

CHAPTER I

INTRODUCTION

1.1. Background of Study

The development of smartphones has been able to change the lives of people today. The emergence of many diverse and innovative applications on smartphones has helped change people's behaviour in many different ways, from economic, social, lifestyle and even their purchasing styles (Ni and Hutagalung, 2021). Seeing such behaviour, presently numerous application advancement companies are making applications based on electronic commerce (e-commerce) in smartphone gadgets to be advertised to individuals around the world. The expanding number of e-commerce applications that exist nowadays, makes the competition outline to win the hearts of buyers progressively tight, within the Play Store alone there are numerous e-commerce applications that can be downloaded and utilized without charge by customers (Nisak and Yasa, 2021).

The improvement of data innovation is expanding, hence making Indonesia the fourth-largest smartphone client advertise within the world (Machmud, 2018). The improvement of the world of innovation has moreover influenced the total open get to shopping utilizing the online commercial centre administrations or e-commerce (Mansur et al., 2019; Lestari et al., 2020). Digitalization marks the begin of the period of Industry 4.0. With the development of innovation and online culture, shopping designs will move to e-commerce frameworks (Mashur et al., 2019).

According to Shamsudin (2020), since starting a business, customers are the most important factor in the success of any business. Customers are people who purchase from a business or use services provided by a business, and it is important to build customer loyalty.

According to Kim & Yang (2020) and Khoa et al. (2020), the process of deciding to make a purchase on an e-commerce platform involves several stages. Firstly, the shopper considers the item they wish to purchase and begins searching for information about it across the various e-commerce options available to them. Once the shopper has gathered enough information, they move on to the next stage, which involves making a purchase decision. If the shopper is satisfied with the purchase, they may consider making future purchases on the same platform. This process of purchase intention to decision-making and eventual satisfaction is a common occurrence in e-commerce.

Emina is a cosmetics company that focuses on care and cosmetic items that are safe to use and simple to apply to the skin of teenagers and young women. Emina's motto "Born to be Loved" reminds us that every woman has her own originality and beauty, and there is nothing that needs to be fixed or covered up about one's physical appearance. Emina's makeup is basic and cheery, and it simply serves to enhance her natural attractiveness. Apart from that, Emina conveys a positive message to women to become better individuals by being themselves, because each person's uniqueness is what makes them attractive.

The presence of Emina Cosmetics is specifically for women aged 17 to 25 years old, so the initial target of Emina Cosmetics is young teenagers who just want to learn and enter the world of cosmetics and explore makeup. Emina Cosmetics has a beauty is fun motto that is in accordance with the product design with the concept of colourful colours but still simple.

It is recorded that Emina brand sales in the marketplace have reached Rp7.4 billion during the second quarter – 2022 and placed as the top 9. The local skincare brand has presented various skincare products ranging from face wash, moisturizer, toner, and others. Numerous awful reviews show up with respect to the poor service and quality of the products advertised making Emina's rating not as high as the other brands within the same trade category, which demonstrates that there may be a decrease within the repurchase intention.

Service Quality is one of the determinants of purchasing the satisfaction from clients, which could be a comparison of what is felt or experienced (also called seen benefit) with what the client expects (called anticipated benefit), which is anticipated to supply fulfilment to the client (Sholikin, 2021).

As seen from the honest reviews from e-commerce application, such as Shopee and Tokopedia, the service offered by Emina could be said to be quite disappointing. Where lots of complaints were submitted by buyers both on the Shopee application and from Tokopedia, regarding long packaging and delivery, incomplete products ordered or sending packages that did not match the order that customers make, no response when customers ask or chat the admin of Emina's regarding incorrect shipped products or other issues.

For the long duration of sending the products, some customers complain that the duration for sending is quite long, whereas Shopee and Tokopedia set the duration for sending their product maximum 14 days after the buyer order through the applications, excluding weekends. If the company has not sent the products in duration of 14 days, the order will be cancelled automatically by the e-commerce application, and the money will be refunded automatically to the buyer.

