

# The Impact of Price, Product Quality, and Brand Image on Consumer Purchase Decisions of Wardah Cosmetics Skincare Products

(A Study on Students of the Entrepreneurship Program at the Muhammadiyah Sumatera Institute of Technology)

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## ABSTRACT

Currently, various skincare brands, both well-know and less recognized, have emerged and are widely available in many places. These brands continue to innovate to meet consumer's needs and desires. Consumers now have greater freedom in choosing skincare products due to the wide variety of options offered. Consequently, consumers now have a wider range of options in terms of price, product quality, and brand image to meet their preferences. This study seeks to examine the impact of price, product quality, and brand image on purchase decisions. An explanatory approach is employed, utilizing a non-probability sampling method. A total 100 respondents, consisting of those who have purchased, plan to purchase, or are aware of the existence of Wardah Cosmetics, participated in this study. Data was collected online through questionnaires distributed via Google Forms on social media platforms. The data analysis was performed using SPSS 26 for Windows. The study results reveal that price, product quality, and brand image collectively have a significant impact on purchasing decisions. Individually, price has a positive and significant influence on purchasing decision. Similarly, product quality positively and significantly affects purchasing decisions, as does brand image, which also shows a positive and significant effect.

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## 1. INTRODUCTION

Currently, the business world is evolving rapidly and continuously undergoing changes. One manifestation of these changes is seen in technological advancements and changes in people's lifestyles, which are heavily influenced by globalization. In this era of globalization, the

market is filled with various brands, products, services, and intense price competition. This provides consumers with a wide range of choices and alternatives to meet their needs, as well as the freedom to make decisions according to their preferences.

Customers are at the centre of every decision, while competitors continue to strive hard to satisfy customers and create

uniqueness in order to differentiate themselves from their competitors. Customer satisfaction is an ongoing process, as the ultimate result is the purchase decision [1]. Currently, transaction or buying activities have become an inseparable part of human life. Before making a purchase, consumers usually first consider the purchase decision regarding a product.

The decision to purchase a product by consumers is an action taken by the consumers in choosing that product. Every producer certainly applies various strategies to encourage consumers to choose to buy the products they offer. When deciding to purchase a product, consumers show interest, marked by their motivation and perception of the product [2]. Currently, the industry is marked by increasingly fierce competition, especially in introducing innovative products. On the other hand, efforts to increase consumer loyalty and meet their various needs and desires are not easy tasks [3].

The cosmetics industry in Indonesia has experienced rapid growth, with various products from producers offering different brands to consumers. Currently, the cosmetics market is in a buyer's market condition, which means buyers have the power to decide whether or not to purchase the cosmetic products. For some women, cosmetics have become an essential basic need. Cosmetics are not only used to enhance one's appearance for particular occasions or settings but also serve as a means for women to express their identity in society. As a result, cosmetics have become a highly significant commodity in the Indonesia market [4].

Women often make a great effort to appear beautiful, as beauty is often considered one of the greatest gifts for them. Skin brightening products have become some of the most sought-after beauty products, as they are believed to enhance appearance and boost self-confidence. According to the 2021 ZAP Beauty Index online survey involving 6,000 respondents, it was found that 70.8% of Gen Z seek the benefits of beauty products for brightening their skin (ZAP Beauty Clinic, 2021). The Central Bureau of Statistics (2021) reports that the cosmetics sector, part of the

chemical, pharmaceutical, and traditional medicine industries, has achieved a growth rate of 9.61%. This shows that beauty products are one of the most potential industry sectors with high sales growth in Indonesia.

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The products released and produced by Wardah Cosmetics are divided into four categories: skincare, body care, haircare, and makeup. In the skincare category, Wardah Cosmetics offers a variety of products such as toner, serum, facial cleanser, facial soap, moisturizer, micellar water, face masks, facial scrub, face cream, eye cream, and essence.

