

THE INFLUENCE OF ONLINE CUSTOMER REVIEW, BRAND IMAGE AND DIGITAL MARKETING ON PURCHASING PRODUCT DECISIONS CUSTOMERS FOR KOREAN COSMETICS PRODUCT IN INDONESIA: CASE OF INNISFREE

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Abstract

Abstract, This study aims to determine the influence of online customer review, brand image and digital marketing on consumer purchase decisions for beauty products from South Korea, Innisfree. The sample were 110 respondents. This study uses multiple regression which is directed to analyze the truth of the data and determine the influence between independent variables and related variables. The research results can be concluded that the online customer review, brand image and digital marketing variables simultaneously have a significant influence to consumer purchase.

Keywords: Online Customer Review, Brand Image, Digital Marketing and Consumer Purchase Decision.

Introduction

1. Background of the Problem

International trade is one of the sources that can improve the country's economy. Apart from economic factors, international trade activities also occur because of community needs that are not commensurate with their resources. One of the forms of international trade is the existence of buying and selling activities between countries or export-import. According to Merdeka.com, there are 10 countries with the most export activities in Indonesia, there is China, Japan, Thailand, Singapore, Australia, the United States, South Korea, Malaysia, India and Taiwan.

South Korea became one of the countries on the list with an export index of 6.8 billion US dollars according to the Indonesian Central Statistics Agency (BPS). South Korea is currently advancing in several sectors thanks to the spread of Korean culture or the Korean Wave through the world of entertainment, fashion or beauty. Indonesia is one of the countries affected by the Korean Wave. This can be seen from the cosmetic industry sector which increased 9.39% in 2020 according to the Indonesian Central Statistics Agency (BPS).

In 2020 ZAP Beauty Index which is an annual research publication issued by ZAP based on a survey of thousands of women who are consumers of the beauty industry. The following is the data from the country of origin of the most widely used beauty products in Indonesia obtained by the ZAP Beauty Index in table 1.

Table 1: Country of origin of beauty products used in Indonesia

Country	Percentage
South Korea	57.6%
Indonesia	37.4%
Japan	22.7%
United States of America	20.1%
Europe	13.1%
Thailand	2.8%

Source: ZAP Beauty Index 2020; [ZAP Beauty Index August 2020.pdf](#)

From the table above, we can see that the products most widely used by Indonesian women came from South Korea as much as 57.6%. One of the most widely used South Korean beauty products in Indonesia is the *Innisfree* product.

The *Innisfree* company produces beauty products such as body care, facial makeup, skin care and bath care. *Innisfree* has benefits for maintaining healthy skin, reducing dark spots, preventing premature aging so that the skin looks healthier.

Table 2 :Innisfree net sales

Year	Net Sales (In Million Rupiah)
2018	7,785,960
2019	7.174.180
2020	4,531,800

Source: *Innisfree* Annual Report

The *Innisfree* company sales decreased by 0.41% in 2020, this is allegedly due to the influence of Online Customer Reviews, Brand Image and Digital Marketing used by the South Korean beauty company, *Innisfree*.

2. Problem Formulation

- a. Does the online customer review variable influence to purchase decision?
- b. Does the brand image variable influence to purchase decision?
- c. Does the digital Marketing variable influence to purchase decision?

3. Research Objectives

Based on the introduction and formulation of the problem above, it can be concluded that the research objectives of this journal are:

- a. To know the influence of the online costumer review variable to purchase decisions?
- b. To know the influence of brand image on costumer purchase decisions?
- c. To know the influence of digital marketing to purchase decisions?

Literature Review

1. Theoretical Foundation

A. Online Customer Reviews

Online Customer Review is one form of word of moth communication in sales. Online costumer reviews are sources that provide information in the form of comments and then make recommendations from the customer's perspective (Lee, Park & Han, 2008).

Dimensions of Online Customer Reviews

According to Elwada, Lu & Ali (2016) Online Customer Reviews have 3 indicators:

1. Perceived usefulness
2. Perceived enjoyment
3. Perceived control

B. Brand Image

Brand image is the process by which a person selects, organizes, and interpretations information input to create a meaningful picture. (Kotler and Keller, 2009).

Brand Image Dimension

According to Rattri (2007) there are 3 components of brand image :

1. Product attribute

2. Consumer Advantage
3. Brand Personality

C. Digital Marketing

Digital marketing is a marketing activity including branding that uses various web-based media such as blogs, websites, e-mail, Ad-words, or social network. Of course, digital marketing is not just about internet marketing. (Ridwan Sanjaya & Josua Tarigan. 2009:47).

