

CHAPTER I

INTRODUCTION

1.1 Background of the Study

The global cosmetics market is now growing extremely quickly, and Indonesia is not an exception. Economic, sociocultural, and technical advancements have impacted people's lifestyles. Beginning with fashion and skin care, these developments have given way to a variety of beauty care products, which are necessities for everyone, but especially for women. Every woman desires to have skin that is beautiful and healthy. One of the elements that plays a significant role in supporting appearance, particularly for women, is beauty. Women's lifestyles today necessitate that they give their appearance more consideration. People today seek immediate, quick, and useful results while using beauty products due to the way they live. One alternative to self-beautification is skincare.

As a result of developments, there is fierce competition in the beauty care and cosmetics industry. This is evident in the growing number of cosmetic products from different brands both local and imported brand that are available on the market. As a result, cosmetic companies need to keep coming up with new ways to meet consumers' needs and desires. in order for customers to endure in a competitive environment.

Customers start making purchase decision when they are interested in a product and have a necessity. It is common for customers to research a product

before making a purchase in particular, they focus on the product's quality, the higher the quality of a beauty product, the more likely it is that one will be purchased. When there are multiple options accessible, a customer can choose one of them. This means that a purchasing decision is the selection of two or more different purchasing decision options. The choice to purchase may influence the way in which decisions are made. When choosing a product to purchase, customers take a variety of factors into consideration. In order to draw in customers, business owners need to be aware about what factors to take into consideration, such as factors related to product quality.

Founded in 2017, Felicya Angelista's Scarlett Whitening is one of the top local skincare brands at the moment. The Indonesian Food and Drug Supervisory Agency (BPOMRI) has examined products from the local beauty care brand Scarlett Whitening. manufacturing brightening remedies for the face that also aim at removing dirt and dead skin cells, clear up acne, cover up dark spots, delay the ageing process, and revitalise dull skin. Products range from body lotion through shampoo, conditioner, bath soap, liquid soap, toner , moisturizer , serum and bath scrub. Naturally, with a variety of product advancements, this has grown to be one of the company's pillars in the cosmetics and beauty industry. Many businesses provide more than one product, with variations that range from the common to the uncommon and targeting the female market.

As a result, Scarlett Whitening's popularity among customers can be determined by its ability to meet their demands and impacting their purchase decisions. And it is currently Indonesia's fastest-growing local beauty

brand. As a solution, Scarlett's "Reveal Your Beauty" campaign gives Friends of Scarlett the courage to express their own sense of beauty.



Figure 1.1 Top 5 Skincare In E-Commerce
Source : compass.co.id(2021)

Felicya Angelista introduced the local product Scarlett Whitening, which has grown to become the second-largest brand in the body and skin care products category on e-commerce. Because of this product's ability to cleanse and brighten skin, it is quite popular. The sales numbers for the facial care category of Scarlett Whitening amount to IDR 29.78 billion. Scarlett Whitening Acne Serum is one of the best-selling items; as of May 2021, sales had reached Rp. 2.6 billion, with a total transaction value of 36 thousand (Compas, 2021).

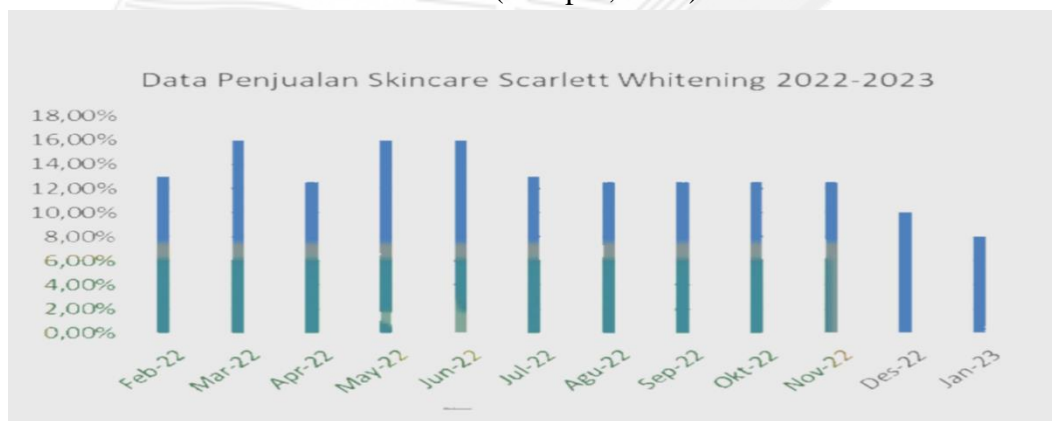


Figure 1.2 Scarlett Whitening sales data
Source: dimia.com (2022)