Wardah Cosmetics' marketing strategy leverages both online and offline media in its sales. This cosmetics brand has become one of the best-selling flagship brands of PT Paragon in the market. In 2018, this halal cosmetic brand achieved first place in Indonesia in the categories of facial moisturizers, skincare, and makeup products. Meanwhile, its skin cleanser product ranked third. Wardah Cosmetics' success over its 20 years of journey, from identifying gaps in the Indonesian cosmetics market to becoming a leader in the main market, and not only being favored by the Muslim community, is one of the brand's greatest achievements.

In general, consumers are always faced with various considerations before deciding to purchase a product. Consumers primarily focus on the quality of the product

they intend to purchase. The better the quality of a cosmetic product, the higher the chances that consumers will opt for it. Every cosmetics company has its own strengths in product quality, allowing consumers to select the product that best suits their needs, which ultimately affects their purchase decision. Product quality can be considered as a characteristic possessed by a product that plays a role in meeting the established demand. According to [5], products created by a company are introduced to the market to capture attention, deliver value, or satisfy consumer needs. The quality of a product plays a significant role in shaping consumer's purchasing decisions. Products with high quality tend to increase consumer interest in making a purchase [6].

Wardah Cosmetics employs a marketing strategy, including the use of a Brand Ambassador, as a key element in enhancing product quality, price promotions, brand image, and consumer brand awareness. Through this strategy, Nurhayati Subakat, as the founder and owner of Wardah Cosmetics, promotes her products with the support of the skills and professionalism of celebrities, which can be an effective marketing tactic with a significant direct impact in influencing consumers to purchase the product. The better a celebrity is at promoting a product, the greater the likelihood that consumers will decide to purchase that product.

A purchase decision is an action taken by an individual towards a product after considering various aspects. The consumer purchase decision process consists of five stages: recognizing needs, seeking information, evaluating alternative, making the purchase decision, and assessing post-purchase behaviour. Consumers tend to choose products that best suit their needs and desires. However, after purchasing a product, consumers may discover flaws or defects in it. Some consumers might not accept defective products, while others may tolerate them, even considering the flaws as unique characteristics or added value to the product [7]. Based on the aforementioned problem background, this study aims to analyze the influence of price, product quality, and brand

image on consumer satisfaction with Wardah Cosmetics skincare products.

## 2. METHODS

This study employs explanatory research, which aims to analyse the relationship between price, product quality, and brand image with the purchase decision of Wardah Cosmetics skincare products. The population refers to the entire group that serves as the focus of the research [8]. In this case, the population studied consists of students enrolled in the Entrepreneurship program at the Muhammadiyah University of Technology, Sumatera.

A sample is a part of the population that has a certain number and characteristics. For populations with an unknown size, this study applies the slovin formula to calculate the sample size the respondents selected as samples in this study consist of 100 individuals, including all consumers who have purchased Wardah Cosmetics skincare products, consumers who plan to purchase the product, and general students who are aware of the existence of Wardah Cosmetics.

The sampling method employed in this study is non-probability sampling, which does not give every member of the population an equal chance of being chosen as a sample. This approach utilizes purposive sampling, a technique where samples are selected based on specific predetermined criteria, namely: (1) respondents are over 18 years old, both male and female, who are students of the Entrepreneurship program at the Muhammadiyah University of Technology, Sumatera; (2) respondents have purchased skincare products at least once; (3) respondents are willing to fill out the questionnaire [8].

## 3. RESULTS AND DISCUSSION

After conducting data analysis using SPSS version 26, this section will discuss the results of the analysis. Price shows a significant relationship with purchase decisions, as indicated by a correlation value of 0.690, which falls within the range of 0.60-

0.799. Based on the coefficient of determination, price contributes 47% to purchase decisions, while the remaining 53% is influenced by other factors. The regression coefficient analysis results show that the influence of price on purchase decisions for Wardah Cosmetics products is 0.831, with a t-value of 8.193, which is greater than the t-table value of 1.5341 at a significance level of  $0.00 < 0.05$ . Therefore, the third hypothesis, which states that "Price is Suspected to influence purchase decisions," can be accepted.