Apart from the long delivery of products, Emina is also very slow and even no response when customers ask about long product delivery, wrong delivery of goods or requests by customers regarding replacement of damaged products when they arrive. Here is some evidence of unsatisfactory service that can lead to the possibility of customers not making repurchase intentions in the future through e-commerce platforms.

Product quality is the quality of the products or properties portrayed within the products and administrations in address, more often than not related to the quality or convenience and useful benefits (Herawati et al., 2019). The bad review obtained from female daily as well from e-commerce applications, Shopee and Tokopedia.

Based on different categories in the TopBrand websites, starting with the Face Mask, where Emina is not included in the data taken from the Top Brand website with the Face Mask category. From the TopBrand 2022 website, it can be seen that Emina is not included in any category of product, which includes skincare, masks, and many other more.

After investigating the Female Daily website, it is listed that there are many 3-star reviews, where there are several complaints from people who have bought Emina Face Mask with various types of variants, starting with the Soothe and Smooth Clay Mask. Based on reviews obtained from the Female Daily site, many users bought Clay Mask products from Emina with cute and simple designs, but apparently after using Clay Mask products from Emina, there were many complaints, such as skin that felt sore and burned after use and many said that the product does not make the skin better after several uses.

This is different from what Emina claims in their marketing, where this product can brighten the skin and help the skin become smoother. The Emina Clay Mask product is also claimed to be able to exfoliate the skin and dead skin on the face.

But based on the review online that is obtained from the Female Daily is quite different from what the customers are expecting and as a result, quite a lot of people do not recommend this product and will not be purchasing it for quite some time in the future, as written in the reviews.

For the other product from the same category, Emina with the category of face mask. It is claimed by the company itself that this product balances skin pH, and can also help skin become smoother and brighter, felt immediately after use. Using this mask can also reduce redness and dark spots on the face due to skin irritation, which can disappear completely if used regularly.

However, some of the reviews that are given to this product, because it's a new and interesting variant which is Green Tea Latte, a lot of people decided to give it a try.

There are quite a lot of complaints, starting with the fragrance of the product that is pungent, the product also stings when it is applied on the customers face and lastly there seem to be no effect, unlike what the Emina brand claims to help the skin smoother and brighter.

Moving on with the other category of Emina's product, which is face powder. In the Top Brand website in 2022, Emina is not included in the top 6 best face powder. And as seen from Compas.co.id website, the top 10 best-selling cushion, Emina is included in it, however with a low number of purchase.

After being investigated from the Female Daily website, it turns out that quite a lot of people complain about the face powder products sold by Emina, here is one of Emina's face powder products that received quite a lot of bad reviews. Starting with the Mineral Loose Powder,

The other example product is a Mineral Loose Powder, in which the Emina claims that their product is capable of absorbing oil, allowing the skin to be shine-free all day, however some of the reviews from Female Daily mentioned that after applying the powder to the skin, it has a really visible cakey result, not resulting in a good result of skin, but a skin that's been dusted with too much powder, even if the customers apply it using brush. There were also complaints that the powder used did not stick to certain skin areas, customers were disappointed and said they would not purchase it a second time.

The other example of Emina's face powder, which are the compact powder from Emina claims to give a natural and light effect on the face, but according to a review quoted from Female Daily, as it turns out, many customers have acne-prone skin after using the powder and it is said that it is difficult to recover the skin from the acne that appears, requiring several months for skin to get better. In conclusion, many customers says that the product will not be bought for the second time.

In addition of service quality and product quality, concurring to Kuan et al. in Juwitasary et al.'s investigate (2020), the aim of rehashed buys is "the capacity or crave of buyers to proceed to utilize the same site and make rehashed buys on the same site." Repurchase deliberate behaviour on the same site. Concurring to Hellier et al. (Unpapar, 2021), repurchase purposeful alludes to an individual's appraisal of repurchasing a specific benefit from the same company. Given the current and conceivable circumstances, the aim to repurchase can effectively be translated as the choice by an individual to repurchase products and service by the same company.



In the digital age, companies must be able to gain customer trust in their brands because they greatly influence purchasing factors. By trusting the company, consumers will feel that any risks and uncertainties will be reduced when choosing the product (Subawa, Wihasthini, & Suastika, 2020).