However, following June 2022, Scarlett Whitening's sales on all Indonesian e-commerce platforms experienced a dramatic fall, as can be seen from the graph above created by the Dimia team. In the period from July 2022 to January 2023, Scarlett's sales fell by 8%. From February, when sales reached 12.50%, through June, when sales reached 16%, it was growing in comparison to previous months. The fact that Scarlett's sales are falling far behind expectations may indicate that the company needs to work on attracting customers, promoting that maintains in consumers' memories, perceptions of the brand and the products they are offered, and the quality of those products.

Companies employ a variety of techniques to attract customers' attention in order to present a positive product and encourage widespread use of the product. Having a brand ambassador is one of the marketing tactics that can affect customers' decisions to buy a product while advertising it. A brand ambassador, according to Lea-Greenwood (2012), is a tool used by company to connect and engage with the public in an effort to boost sales. Companies hire brand ambassadors in order to attract customers to buy their products. Where the brand ambassador's word has a significant chance of spreading throughout their large network and persuading customers to buy the products (F. A. Maulana et al., 2021).

Scarlett Whitening is one of the local Indonesian businesses that uses brand ambassadors as one of its marketing strategies. Along with the Korean wave trend, Scarlett Whitening started working with South Korean actor and idol in an effort to gain attention from a wider audience, which might then result

in a favourable response. As brand ambassadors that function as promotional platforms or advertisements for their skincare products, Scarlett Whitening has official collaborations with Korean celebrities like as the girl group Twice, actor Song Joong Ki, and boy group EXO. Where the Korean actor and idol has a significant and enthusiastic fan base in Indonesia, it is expected that they will be able to demonstrate how their fame can affect consumers' memories and stick in their minds, leading to consumer purchasing decisions for the products they promote.

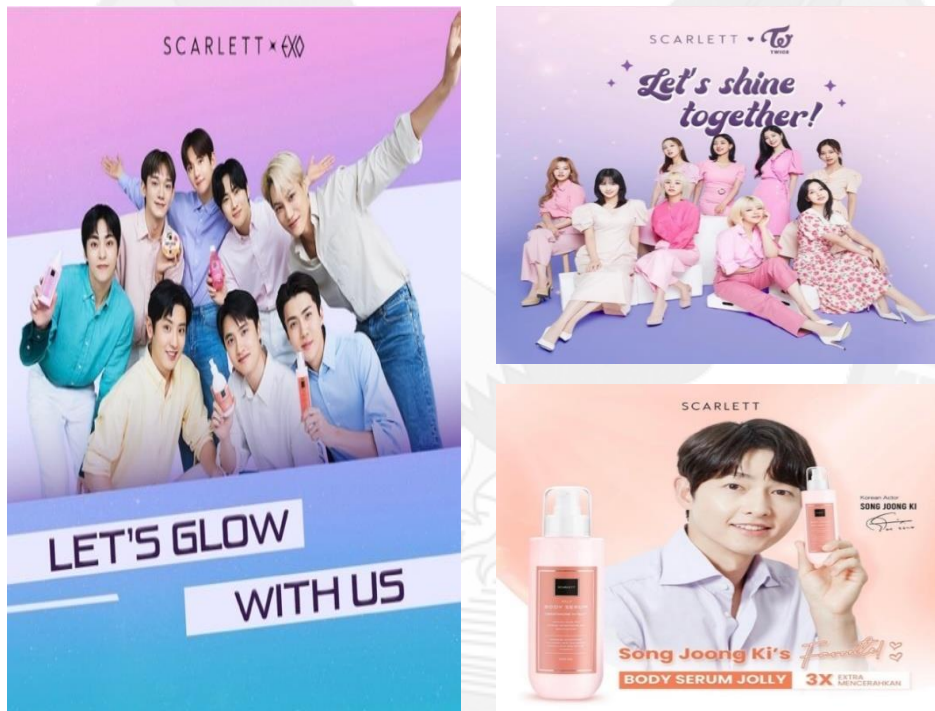


Figure 1.3 Scarlett Whitening Brand Ambassador
Source: [Scarlett whitening Instagram page](#) (2023)

A brand ambassador is a person who effectively represents the brand and is responsible for making sure customers understand the purpose behind a product (Wulandari et al., 2021). These days, a lot of companies use techniques that attract customers' interest in making purchases. Typically, businesses use a strategy

where they hire a well-known specialist to serve as a brand ambassador. Brand ambassadors educate people about a product by explaining its features and its usage.