The analysis indicates that product quality is strongly correlated with purchase decisions, as reflected by a correlation value of 0.711, which lies within the range of 0.60-0.799. According to the coefficient of determination, product quality accounts for 51.8% of the purchase decision, while the remaining 48.2% is influenced by other variables. Regression coefficient analysis reveals that the impact of product quality on the purchase decision for Wardah Cosmetics is 0.427, with a t-calculated value of 8.853, exceeding the t-table value of 1.5341 at a significance level of  $0.00 < 0.05$ . As a result, the second hypothesis, which proposes that "Product quality influences the purchase decision," is confirmed.

Brand image demonstrates a moderately strong relationship with purchase decisions, as evidenced by a correlation value of 0.491, which falls within the range of 0.40-0.599. according to the coefficient of determination, brand image accounts for 26,3% of the purchase decision, while the remaining 73.7% is attributed to other factors. The regression coefficient analysis indicates that the impact of brand image on the purchase decision for Wardah Cosmetics is 0.875, with a t-calculated value of 6.783, which exceeds the t-table value of 1.5341 at a significance level of  $0.00 < 0.05$ . Thus, the first hypothesis, stating that "Brand image is suspected to influence the purchase decision," is supported.

Price, product quality, and brand image show a relatively strong correlation with purchase decisions, as indicated by a correlation value of 0.726, which falls within the range of 0.60-0.799. The coefficient of

determination reveals that these factors collectively contribute 61.3% to the purchase decision, while the remaining 38.7% is influenced by other variables. The analysis results indicate that the calculated F-value of 48.372 exceeds the F-table value of 3.14 at a significance level of  $0.00 < 0.05$ . Consequently, the fourth hypothesis, which posits that "Price, product quality, and brand image influence the purchase decision" is confirmed.

#### 4. CONCLUSION

Based on the research findings and discussion, the following conclusion can be drawn:

- a. The influence of price on purchase decisions: The study reveals that price has a positive and significant impact on purchase decisions, as evidenced by a t-calculated value of 8.193, which is greater than the t-table value of 1.5341. This suggests that the more appropriate the price offered by Wardah Cosmetics, the more favourable the consumer's purchase decision.
- b. The influence of brand image on purchase decision: The research indicates that brand image has a positive and significant impact on purchase decisions. This is evidenced by the calculated value of 6.783, which exceeds the t-table value of 1.5341. Thus, the stronger the brand image of Wardah Cosmetics, the more favourable the consumer's purchase decision.

Some suggestions that can be given are as follows:

- a. Price: In the price variable, one question was found with a score below the average, which is that the price of Wardah Cosmetics is considered to have not reached all segments. To address this, Wardah Cosmetics is advised to offer products at various price levels, from very affordable to premium variants. This way, the brand can reach all segments without losing its sense of exclusivity.

- b. Product Quality: In the product quality variable, several statements were found with values below the average, such as consumer perceptions regarding new offerings by the product quality of Wardah Cosmetics. Therefore, Wardah Cosmetics is advised to provide services for product exchange or returns with better facilities, such as designated areas and longer time frames. Additionally, since Wardah Cosmetics is a local company, it is important to build trust with new consumers to make it easier for them to recognize and trust the quality of Wardah Cosmetics products.
- c. Brand Image: As a well-known halal brand, Wardah Cosmetics has the

opportunity to offer more comprehensive education to local consumers about the significance of halal products, including the production process. This campaign can raise consumer awareness of halal values and make Wardah Cosmetics the top choice.

Overall Variables: The research findings reveal that price, product quality, and brand image together have a positive and significant influence on purchase decisions. This is demonstrated by the calculated F-value of 48.372, which exceeds the F-table value of 3.14. This suggests that the better the price, product quality, and brand image of Wardah Cosmetics products, the stronger the consumer's purchase decision.

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