

CONSUMER-CENTRIC MARKETING STRATEGY: HOW PRODUCT REVIEWS, BRAND IMAGE, AND BRAND AWARENESS ARE TRANSFORMING THE GAME IN THE BEAUTY INDUSTRY OF SURABAYA RAYA, INDONESIA.

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Abstract: *One of the increasingly influential sources of information is online reviews, which are provided by consumers who have used a product or service. On the other hand, brand image and consumer perception of a brand's characteristics, quality, and value play a crucial role in shaping their perception of a product. This study aims to bridge this knowledge gap by identifying and analyzing how online reviews and brand image influence purchasing decisions for local beauty products. The focus is on how customer satisfaction acts as a bridge between the two factors. The researcher utilized primary data through a quantitative approach, focusing on users of local beauty products such as Wardah, Emina, Purbasari, etc. in the Greater Surabaya Area, East Java Province. Purposive sampling was employed as the sampling technique in this study. Hypothesis testing was conducted using the Partial Least Square (PLS) method through the SmartPLS 4 application. Based on the results of the direct influence hypothesis testing, it can be concluded that online customer reviews have a positive and significant effect on purchasing decisions. Brand image also has a positive and significant effect on purchasing decisions. However, brand awareness has a positive but insignificant effect on purchasing decisions. Additionally, online customer reviews have a positive and significant effect on brand awareness, while brand image has a negative and insignificant effect on brand awareness. Brand awareness can mediate the effect of online customer reviews on purchasing decisions, as well as the effect of brand image on purchases.*

Keywords: Online Product Reviews, Brand Image, Brand Awareness, Beauty Industry, Indonesia.

1. Introduction

In today's increasingly digital landscape, the internet has become the primary avenue for consumers to gather information about products and brands before making purchasing decisions. One particularly influential source of information is online reviews, which are posted by consumers who have firsthand experience with a product or service (Agarwal & Wu, 2019). Conversely, the brand image and consumer perception of a brand's characteristics, quality, and value play a pivotal role in shaping their perception of a product (Choe & Kim, 2018). This is especially relevant in the Indonesian original beauty product industry, where competition is intensifying due to the influx of foreign products in the Indonesian beauty market (Salsabila & Pradana, 2022). It is increasingly important to comprehend how online reviews and brand image influence purchasing decisions in this context.

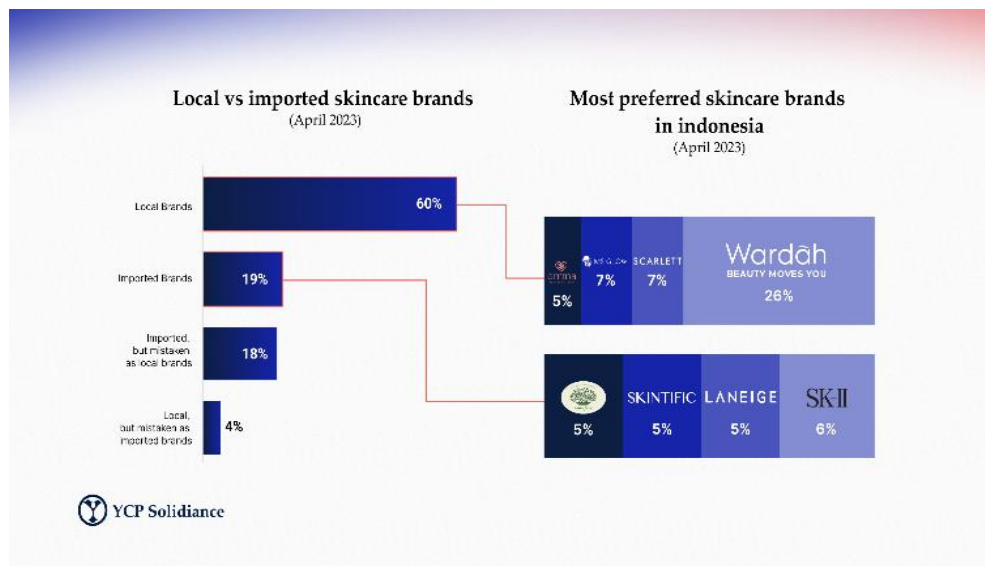


Figure 1. Data on beauty product users in Indonesia in 2023 (source: YCP solidiance)

