

# 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

> By: SOPIYAH 014201900138

FACULTY OF BUSINESS MANAGEMENT STUDY PROGRAM CIKARANG JUNE, 2023

### PLAGIARISM REPORT

#### e\_on\_The\_Purchase\_Intention\_of\_The\_South\_Korean\_Skinca... ORIGINALITY REPORT 10% 1 96 96 96 SIMILARITY INDEX INTERNET SOURCES PUBLICATIONS STUDENT PAPERS PRIMARY SOURCES repository.president.ac.id 5% Submitted to President University 1% Student Paper jurnal.umsu.ac.id 1% Internet Source <1% Submitted to Universiti Teknologi Malaysia Student Paper <1% repository.wima.ac.id Internet Source <1% www.nettarietruschi.it Internet Source <1% isclo.telkomuniversity.ac.id Internet Source journal.formosapublisher.org <1% 8 Internet Source <1% www.statista.com 9 Internet Source

#### **GPTZERO REPORT**

# Your text is likely to be written entirely by a human

#### Stats

Average Perplexity Score: 7611.941

A document's perplexity is a measurement of the randomness of the text

Burstiness Score: 43395.289

A document's burstiness is a measurement of the variation in perplexity

Your sentence with the highest perplexity, "The Author guarant", has a perplexity of: 253191

#### ACKNOWLEDGE

First of all, I would want to express my gratitude to the Almighty God for His great mercies, specifically the blessings of Faith and good health, which have enabled me to accomplish it successfully and on time.

I want to express my gratitude to President University for providing me with the chance to pursue and complete my bachelor's degree. I also want to express my gratitude to everyone who has supported, encouraged, and assisted me throughout the process of preparing this undergraduate thesis. As a corollary, I want to express my gratitude to:

- 1. My family, especially my parents, sister, and younger brother for all their continuous support, endless love and, prayers.
- 2. My thesis supervisor, Mrs. Genoveva. I thank her very much for his guidance, advice, encouragement, and patience. I would like to thank you for trusting me, always responding to all my questions wherever and whenever also always taking the time to improve my thesis in the midst of hectic schedule. It is an honor for me to have her as my thesis supervisor.
- 3. My love-hate friend-hardship since 2019, Ibni Ratu Azizah, Ghina Shafira, Nissa Mutia Rahmadina, Windy Octavia, Berliana Putri, Sevia, Astrid junieta, Laetantia, and Azzahra Dinanti thank you 24/7, thank you for listening to all my negative thoughts, endless sudden google meets. Thank you for making sure it is all right to go to the left when nothing goes right.
- 4. My study buddies, Luh Widya Kusuma Ganggaputri, Aniza Fitrianingrum, Trixy Novinka Edlyen, and Putri Rahmanita. Thank you for always being there for my ups and downs, sharing all your life, love, and university stories. May happiness always be with you.
- 5. My lovely classmates in International Business. Thank you for the support, motivation, teamwork, laughter. I wish you continued success in the future!
- 6. Last but not least, I wanna thank me, for believing in me, for doing all this hard work, for having no days off, never quitting, for being brave to

acknowledge and loving all my perfect-imperfection, and just for being me at all times.

Cikarang, Indonesia, 30 May 2023

Anin

Sopiyah

## PANEL OF EXAMINERS APPROVAL SHEET

The Panel of Examiners declare that the Thesis entitled **THE INFLUENCE OF CELEBRITY ENDORSEMENT, PRODUCT QUALITY, AND PRICE ON PURCHASE INTENTION MEDIATED BY BRAND IMAGE OF SOUTH KOREAN SKINCARE IN JABODETABEK AREA** that was submitted by Sopiyah majoring in Management from the School of Business was assessed and approved to have passed the Oral Examinations on June 19<sup>th</sup> 2023.

**Panel of Examiners** 

Sonny V. Sutedjo, SE., MM.