If we browse and look at the review section on Shopee and also Tokopedia, there are a lot of complaints about the dishonest actions of the Emina Brand, some problems such as the contents of the product are not full, where when opened by the customer, the product looks like it has been used half or the products ordered

by customers are 5 products with the same category and some are different, but from Emina only sends 3 products, so customers try to make contact with Emina itself, but often there is no response back.

Other problems such as, in the marketing content displayed shows if customers purchase Emina products in accordance with the conditions set by Emina, then customers who purchase Emina products will get bonus products from Emina, but arguably quite a lot do not get these bonus products, so there is disappointment among customers who have ordered Emina products.

Below are some of the evidences of the negative and positive comments achieved from e-commerce websites in which does sell Emina's product.

<p>Negative comments about service quality</p>	
<p>Negative comments about product quality</p>	

<p>Negative comments about brand trust</p>	
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Source: Tokopedia & Shopee
Prepared by Writer (2023)

The problems listed in the table shows the dissatisfied reactions or opinions expressed, in which could cause as a threat, in other word there are chances that the repurchase intention in Emina's product will be reduced in the future.

1.2. Problem Limitation

To understand why the repurchase intention at Emina does not make it into the top 10, the writer did the research "The Influence of Service Quality, Product Quality, and Brand Trust Toward Repurchase Intention of Emina in Medan".

The research will focus on the problems and analyze how it influences the repurchase intention decrease.

The problem limitations of this research are:

1. This research will analyze four variables, which consist of three independent variables, namely Service Quality, Product Quality and Brand Trust, along with Repurchase Intention as the dependent variables.
2. The object of this research is Emina Cosmetic Product.
3. The research will be conducted in Medan, North Sumatra, 2023.
4. Questionnaires are limited only to Emina in Medan customers.
5. The research and analysis questionnaire will use SPSS software tools.

The indicators used in each variable consists of:

1. Service Quality: Tangibles, Reliability, Responsiveness, Assurance and Empathy.
2. Product Quality: Performance, Product Feature, Reliability, Conformance to Specifications, Durability, Serviceability, Aesthetics and Perceived Quality.
3. Brand Trust: Brand Predictability, Brand Liking, Brand Competence, Brand Reputation and Trust in Company.
4. Repurchase Intention: The intention to repurchase the products, the willingness to repurchase the product is high, the willingness to recommend others to purchase the products and repurchase the product without hesitation if I have the chance.

This research is conducted from the month of August 2023 until November 2023.

1.3. Problem Formulation

From the background of the study, the problem formulation that the writer can formulate are:

1. Does Service Quality partially influence Emina's Repurchase Intention?
2. Does Product Quality partially influence Emina's Repurchase Intention?
3. Does Brand Trust partially influence Emina's Repurchase Intention?
4. Do Service Quality, Product Quality, and Brand Trust simultaneously influence Emina's Repurchase Intention?

1.4. Objective of the Research

The objective or aim to conduct this research are:

1. To research or investigate whether service quality partially influence Emina's repurchase intention.
2. To research or investigate whether product quality partially influence Emina's repurchase intention.
3. To research or investigate whether brand trust partially influence Emina's repurchase intention.
4. To research or investigate how the repurchase intention can be simultaneously influenced by the service quality, product quality, and brand trust of Emina.

1.5. Benefit of the Research

The benefit of the research are:

1.5.1. Theoretical Benefit

The expectation of this research will give benefit for the company and the writer in understanding how the repurchase intention decline influenced by the service quality, product quality, and brand trust. This research will contribute to developing the theory of the influence of service quality, product quality, and brand trust toward repurchase intention.

1.5.2. Practical Benefit

The practical benefits area:

1. For the company

This research will help the company to understand how repurchase intention are affected by the service quality, product quality, and brand trust.

2. For the customer

Through this research, the customer can know how the service quality, product quality, and brand trust affect their repurchase intention.

3. For the next researchers

To provide the new or subsidiary information regarding the influence of service quality, product quality, and brand trust towards repurchase intention.