Digital Marketing Dimension

According to Ryan and Jones (2009), the application of digital marketing consists of several dimensions, namely:

1. Website
2. Optimization Search engine
3. Paid search click-based advertising
4. Affiliate marketing and strategic partnerships
5. Public relations online
6. Social networking
7. Marketing e-mail
8. Customer relationship management

D. Purchase Decision

According to Sciffman and Kanuk (2008:485) purchase decision is the selection of two or more alternative purchasing decision choices. This means that before making a purchase there are several alternative choices, so that in the end they must choose one of the options.

Purchase Decision Dimension

According to Kotler and Keller (2009:356) there are 4 components that can influence purchasing decisions :

1. Product
2. Price
3. Distribution
4. Promotion

E. Hypothesis

The following hypotheses can be formulated:

H1: There is an influence between Online Customer Review (X1) to purchase decisions.

H2: There is an influence between Brand Image (X2) to purchase decisions.

H3 : There is an indluence between Digital Marketing (X3) to purchase decisions.

H4: There is an influence between Online Customer Review (X1), Brand image (X2), Digital Marketing (X3) to purchase decisions.

Results and Discussion

A. Results of Data Analysis

Table 3

Multiple Linear Regression Equation

Coefficient

Model		Nonstandard Coefficient		Standard Coefficient	T	Signature.
		B	Std. Error	Beta		
1	(Constant)	2.877	1.386		2.076	.040
	Online Customer Reviews	.158	.075	.219	2.115	.037
	Brand Image	.099	.095	.091	1.038	.301
	Digital Marketing	.438	.110	.454	3.985	.000

a. Dependent Variable: Purchase Decision

Multiple Regression Equation $Y = 2.877 + 0.158 X_1 + 0.099 X_2 + 0.438 X_3$ which can be interpreted:

- Consumer purchasing decisions can be seen at a constant value of 2.877, assuming that it does not take into account the influence of Online Reviews, Brand Image, and Digital Marketing.
- Online review will increase consumer purchasing decisions by 0.158, assuming other variables are constant.
- Brand image will increase consumer purchasing decisions by 0.099, assuming other variables are constant.

- d. Digital marketing will increase consumer purchasing decisions by 0.438, assuming other variables are constant.

Hypothesis test

Table 4

T-Test Effect of Online Customer Review, Brand Image, and Digital Marketing on Consumer Purchase Decisions

Coefficient

Model		Nonstandard Coefficient		Standard Coefficient	T	Signature.
		B	Std. Error	Beta		
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	Digital Marketing	.438	.110	.454	3.985	.000

b. Y

analysis:

- Online Customer Review (X_1) = 2.115 > 0.05, meaning that there is an influence between Online Customer Review (X_1) on Consumer Purchase Decisions (Y).
- (X_2) = 1.038 > 0.05, That influence between Brand Image (X_2) on Consumer Purchase Decisions (Y).
- Digital Marketing (X_3) = 3.985 > 0.05 means that there is an influence between Digital Marketing (X_3) on Consumer Purchase Decisions (Y).

Table 5

F Test

ANOVA

Model	Number of Squares	Df	Square Average	F	Signature.
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1	Regression	244,249	3	81.416	32.127	.000b
	Remainder	268,624	106	2,534		
	Total	512,873	109			

a. Y

b. X1,X2 and X3

Source: SPSS 25.0

Based on table F, is 32.127 with a significance of $0.000 < 0.005$. From these calculations it can be concluded that H_0 is rejected and H_a is accepted which means "there is a positive influence between online customer reviews, brand image, and digital marketing on consumer purchasing decisions".

Conclusion

1. The Online Customer Review variable has a significant influence to consumer purchasing decisions. That the Online Customer Review variable had a significant and positive influence to purchasing decisions.
2. The Brand Image variable has a significant influence to consumer purchasing decisions. That brand image variable had a significant and positive influence on purchasing decisions.
3. Digital Marketing variables are classified as having a significant effect on consumer purchasing decisions. The results showed that the Digital Marketing variable had a significant and positive influence on purchasing decisions.
4. Purchase decisions made by consumers of The Innisfree which are influenced by Online Customer Reviews, Brand Image, and Digital Marketing are high. The results showed that the Online Customer Review, Brand Image, and Digital Marketing variables had a significant and positive effect on influencing purchasing decisions.

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