**Chair-Panel of Examiners** 

Hernawati Wibawati Retno Wiratih, S.pd, M.Sc

**Examiner 1** 

Dr. Dra. Genoveva, M.M. **Examiner 2** 

v

#### STATEMENT OF ORIGINALITY

In my capacity as an active student of President University and as the author of the thesis/final project/business plan stated below:

Name: SopiyahStudent ID number : 014201900138Study Program: ManagementFaculty: Business

I hereby declare that my thesis/final project/business plan entitled THE INFLUENCE OF CELEBRITY ENDORSEMENT, PRODUCT QUALITY, AND PRICE ON PURCHASE INTENTION MEDIATED BY BRAND IMAGE OF SOUTH KOREAN SKINCARE IN JABODETABEK AREA is to the best of my knowledge and belief, an original piece of work based on sound academic principles. If there is any plagiarism detected in this thesis/final project/business plan, I am willing to be personally responsible for the consequences of these acts of plagiarism, and will accept the sanctions against these acts in accordance with the rules and policies of President University.

I also declare that this work, either in whole or in part, has not been submitted to another university to obtain a degree.

Cikarang, 30 May 2023

Sopiyah

#### **CONSENT FOR INTELLECTUAL PROPERTY RIGHT**

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

- 1. The Author hereby assigns to President University the copyright to the contribution named above whereby the university shall have the exclusive right to publish the contribution and translations of it wholly or in part throughout the world during the full term of copyright including renewals and extensions and all subsidiary rights.
- 2. The Author retains the right to re-publish the preprint version of the contribution without charge and subject only to notifying the University of the intent to do so and to ensuring that the publication by the University is properly credited and that the relevant copyright notice is repeated verbatim.
- 3. The Author retains moral and all proprietary rights other than copyright, such as patent and trademark rights to any process or procedure described in the contribution.
- 4. The Author guarantees that the contribution is original, has not been published previously, is not under consideration of publication elsewhere and that any necessary permission to quote or reproduce illustrations from another source has been obtained (a copy of any such permission should be sent with this form).

- 5. The Author guarantees that the contribution contains no violation of any existing copyright or other third party right or material of an obscene, indecent, libellous or otherwise unlawful nature and will indemnify the University against all claims arising from any breach of this warranty.
- 6. The Author declares that any named person as co author of the contribution is aware of this agreement and has also agreed to the above warranties.

Name:	Sopiyah
Date:	30 May 2023
Signature:	Think

# SCIENTIFIC PUBLICATION APPROVAL FOR ACADEMIC INTEREST

As an academic community member of the President's University, I, the undersigned:

Name	: Sopiyah
Student ID number	: 014201900138
Study program	: Management

For the purpose of development of science and technology, certify, and approve to give President University a non-exclusive royalty-free right upon my final report with the title:

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

With this non-exclusive royalty-free right, President University is entitled to converse, to convert, to manage in a database, to maintain, and to publish my final report. There are to be done with the obligation from President University to mention my name as the copyright owner of my final report.

This statement I made in truth.

Cikarang, 30 May 2023

Sopiyah

## ADVISOR APPROVAL FOR JOURNAL OR INSTITUTION'S REPOSITORY

As an academic community member of the President's University, I, the undersigned:

Name	: Assoc. Prof. Dr. Dra. Genoveva, M.M
Employee Number	: 20100700252
Study program	: Management
Faculty	: Business

declare that following thesis:

Title of thesis:THE INFLUENCE OF CELEBRITYENDORSEMENT, PRODUCT QUALITY, AND PRICE ONPURCHASE INTENTION MEDIATED BY BRAND IMAGE OFSOUTH KOREAN SKINCARE IN JABODETABEK AREA

Thesis author : Sopiyah

Student ID number : 014201900138

will be published in Jurnal or institution's repository

Cikarang, 30 May 2023 (Assoc. Prof. Ør. Dra. Genoveva, M.M)