The use of beauty products in Indonesia experienced a decline at the onset of the COVID-19 pandemic, but underwent a significant resurgence in the midst of the crisis. This upward trend coincided with the increasing adoption of digital marketing technology in Indonesia (Maharani & Sumadi, 2023). Beauty products are now more than just tools for enhancing appearance; they have evolved into an essential component of modern lifestyle (Tobing & Simanjuntak, 2023). The desire for self-care, self-expression, and adherence to beauty standards established by the digital sphere has prompted consumers to seek beauty products with greater discernment and based on comprehensive information.

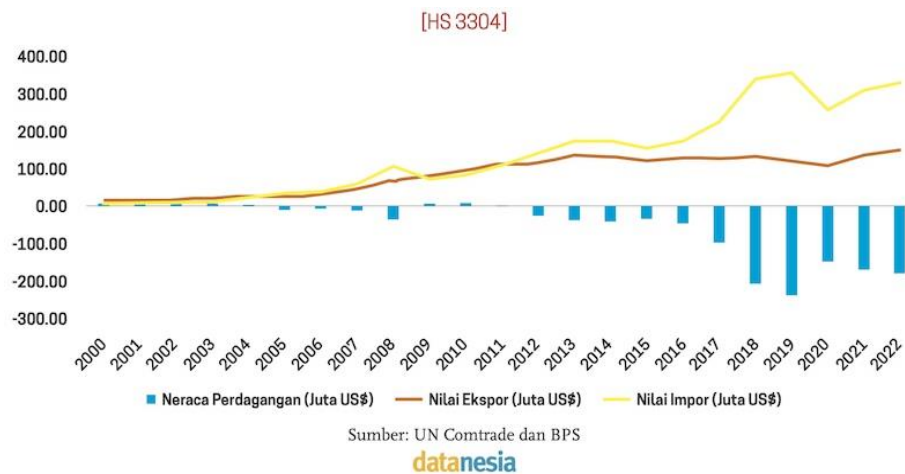


Figure 2. Trends in the use of beauty products in Indonesia 2000-2022 (source: Datanesia)

In today's communication landscape, online reviews have become a significant influence on beauty product purchasing decisions. Rather than solely relying on personal experiences and recommendations from friends and family, consumers now prioritize seeking out the opinions and experiences of other consumers before making a purchase. Online reviews offer a diverse range of perspectives on products, providing insights into their pros, cons, and personal experiences, ultimately empowering consumers to make more informed decisions (Sun, Han, & Feng, 2019).



Figure 3. Beauty Product Transaction Places in Indonesia 2020-2023 (source: Nusaresarch)

Brand image plays an increasingly important role in the trend of using beauty products (Malini, 2021). A brand represents not just the product being sold, but also the story it embodies. In the current digital era, consumers are more likely to choose brands that resonate with their values and aspirations. A strong and positive brand image can influence consumer

