

THE INFLUENCE OF CELEBRITY ENDORSEMENT, PRODUCT QUALITY, AND PRICE ON PURCHASE INTENTION MEDIATED BY BRAND IMAGE OF SOUTH KOREAN SKINCARE IN JABODETABEK AREA

UNDERGRADUATE THESIS

Submitted as one of the requirements to obtain Sarjana Manajemen

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FACULTY OF BUSINESS MANAGEMENT STUDY PROGRAM CIKARANG JUNE, 2023

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ABSTRACT

In recent years, the beauty industry segment in Indonesia, especially the skincare industry, has experienced a positive development, driven by the high interest of Generation Z in using South Korean skincare products. However, there are some considerations, such as the unaffordable price, the quality of products that tend to different with the skin types in Indonesia, also South Korean skincare needs to strengthen the brand image through value development in every customer journey passed by the consumers of Indonesia, such as through the use of celebrity endorsement. Therefore, this study was conducted to assess strategies and things that can be applied and need to be considered by South Korean skincare companies in order to be more suited to the conditions of Indonesian society that dominate consumer segments, as well as influence consumer purchase intentions, in this case, Generation Z. This study focuses on Generation Z as different from the previous studies. The researcher used the quantitative descriptive research method using PLS-SEM to analyze data with a total of 300 Generation Z living in Jabodetabek area with non-probability sampling technique. The result of this study shows that all the independent variables, Celebrity Endorsement (X1), Product Quality (X2), and Price (X3) have a positive significant influence on Brand Image (Y), and so does Celebrity Endorsement (X1) to the Purchase Intention (Z). However, there are concluded Product Quality (X2), Price (X3), and Brand Image (Y) has a positive but not significant influence on Purchase Intention (Z).

Keywords: Celebrity Endorsement, Product Quality, Price, Brand Image, Purchase Intention

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