

ACKNOWLEDGEMENT

Praise to Jesus Christ for all the blessings that have given by Him. Without His unending favor, the author will not be able to complete this final paper. Pray without ceasing (1 Thessalonians 5 :17).

This final paper entitled **“THE EFFECT OF COUNTRY OF ORIGIN, PRODUCT QUALITY, AND BRAND IMAGE TOWARDS PURCHASE INTENTION OF INNISFREE CONSUMER FROM INDONESIA”** is aimed to fulfill final requirement to attain the Bachelor Degree of Economics in Management. Besides, this final paper facilitates the process of learning and expanding knowledge.

The author would like to thank you for the most patient supervisor, Ms. Cynthia Anna Wijayanti, S.E., M.Mktg who has been patiently guided and shared her knowledge and experiences throughout the making of this paper. Without her kindness and support, the author would not be able to finish this paper in time.

The author realizes without any guidance, support and prayer from various people, this final paper cannot be completed. Therefore, the author would like to thank profusely to all those who have assisted in the process of this paper, namely to:

1. Ms. Gracia Shinta S. Ugut, MBA., Ph.D. as the Dean of Faculty of Economics
2. Ms. Isana S.C. Meranga, S.P., M.M. as the Head of Management Department
3. Dr. Pauline Henriette P. Tan. S.E., M.Si. as the Head Supervisor
4. Ms. Cynthia Anna Wijayanti, S.E., M.Mktg as my research paper supervisor, Co Supervisor, AOE International Business Coordinator.
5. Dr. Drs. John Tampil Purba, M.M. as my academic supervisor.
6. All lectures who have educated and shared their knowledge during the study period in Universitas Pelita Harapan.

7. All staffs and employees of Business School who have helped the author in administrative activities.
8. My beloved family who have always been there for me, giving me all supports, prayers, and motivations to make this paper done in time.
9. Himpunan Mahasiswa Program Study Manajemen 2017/2018 and Mentoring UPH 2018/2019 as my family from UPH for teaching me so much about life lessons and developed my characters to a better person.
10. My partner in crime Felisia Oktaviani, Graciella Suwangsa and Yoshua Marchello for cheering me up, always making me laugh, listening to my every story and for teaching me what true friendship means.
11. My piggy family Kevin Jonathan and Anastasia Morinaga for cheering each other with *kerecehan*.
12. My mentor Jonathan Leonel and Tadao Sergius for teaching me to be myself and never give up in any circumstances.
13. My CSI mates Alie Hartanto, Jeremy Emmanuel, and Sally Marcelina for every moments that I won't forget.
14. My dormies Evelind, Chintya, Celyn, Sylvia, Vilda, Benedicta for being part of my life on uni 24/5.
15. My junior high school friends Jessica Leony for being someone who I can trust since back then.
16. For my International Business friends Devina, Willsye, Livia, Sannela and others that I couldn't mention.
17. My mentees and my mentors that I love so much and for understanding my craziness and loud voice.
18. My high school friends Nathania, Veronica, Rachel, Fayola, Winnie, Olivia, and Lauren.
19. Countless parties who helped me in completing this paper, who couldn't possibly be mentioned one by one.

Last, author realizes that this research has its own limitations. Therefore, to improve the quality of this paper, suggestions and critics are very well welcomed. The author hopes this research paper can be useful for any kind of purposes for the reader.