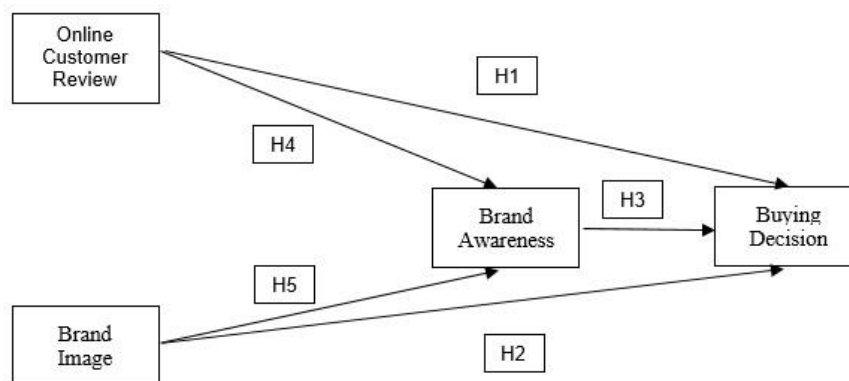
perceptions about the quality, reliability, and relevance of a product, particularly in the case of beauty products (Ramesh, et al. 2018).

Amid the multitude of factors influencing consumer purchasing decisions, brand awareness stands out as a key determinant of a product or service's perceived value. It plays a pivotal role by enabling consumers to recognize and recall a brand, thus shaping their purchasing behavior (Rizwan et al., 2021). Brand awareness not only signifies the culmination of consumer decisions but also acts as a crucial link between online reviews and brand image in shaping consumer perceptions. Without brand awareness, consumers may encounter challenges in advancing to the subsequent stage of the purchasing process (Islam, Zahin, & Rahim, 2023).

Local beauty products in Indonesia are facing several challenges in competing with foreign beauty products in the domestic market (Ristanti & Iriani, 2020). Despite having great potential, local beauty products must compete with foreign brands that often have significant resources as their capital in dominating the domestic market. The influx of foreign beauty products into the Indonesian beauty product market is often accompanied by extensive product promotions, competitive pricing (Makmun, 2022), efficient distribution channels, reliance on the latest innovations and advanced technology in their products (Sofia, 2021), as well as an established global brand reputation (Purwanto, et al. 2022), which compels local beauty product manufacturers to make serious improvements in order to succeed in the competition. However, local beauty products have the advantage of understanding the local market, culture, and consumer needs (Astuti & Susila, 2022). With effective marketing strategies, high product quality, and innovative approaches, local beauty products can carve out their place in the market and compete with foreign products.

This study aims to make a significant contribution to marketing literature by delving into consumer purchasing behavior in the digital era. It seeks to understand how the interplay between online reviews, brand image, and brand awareness influences purchasing decisions, ultimately impacting the success and sustainability of local brands in the beauty product industry.

In (Figure 4) shows a conceptual framework that illustrates the relationship between variables.



Source: Primary Data

Figure 4. Conceptual Framework

The following statements will provide a detailed explanation of the proposed hypotheses:

- H1: Online Customer Reviews have a positive and significant effect on Purchase Decision.
- H2: Brand Image has a positive and significant effect on Purchase Decision.
- H3: Brand Awareness has a positive and significant effect on Purchase Decision.
- H4: Online Customer Reviews have a positive and significant effect on Brand Awareness.
- H5: Brand Image has a positive and significant effect on Brand Awareness.
- H6: Online Customer Reviews have a positive and significant effect on Purchase Decision through Brand Awareness as a conduit.
- H7: Brand Image has a positive and significant effect on Purchase Decision through Brand Awareness as a conduit.

2. Research Methods

In this research, the research team used primary data and a quantitative approach. The study focused on the population of users/consumers of local beauty products such as Wardah, Emina, Purbasari, etc. in the Greater Surabaya Area (Gresik - Bangkalan - Mojokerto - Surabaya - Sidoarjo - Lamongan), East Java Province. Due to the large population, the research team employed purposive sampling to select samples from the population. The number of samples was determined using the Lemeshow formula due to the unknown population size.