#### 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

### **TABLE OF CONTENTS**

2.2 Ну	pothesis Development	13
2.3 Th	eoretical Framework	14
2.4 Pro	evious Research	15
2.5 Re	search Gap	18
CHAPTE	R III METHODOLOGY	20
3.1 Re	search Method	20
3.1.1	Research Framework	20
3.2 Sa	mpling Design	21
3.2.1	Population	21
3.2.2	Sampling Technique	22
3.2.3	Sample Size	22
3.3 Ins	strument & Operational Definition	23
3.4 Da	ta Collection Design	30
3.4.1	Questionnaire	30
3.5 Me	ethod of Data Analysis	30
3.5.1	Respondents Demographic	31
3.5.2	Descriptive Analysis	31
3.5.3	Partial Least Squares Structural Equation Modelling (PLS-SEM)	33
3.5	5.3.1 Outer Model	34
	3.5.3.1.1 Consistency Reliability	34
	3.5.3.1.2 Convergent Validity (AVE)	34
	3.5.3.1.3 Discriminant Validity (HTMT)	34
3.5	5.3.2 Inner Model	35
CHAPTE	R IV DISCUSSION	37
4.1 Re	spondents Profile	37
4.1.1	Gender	37
4.1.2	Age	38
4.1.3	Domicile	38
4.1.4	South Korean Skincare Brand	39
4.2 De	scriptive Analysis	40

4.3 Partial Least Square (PLS)	13
4.3.1 Outer Model Analysis	43
4.3.1.1 Consistency Reliability	14
4.3.1.2 Convergent Validity	45
4.3.1.3 Discriminant Validity	18
4.3.2 Inner Model Analysis	19
4.3.2.1 Coefficient of Determinant (R <sup>2</sup> )	50
4.3.2.2 Path Coefficient	52
4.4 Discussion	53
4.4.1 The Influence of Celebrity Endorsement toward Brand Image	54
4.4.2 The Influence of Product Quality toward Brand Image	54
4.4.3 The Influence of Price toward Brand Image	55
4.4.4 The Influence of Brand Image toward Purchase Intention Sou	th
Korean Skincare	56
4.4.5 The Influence of Celebrity Endorsement toward Purchase Intention	on
South Korean Skincare	56
4.4.6 The Influence of Product Quality toward Purchase Intention Sou	th
Korean Skincare	57
4.4.7 The Influence of Price toward Purchase Intention South Korea	an
Skincare	58
CHAPTER V CONCLUSION	50
5.1 Conclusion	50
5.2 Recommendation	51
5.2.1 South Korean Skincare Company6	51
5.2.2 For Future Research	51
REFERENCES	53
APPENDICES	73
Appendix 1: Questionnaire	73
Appendix 2: Raw Respondent Data	35

Appendix 3: Outer Loading	137
Appendix 4: Construct Reliability and Validity	137
Appendix 5: R-Square	138
Appendix 6: Direct Effect	138

### LIST OF TABLES

Table 2. 1 P	revious Research	15
Table 3.1 N	umber of Respondents	23
Table 3. 2 L	ikert Scale	24
Table 3.3 O	perational Definitions	24
Table 3.4 R	<sup>2</sup> Value	35
Table 3. 5 Q	<sup>2</sup> Value	36
Table 4. 1	Gender	37
Table 4. 2	Age	38
Table 4. 3	Domicile	39
Table 4. 4	South Korean Skincare Brand	39
Table 4. 5	Result Interpretation	40
Table 4. 6	Descriptive Analysis Results	41
Table 4. 7	Consistency Reliability	45
Table 4.8	Outer Loading	46
Table 4. 9	AVE Result	47
Table 4. 10	HTMT Ratio Result	48
Table 4. 11	Coefficient of Determinant (R <sup>2</sup> )	50
Table 4. 12	Path Coefficient of Total Direct Effect	52
Table 4. 13	Celebrity Endorsement toward Brand Image	54
Table 4. 14	Product Quality toward Brand Image	54
Table 4. 15	Price toward Brand Image	55
Table 4. 16	The influence of Brand Image toward Purchase Intention	56
Table 4. 17	The influence of Celebrity Endorsement toward Purchase Intention	n
		56
Table 4. 18	The influence of Product Quality toward Purchase Intention	57
Table 4. 19	The influence of Price toward Purchase Intention	58

### **LIST OF FIGURES**

Figure 1. 1 South Korea's Skincare Market Share	2
Figure 1. 2 Indonesia's Revenue In The Skincare Segment	3
Figure 1. 3 Generation X, Y And Z Monthly Expenses	6
Figure 2. 1 Theoretical Framework	. 14
Figure 3. 1 Research Framework	. 21
Figure 4. 1 Measurement Model	. 43
Figure 4. 2 The Inner Model Result	. 50