Karawaci, November 25, 2019



TABLE OF CONTENTS

COVER

STATEMENT OF ORIGINALITY OF THESIS

AGREEMENT OF MENTORING GUIDANCE FOR THESIS

APPROVAL OF THESIS EXAMINING COMMITTEE

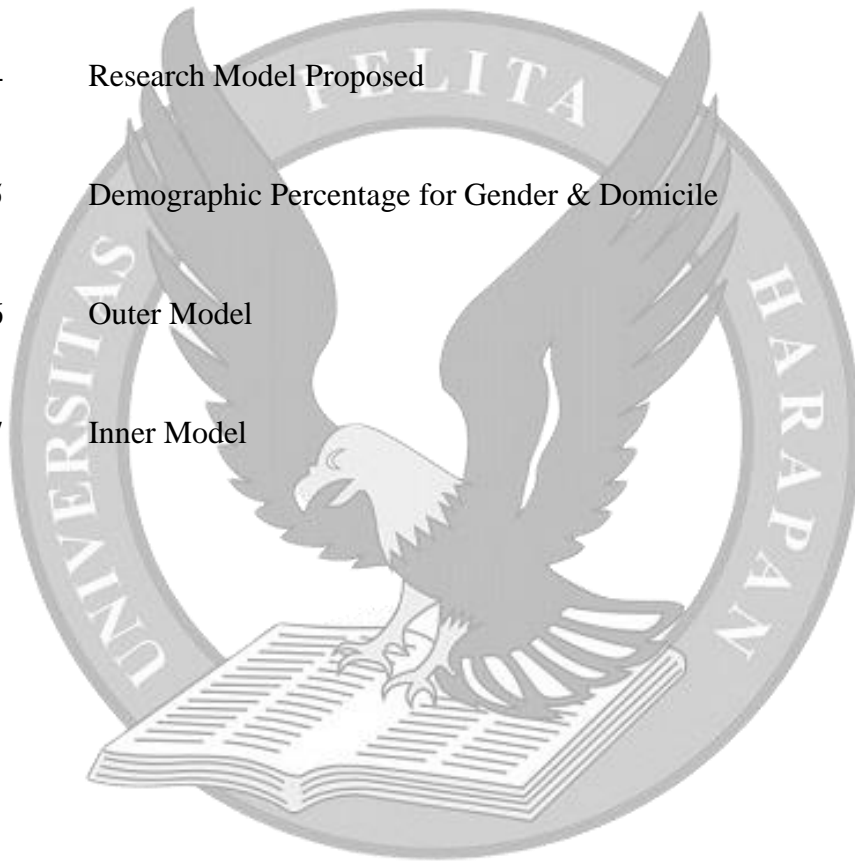
ABSTRACT	i
ACKNOWLEDGEMENT.....	ii
LIST OF FIGURES	viii
LIST OF TABLES	ix
LIST OF APPENDICES	xi
CHAPTER 1	1
INTRODUCTION.....	1
1.1 Research Background.....	1
1.2 Formulation of Problem	7
1.3 Research Purposes.....	7
1.4 Research Limitation	8
1.5 Benefit of Research	8
1.6 Research Outline	9
CHAPTER II.....	10
LITERATURE REVIEW	10
2.1 Country of Origin	10
2.1.1 Definition of Country of Origin.....	10
2.1.2 Country of Origin Dimensions	10
2.2 Product Quality	11
2.2.1 Definition of Product Quality	11
2.2.2 Product Quality Dimension	12
2.3 Brand Image	13
2.3.1 Definition Brand Image	13
2.3.2 Definition of International Brand Image	13
2.3.3 Definition of Global Brand.....	13
2.3.4 The Factors Forming the Brand Image.....	14
2.3.5 Variable of Brand Image	14

2.3.6 Indicator of Brand Image	14
2.4 Purchase Intention	15
2.4.3 Definition Purchase Intention	17
2.4.3.1 Stage of Purchase Intention	17
2.4.3.2 Purchase Intention Indicators	18
2.4.3.3 Factors That Influence Consumer Purchase Intention	19
2.5 Previous Research	20
Below are the previous researches studies had been done related to the current research.....	20
2.6 Relationship Between Variables	22
2.6.1 Country of Origin with Purchase Intention	22
2.6.2 Product Quality with Purchase Intention	22
2.6.3.Brand Image with Purchase Intention.....	23
2.7 Theoretical Framework	24
CHAPTER III	25
RESEARCH METHODOLOGY	25
3.1 Research Methods	25
3.2 Research Design	26
3.3 Population, Sample and Sample Size	27
3.3.1. Population	27
3.3.2. Sample	27
3.3.3. Sample Size	27
3.4 Sampling Techniques	28
3.5 Conceptual and Operational Definition Variables	29
3.5.1 Operational Research Variables	30
3.6 Measurement scale	35
3.7 Data Collection Method	36
3.8 Preliminary Test	37
3.8.1 Validity Test	37
3.8.2 Reliability Result	38
3.9 Data Analysis Method	39
3.10 Pretest Result	40

3.10.1 Convergent Validity	40
3.10.2 Discriminant Validity	43
3.10.3 Reliability	43
3.11 Hypothesis Test	45
CHAPTER IV.....	46
DATA ANALYSIS AND DISCUSSION.....	46
4.1 Respondent Profile	46
4.2 Actual Test	47
4.2.1 Descriptive Statistics	47
4.2.2 Inferential Statistic.....	50
4.2.3 Discussions	56
4.3 Comparison Between The Previous Research and The Present Research ...	58
CHAPTER V	61
CONCLUSION & RECOMMENDATION	61
5.1 Conclusion.....	61
5.2 Theoretical Implication	61
5.3 Managerial Implications.....	63
5.4 Limitations	65
5.5 Future Recommendation Research.....	65
REFERENCE	
APPENDICES	