$$n = \frac{Z^2 P(1-P)}{d^2}$$

Explanation:

n = total sample

z = z score at 95% confidence = 1,96

p = maximum estimate = 0,5

d = sampling error = 10%

Through this formula, the sample size used can be determined as follows:

$$n = \frac{Z^2 P(1-P)}{d^2} \tag{1}$$

$$n = \frac{1,96^2 \cdot 0,5 (1-0,5)}{0,1^2} \tag{2}$$

$$n = \frac{3,8416 \cdot 0,25}{0,01} \tag{3}$$

$$n = 96,04 \tag{4}$$

Upon calculation, the minimum sample size was determined to be 96.04 people, which was rounded up to 96 respondents. To allow for potential invalid questionnaires, the researcher decided to round up the sample to 100 respondents. Data was collected using a questionnaire equipped with a Likert scale. For data analysis, the researcher utilized the Partial Least Square (PLS) method with the PLS 4.0 statistical software for the model and hypothesis review.

3. Discussion and Conclusion

In the conducted research, a total of 100 participants provided the necessary information. The criteria for the study's respondents were carefully selected to ensure that they possess the relevant characteristics for providing information through distributed questionnaires. The chosen respondents were primarily selected based on their experience in using local beauty products and their residency in the Greater Surabaya area, which includes Surabaya City, Gresik Regency, Bangkalan Regency, Mojokerto Regency, Sidoarjo Regency, and Lamongan Regency in the East Java Province.

3.1 Respondent Characteristics

Table 1. Respondent Characteristics

Respondent Characteristics		Number
Gender	Man	7
	Woman	93
Age	16 - 25	23
	26 - 35	44
	36 - 45	19
	46 - 55	9
	56 - 65	5
	Domicile	Surabaya
Gresik		13
Bangkalan		8
Mojokerto		12
Sidoarjo		26
Lamongan		10
Occupation	Students (High School and College Students)	18
	Civil Servant	19
	Entrepreneur	24
	Private sector employee	25
	Housewife	11
	Others	3

Source: data processed by the author

Based on the data in table 1, it is known that the characteristics of the respondents are: the gender of local beauty product users is almost filled by female consumers, amounting to 93 people (93%) with the dominant age range of users at 26-35 years, amounting to 44 people

(44%), furthermore based on the domicile, the most is Surabaya City, amounting to 31 people (31%), with the dominant type of work being private employees, amounting to 25 people (25%).

3.2 Validity and Reliability Test

Table 2. Convergent Validity Test Results

Variable	Indicator	Outer Loading	note
Online Customer Reviews	X1.1	0.544	valid
	X1.2	0.752	valid
	X1.3	0.592	valid
	X1.4	0.641	valid
Brand Image	X2.1	0.782	valid
	X2.2	0.798	valid
	X2.3	0.543	valid
	X2.4	0.838	valid
	X2.5	0.717	valid
	X2.6	0.629	valid
Brand Awareness	Z1	0.547	valid
	Z2	0.872	valid
	Z3	0.838	valid
	Z4	0.720	valid
	Z5	0.650	valid
Buying Decision	Y1	0.605	valid
	Y2	0.735	valid
	Y3	0.560	valid
	Y4	0.762	valid