Brand ambassadors play a crucial part in helping domestic as well as global advertising operations. Brand ambassadors may promote the development of a strong connection between the company and its brand. It will be challenging to compete in today's market without using brand ambassadors to promote your items. Selecting the ideal brand ambassador helps preserve brand stability and serve as an indicator for customers about a product (Fitriainingsih, 2020).

Hiring influencers is another technique to increase customer decision-making around purchases. A person with authority, knowledge, or a strong connection with customers gives them the ability to influence other people's decisions on what to purchase.

In the industrial world, this tactic is not new. On the other hand, this approach has gained a lot of popularity recently. Influencer marketing has emerged as a top marketing tactic with the development of technology, assisting many significant companies in selling their products. One of the most effective methods for attracting new customers when using social media for marketing purposes is influencer marketing. By using influencers company can improve the perception of a product brand at a lower cost than artist who is already well-known.



Figure 1.4 Scarlett Whitening Influencer

Source: [Scarlett whitening Instagram page](#) (2023)

Not only well known influencer ,Scarlett also works with micro influencers, who are more affordable and involve a larger number of people in the product promotion process. This is seen in the picture below, where macro influencers use videos to promote Scarlett whitening products and post them on social media.



Figure 1.5 Scarlett Whitening micro influencer

Source: [Scarlett whitening Instagram page](#) (2023)

The problem that can be identified from this research is that there are many new skincare brands emerging which is causing competition to become increasingly fierce and at the same time making it difficult for the Scarlett

Whitening brand to become the most favourite brand. Based on the description above, the writer is interested in conducting research which aims to examine the influence of product quality, brand ambassadors and influencers on consumer purchasing decisions using the title "**The Impact of Product Quality, Brand Ambassador and Influencer on Customer Purchase Decision on Product Scarlett in Medan**".

1.2 Problem Limitation

The public's increase in purchase decision is caused by numerous factors. However, in keeping with the problem's identification. Limitations on the scale of the research to be conducted are provided by the researcher. in order for this research to be more narrowly focused and to stick to its stated aims. Researchers only focus on the topic of the way product quality (X1), brand ambassadors (X2), and influencers (X3), affect customers purchase decision (Y), with a particular focus on Scarlett products and only focuses with the city of Medan.

1.3 Problem Formulation

1. Does product quality have a positive and significant effect on purchase decision at Scarlett Whitening?
2. Does Brand ambassadors have a positive and significant effect on purchase decision at Scarlett Whitening?
3. Does Influencer have a positive and significant effect on purchase decision at Scarlett Whitening?

4. Do Product quality, brand ambassador and influencer simultaneously have a positive and significant effect on purchase decision at Scarlett Whitening?

1.4 Objective of the Research

1. To examine whether product quality has a positive and significant effect on purchase decision at Scarlett Whitening.
2. To examine whether Brand ambassadors has a positive and significant effect on purchase decision at Scarlett Whitening
3. To examine whether Influencer has a positive and significant effect on purchase decision at Scarlett Whitening
4. To examine whether Product quality, brand ambassador and influencer simultaneously have a positive and significant effect on purchase decision at Scarlett Whitening

1.5 Benefit of Research

Benefits of this research can be listed ad follow:

1.5.1 Theoretical Benefit

1. Enrich the knowledge of the writer by doing the research also increase the experience of the writer in doing research
2. Guide for the future reader or researcher to do another research that are compatible with this research

1.5.2 Practical Benefit

1. For the Company, to get information whether the survey that has been made will be useful to improve the company's productivity.
2. For future researcher, readers, be a guide in leading the reader to do another research that are compatible with this research. Also, to gain insight about what is need to update the relevant data provided from this research, so reader will get a picture on how to improve the quality of their data.
3. For the researcher, expand the knowledge of researcher so that the researcher know more about the impact of product quality, brand ambassador and influencer towards purchase decision.