LIST OF FIGURES

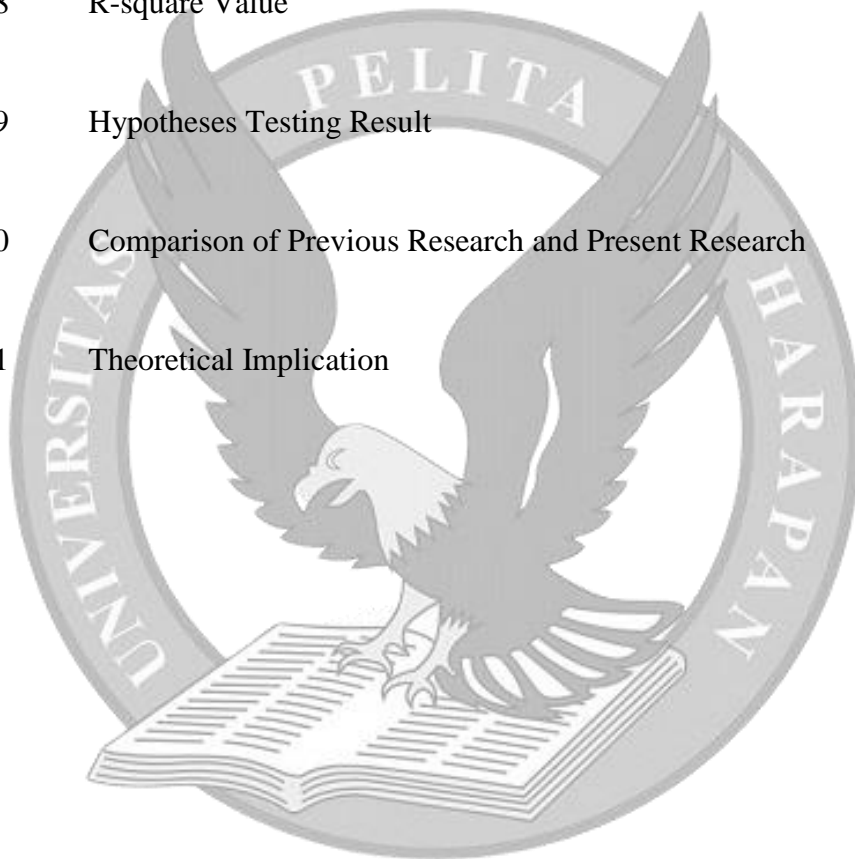
- Figure 1 The Growth of Cosmetic and Skincare since 2013
- Figure 2 Import Value of South Korea Cosmetic and Skincare
- Figure 3 Innisfree Sales from 2017-2019
- Figure 4 Research Model Proposed
- Figure 5 Demographic Percentage for Gender & Domicile
- Figure 6 Outer Model
- Figure 7 Inner Model



LIST OF TABLES

Table 1	Previous Research
Table 2	Conceptual and Operationalization Variables
Table 3	Likert Scale Table
Table 4	Convergent Validity Pre-Test Result (Country of Origin)
Table 5	Convergent Validity Pre-Test Result (Product Quality)
Table 6	Convergent Validity Pre-Test Result (brand Image)
Table 7	Convergent Validity Pre-Test Result (Purchase Intention)
Table 8	Convergent Validity AVE Pre-Test Result
Table 9	Discriminant Validity Pre-Test Result
Table 10	Cronbach's Reliability Pre-Test Result
Table 11	Composite Reliability Pre-Test Result
Table 12	Descriptive Statistics
Table 13	Conversion Definition
Table 14	Convergent Validity – Factor Loading > 0,7 for Actual Test

Table 15	Convergent Validity AVE Actual Test
Table 16	Discriminant Validity – Cross Loading > 0,7 for Actual Test
Table 17	Reliability of Cronbach’s Alpha and Composite Reliability for Actual Test
Table 18	R-square Value
Table 19	Hypotheses Testing Result
Table 20	Comparison of Previous Research and Present Research
Table 21	Theoretical Implication



LIST OF APPENDICES

APPENDIX A	Questionnaire
APPENDIX B	Pre-Eliminary Test Model
APPENDIX C	Pre-Eliminary Test Measurement Model
APPENDIX D	Actual Test Measurement Model
APPENDIX E	Actual Test Structural Model