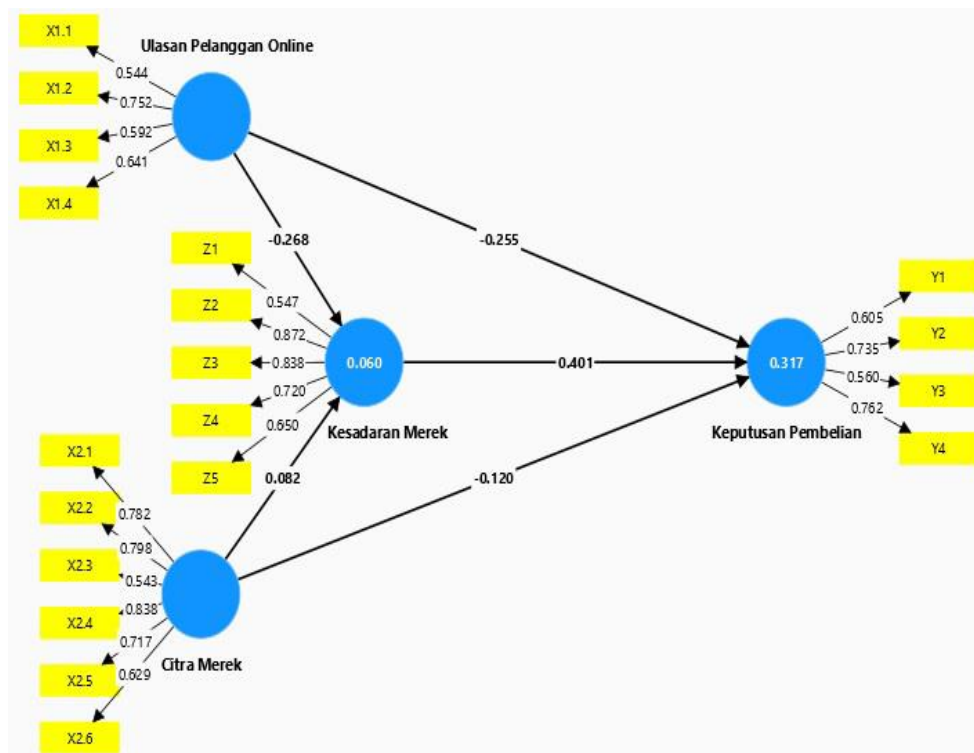
Table 2 presents the status of research indicators that achieve convergent validity where the indicator has a loading factor level exceeding 0.5 so that the indicator can be considered valid. If an indicator has a loading factor above 0.5, the proposed measurement model has the potential to be tested further.

Table 3. Composite Reliability Test Results

Variable	Composite Reliability	Ket
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Online Customer Reviews	0.831	Reliable
Brand Image	0.845	Reliable
Customer satisfaction	0.734	Reliable
Buying decision	0.873	Reliable

Table 3 presents the results of composite reliability testing which shows the reliability value of all latent research variables > 0.70 . So it can be concluded that the questionnaire equipment intended as a research tool is consistent and reliable.



Source: Primary Data

Figure 5. Path Coefficient

3.3 Hypothesis Testing

After conducting testing to prove the suitability of the model, a hypothesis test must be carried out. Hypothesis testing of this study was carried out using the Partial Least Square (PLS) method through the SmartPLS 4 application. The formulation of the basic hypothesis is concluded by comparing the magnitude of the t-table with the t-count at alpha 0.05 (5%) = 1.96. When the t-table value is below the alpha value of 1.96, the hypothesis is rejected or not accepted, and vice versa when the t-table is greater than the value of 1.96, it can be concluded that there is a significant influence between the two variables or the hypothesis is accepted.

3.4 The Influence of Online Product Reviews and Brand Image on Purchase Decisions of Local Beauty Products Through Brand Awareness as an Intervening Variable

The following is a measurement model that shows the influence of Online Product Reviews and Brand Image on purchasing decisions through brand awareness, which can be seen in Table 4 below:

Tabel 4. R Square

Variabel	R Square
Buying decision	0.817
Brand awareness	0.760

Based on table 4, it is known that the value of the purchase decision construct is 0.817. This shows that online customer reviews and brand image contribute 81.7% to the purchase decision, while the remaining 18.3% is influenced by other factors not analyzed in this study. In addition, the value of the brand awareness construct is 0.760, which means that online customer reviews and brand image affect brand awareness by 76%, with the remaining 24% influenced by other factors not examined in this study.

