothesis
H3	Perceived Quality has positive influence towards Purchase Decision	.000	Data support the hypothesis
H4	Brand Loyalty has positive influence towards Purchase Decision	.000	Data supports the hypothesis

Source: SPSS 25.0; Developed by Researchers (2019)

1. The significant value of Brand Awareness is .282 or higher than .005 that means the variable has no significance influence toward Purchase Decision. Therefore,  $H_{a1}$  is rejected and  $H_{o1}$  accepted because there is no significance influence of Brand Awareness toward Purchase Decision on Korean Cosmetic Products Innisfree.
2. The significant value of Brand Association is .004 or lower than .005 that means the variable has significance influence toward Purchase Decision. Therefore,  $H_{o2}$  is rejected and  $H_{a2}$  accepted because there is significance influence of Brand Association toward Purchase Decision on Korean Cosmetic Products Innisfree.
3. The significant value of Perceived Quality is .000 or lower than .005 that means the variable has significance influence toward Purchase Decision. Therefore,  $H_{o3}$  is rejected and  $H_{a3}$  accepted because there is significance influence of Perceived Quality toward Purchase Decision on Korean Cosmetic Products Innisfree.

4. The significant value of Brand Loyalty is .000 or lower than .005 that means the variable has significance influence toward Purchase Decision. Therefore,

$H_{04}$  is rejected and  $H_{a4}$  accepted because there is significance influence of Brand Loyalty toward Purchase Decision on Korean Cosmetic Products Innisfree.

**Table 9: F-Test Result ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3129.886	4	782.472	149.048	.000 <sup>b</sup>
	Residual	1128.709	215	5.250		
	Total	4258.595	219			

a. Dependent Variable: Purchase Decision

b. Predictors: (Constant), Loyalty, Awareness, Association, Quality

Source: SPSS 25.0; Developed by Researchers (2019)

As the significance value is lower than the significance level, it draws a conclusion that all four independent variables (Brand Awareness, Brand Loyalty, Perceived

Quality, Brand Association) simultaneously have significant influence towards Purchase Decision. Thus,  $H_{05}$  is rejected in favor of accepting  $H_{a5}$ .

**Table 10: Coefficient of Determination (R Square) Result Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.857 <sup>a</sup>	.735	.730	2.291	1.965

a. Predictors: (Constant), Loyalty, Awareness, Association, Quality

b. Dependent Variable: Purchase Decision

Source: SPSS 25.0; Developed by Researchers (2019)

As seen in the table above, the value of Adjusted R Square is quite high, which is 0.730. The contribution is 73% of the variation in Purchase Decision process is explained by four independent variables which are Brand Awareness, Brand Loyalty, Perceived Quality, Brand Association. While the rest 27% is explained by other variables that are not discussed in this

research. Results calculated using SPSS could be seen that the R value is .857 which means that the correlation between dependent variable (Purchase Decision) to the independent variables (Brand Awareness, Brand Loyalty, Perceived Quality, Brand Association) is strong because the R value is correlate more than .500 that turns out correlation of 85.7%.

## 5. Conclusions

This research objective is to find out about the truth of predictions that have been proposed by the researchers. As discussed previously, the researchers proposed several predictions in the hypotheses. After the researchers completing the process and analyze the data, the researchers can make the conclusion based on the result as follows:

1. There is no significant positive influence between Brand Awareness with Purchase Decision of Korean Cosmetic Products Innisfree in Jabodetabek.
2. There is significant positive influence between Brand Association with Purchase Decision of Korean Cosmetic Products Innisfree in Jabodetabek.
3. There is significant positive influence between Perceived Quality with Purchase Decision of Korean Cosmetic Products Innisfree in Jabodetabek.
4. There is significant positive influence between Brand Loyalty with Purchase Decision of Korean Cosmetic Products Innisfree in Jabodetabek.
5. There is simultaneously significant influence between Brand Awareness, Brand Loyalty, Perceived Quality, Brand Association towards Purchase Decision on Korean Cosmetic Products Innisfree in Jabodetabek.

## 6. Recommendations

### Company

Korean cosmetics products is become most favorite brand in Indonesia,

Innisfree should create good marketing strategies to build up their brand equity since Amorepacific Group has the goals to increase their worldwide sales from 20% to 50% by the year of 2020. As the researchers found in this research and has the result that 73% of Purchase decision of Innisfree cosmetics products in Jabodetabek influence simultaneously by Brand Equity, Innisfree should be aware that by the elements of Brand Equity (Brand Awareness, Brand Loyalty, Perceived Quality and Brand Association) could be the main factors that determine their success and sustain in the market.

Though the respondents' score of the variable is good and majority of them already aware and recognize the brand, but that does not make the customers to make a purchase decision. According to Pratiwi (2013), It can cause by the availability of the other brands that more likely to purchase. It can also cause by the lack of promotional event that held by Innisfree both online and offline that can stimulate to make a purchase decisions because advertising is a form of communication used by companies, which is expected by companies able to build awareness of the existence of products or services offered.

This research also shown that variable Perceived Quality has the most influential factor to make a Purchase Decision, following by Brand Loyalty and Brand Association. Therefore, it is important for the company to strengthen the Perceived Quality of the brand to the customers. Since

the Innisfree is Korean-based products, the company can make innovation to make the products more suitable for Indonesian skin and preferences.

Innisfree also have to pay attention on selling cosmetic products that have a high quality, enhancing brand awareness, campaigns for cosmetic products as well as promotions for consumers to be associated with brands in order for consumers to be loyal and to repurchase cosmetic brands. Several loyalty programs such as membership card and point rewards can make the consumers spread through word of mouth to their families, colleagues, and social medias about the benefits that provided by the brand that can lead to boost the profits of the company.

### Future Research

The result of this study has some practical implication for the academic purposes. This research contributed in providing knowledge of Brand Equity (Brand Awareness, Brand Loyalty, Perceived Quality and Brand Association) of Korean Cosmetics products that particularly used in Jabodetabek area. This research can be used as a reference in developing a new way to approach the market of beauty-industry based on their Brand Equity that the company used to be marketed in Indonesia. The other factors and different respondents may differ this study. Therefore, is suggested for the future researchers to conduct the more specific places with the different factors and respondents.

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