Table 5. Results of the Direct Effect Hypothesis Test

		Original Sample	Standard Deviation	T Statistics	P Values	Explanation
Online Reviews Decision	Customer Purchase ->	0.855	0.147	4.738	0.000	Positive and significant
Online Reviews Awareness	Customer Brand ->	0.868	0.192	3.399	0.002	Positive and significant
Brand Image Decision	-> Purchase	0.820	0.174	2.692	0.003	Positive and significant
Brand Image Awareness	-> Brand	-0.422	0.285	0.289	0.079	Negative and insignificant
Brand Awareness Purchase Decision	->	0.701	0.134	2.994	0.000	Positive and significant

Proof of Hypothesis 1: The Influence of Online Customer Reviews on Purchasing Decisions

The results of the hypothesis test in this study obtained a T-statistic value of 4,738, an original sample value of 0.855, and a P Value value of 0.000. The T-statistic value is greater than the T-table value of 1.96, the original sample value shows a positive value, and the P Value value

shows less than 0.05, this finding illustrates a conclusion where online customer reviews have a positive and significant effect on customer satisfaction.

This finding supports the results of research conducted by Setyani and Azhari (2021) which states that e-Word of Mouth plays a high role in fostering consumer purchasing decisions and plays an important role in forming consumer behavior paradigms. Furthermore, findings that are in line with this are also found in the research of Fauzi and Lina (2021) which states that online customer reviews will provide relevant information to consumers, thereby encouraging consumer purchasing decisions even though they cannot touch or feel the products they want in the online marketplace.

Proof of Hypothesis 2: The Influence of Brand Image on Purchasing Decisions

The results of the hypothesis test in this study obtained a T-statistic value of 2,692, an original sample value of 0.820, and a P Value value of 0.003. The T-statistic value is greater than the T-table value of 1.96, the original sample value shows a positive value, and the P Value value shows less than 0.05, this finding strengthens the conclusion that brand image has a positive and significant effect on purchasing decisions.

This finding supports the findings of research conducted by Agdidios, et al. (2022) which states that brand image has a significant impact on purchasing decisions, where consumers are more likely to choose brands with a strong image because consumers believe that the brand offers higher value than other alternatives. Brands with a positive image are often considered as status or lifestyle symbols, so consumers choose them to improve their own self-image. The findings in this study are also in line with Ihzaturrahma & Kusumawati (2021) where a positive brand image will build consumer trust in the product. This trust is based on the belief that the brand will meet the expected quality, thereby reducing the risk in making purchasing decisions.

Proof of Hypothesis 3: The Influence of Brand Awareness on Purchasing Decisions

The results of the hypothesis test in table 3 show the T-statistic value of 2,994, the original sample value of 0.701, and the P Values of 0.000. The T-statistic value is greater than the T-table value of 1.96, the original sample value shows a positive value, and the P Values are less than 0.05, so it can be concluded that brand awareness has a positive and significant effect on purchasing decisions.

The results of this study support the results of research conducted by Prayudi and Nugraha (2022) which confirms that there is a strong and significant relationship between brand awareness and purchasing decisions, where a high level of brand awareness can increase the likelihood of the brand being included in the consumer's choice list. In other words, brand awareness can influence how often the brand is considered and ultimately chosen by consumers in their purchasing decisions. The results of this study also support the findings of Gunawan (2021) which states that consumers who have high awareness of a brand tend to consider the product to be of higher quality than products from lesser-known brands.

Proof of Hypothesis 4: The Influence of Online Customer Reviews on Brand Awareness

The results of the hypothesis test in this study obtained a T-statistic value of 3,399, an original sample value of 0.868, and a P Value value of 0.002. The T-statistic value is greater than the T-table value of 1.96, the original sample value shows a positive value, and the P Value value

shows less than 0.05, the conclusion will lead to the fact that online customer reviews have a positive and significant effect on brand awareness.

These results support the research findings conducted by Sulthana and Vasantha (2022) which states how IoT and social media, including online customer reviews, increase brand awareness among consumers in the internet market. Online customer reviews help consumers collect more data through connected devices to make decisions about consumer experiences, and in turn will affect the level of brand visibility and recognition. The same results were also found in research conducted by Tran, Nguyen, & Luong (2022) which stated that positive online customer reviews not only influence consumer purchase intentions but are also proven to strengthen brand awareness by increasing consumer trust and perceived brand value.

Proof of Hypothesis 5: The Influence of Brand Image on Brand Awareness

The results of the hypothesis test in this study obtained a T-statistic value of 0.289, an original sample value of -0.422, and a P Value value of 0.079. The T-statistic value is smaller than the T-table value of 1.96, the original sample value shows a negative value, and the P Value value shows more than 0.05, the conclusion will lead to the fact that brand image has a negative and insignificant effect on brand awareness.

The negative number of the original sample indicates a negative influence, which means that the better the brand image of local beauty products, the higher the influence on brand awareness decisions. This negative result can occur in the beauty product market where local beauty products have competitors, namely global beauty products that have more established brands and stronger product promotion capabilities than local beauty products. This result is in line with the findings of the study by Azahari and Hakim (2021) that the relationship between brand image and brand awareness has a negative effect on Daihatsu Xenia car products in Sleman Regency due to the tight competition in the four-wheeled automotive industry. The findings in this study are also in line with the findings of Maupa (2019) who stated that the brand image for Converse shoe products also has a negative effect on brand awareness among consumers in the city of Makassar due to the large number of low-quality imitation Converse shoe products circulating in the city of Makassar, thus forming a bad perception of the original Converse products.

Table 6. Results of the Direct Effect Hypothesis Test

		Original Sample	Standard Deviation	T Statistics	P Values	Explanation
Online Reviews -> Customer Satisfaction -> Purchase Decision		0.108	0.089	3.208	0.027	Positive and significant
Brand Image -> Customer Satisfaction -> Purchase Decision		0.033	0.134	2.246	0.046	Positive and significant

Proof of Hypothesis 6: The Influence of Customer Online Review on Purchasing Decisions through Brand Awareness as an Intervening Factor

The results of the hypothesis test in this study obtained a T-statistic value of 3.208, an original sample value of 0.108, and a P Value value of 0.027. The T-statistic value is greater than the T-table value of 1.96, the original sample value shows a positive value, and the P Value value shows less than 0.05, this finding strengthens the conclusion that Online Customer Reviews through Brand Awareness as an intervening variable have a positive and significant effect on purchasing decisions. The calculation results state that hypothesis 6 of the study is accepted.

Proof of Hypothesis 7: The Influence of Brand Image on Purchasing Decisions through Brand Awareness as an Intervening Factor

The results of the hypothesis test in this study obtained a T-statistic value of 2,246, an original sample value of 0.033, and a P Value value of 0.046. The T-statistic value is greater than the T-table value of 1.96, the original sample value shows a positive value, and the P Value value shows less than 0.05, this finding strengthens the conclusion that Brand Image through Brand Awareness as an intervening variable has a positive and significant effect on purchasing decisions. The calculation results state that hypothesis 7 of the study is accepted.

4. Conclusion

Based on the results of the direct influence hypothesis test, it can be concluded that variable X1 (online customer reviews) has a positive and significant effect on variable Y (purchase decision). Based on the results of the direct influence hypothesis test, it can be concluded that variable X2 (brand image) has a positive and significant effect on variable Y (purchase decision). Based on the results of the direct influence hypothesis test, it can be concluded that variable Z (brand awareness) has a positive and insignificant effect on variable Y (purchase decision). Based on the results of the direct influence hypothesis test, it can be concluded that variable X1 (online customer reviews) has a positive and significant effect on variable Z (brand awareness). Based on the results of the direct influence hypothesis test, it can be concluded that X2 (brand image) has a negative and insignificant effect on variable Z (brand awareness). Based on the results of the indirect influence hypothesis test, it can be concluded that variable Z (brand awareness) can mediate or mediate the effect of variable X1 (online customer reviews) on variable Y (purchase decision). Based on the results of the indirect influence hypothesis test, it can be concluded that variable Z (brand awareness) can mediate or mediate the effect of variable X2 (brand image) on variable Y (purchase decision).

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