

***The Effect Of Country Of Origin On Brand Image And Their Impact
Toward Purchase Decision
(STUDY ON LANEIGE SKINCARE CONSUMERS IN INDONESIA)***

**Pengaruh Negara Asal Terhadap Citra Merek Dan Dampaknya Pada
Keputusan Pembelian
(Studi Pada Konsumen Perawatan Kulit Laneige Di Indonesia)**

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Abstract

This research is driven by the existence of problems related to consumer trust in two factors, namely the country of origin and brand image before making a purchase of a product. The purpose of this study was to determine the effect of country of origin and brand image on purchasing decisions of skincare products from South Korea, Laneige. This study consists of three variables, such as Country of Origin (X) as the independent variable, while Brand Image (Y1) and Purchase Decision (Y2) as the dependent variables. The study used a descriptive quantitative method with a sample of 100 respondents who were Laneige skincare consumers in Indonesia. The sample was obtained through a non-probability sampling technique which focused on incidental sampling. Descriptive analysis and path analysis were chosen as data analysis techniques. The results of the descriptive analysis of the three variables are in the good category. The results of the path analysis prove that the Country of Origin has a significant effect on Brand Image by 27.8%, Country of Origin has a significant effect on Purchase Decisions by 25.6%, and Brand Image has a significant effect on Brand Image by 57.9%.

Keywords: Country of Origin, Brand Image, Purchase Decision

Abstrak

Penelitian ini dilatarbelakangi oleh adanya permasalahan terkait kepercayaan konsumen pada dua faktor yaitu negara asal dan citra merek sebelum melakukan pembelian suatu produk. Tujuan penelitian adalah untuk mengetahui pengaruh negara asal dan citra merek pada keputusan pembelian produk perawatan kulit asal Korea Selatan, Laneige. Penelitian ini terdiri dari tiga variabel yaitu Negara Asal (X) sebagai variabel bebas, sedangkan Citra Merek (Y1) dan Keputusan Pembelian (Y2) sebagai variabel terikat. Penelitian menggunakan metode kuantitatif berjenis deskriptif dengan sampel yang digunakan adalah 100 responden yang merupakan konsumen perawatan kulit Laneige di Indonesia. Sampel diperoleh melalui teknik *non-probability sampling* yang difokuskan pada *incidental sampling*. Analisis deskriptif dan analisis jalur dipilih sebagai teknik analisa data. Hasil analisis deskriptif ketiga variabel berada pada kategori baik. Hasil analisis jalur membuktikan bahwa Negara Asal berpengaruh signifikan terhadap Citra Merek sebesar 27,8%, Negara Asal berpengaruh signifikan terhadap Keputusan Pembelian sebesar 25,6%, dan Citra Merek berpengaruh signifikan terhadap Citra Merek sebesar 57,9%.

Kata Kunci: Negara Asal, Citra Merek, Keputusan Pembelian

I. INTRODUCTION

In recent years, the cosmetics market has shown considerable growth, mainly driven by the emerging market. There are many cosmetic brands in these countries which compete with foreign products that have gone global. Indonesia is one of the developing countries that play this role. The Indonesian beauty industry market is the third-largest market in Asia. The population of Indonesia is the fourth largest in the world and can be considered a great opportunity in the industry of beauty.

Laneige is one of the cosmetics and skincare brands that is part of the Amore Pacific, which is a natural-based cosmetic that offers expertise to make skin moist and shiny with the maximum performance of 26 years of R&D. Starting from 2016, several Laneige products have won the Beauty Awards organized by Female

Daily. Equipped with advanced knowledge and technology, Laneige is one of the pioneers in Korean beauty. Laneige also believes that everyone has a sparkling charm. Laneige inserts an inspirational message for women to always be honest and sincere, keep looking for what suits them, and not afraid to be themselves even if they do not follow popular norms (Laneige.com, 2020).

The population in Indonesia is increasing from year to year, as are cosmetics consumers. Cosmetics manufacturers from abroad see a very large market share opportunity in Indonesia. Various types of foreign cosmetic brands have entered Indonesia, including Laneige. Laneige is one of the cosmetics brands from South Korea with various product variants offered and is one of the favorite and frequently used cosmetic brands in Indonesia. Therefore, COO and Brand Image are needed to convince buyers to buy the product and to give a characteristic to the product

Kotler and Keller (2016) state that Country of Origin is an individual's affiliation and trustworthy regarding a product that arises from originated country of a product. Consumers' feedback related to the country of origin with the brand image are interrelated, in which consumers will think that if the Country of Origin is good in terms of producing its products it will affect the brand image. Brand image is a corporate image that consumers give to a product or company that the company produces (Kotler & Keller, 2009). Country of Origin and Brand Image also have a fundamental role in the Purchase Decision, that is, if a brand has a good brand image and comes from a country that has a good reputation, consumers will easily trust and will be more likely to make purchases (Permana & Haryanto, 2014). Aim to analyze the influence of Country of Origin and Brand Image on the Purchase Decision of Laneige in Indonesia, this research should be conducted.

The researcher wants to know how much control the Country of Origin has which can affect the Brand Image. Kotler and Keller (2016) stated that Brand Image is the attitude and trust of buyers in a country that can influence in bringing up the brand image of a product, as well as telling consumers how high the quality of a product is. After these two variables, as stated by Alma (2013), will affect purchase decision, that is, the purchase decision is affected by product, politics, location, culture, financial economics, evidence, process, people, technology, promotion, and people. Forming actions for consumers to adapt all explanations and draw summaries in the form of actions that arise for what product to buy.

II. LITERATURE REVIEW

A. Country of Origin

According to Lustiana in Putri & Yulianti (2019) states that Country of origin image is the feedback of a consumer's comprehensive assessment of the country of origin of the brand based on information obtained from various sources. Country of Origin is shadow or image of a product that is triggered by the origin of the product as measure by three dimensions, namely country beliefs, people affect, and desired interaction (Laroche *et al.*, 2005).

B. Brand Image

Brand image is a term, sign, name, design, symbol, or a combination of them, which serves to mark the services or goods of an individual or group of sellers and to classify the services and goods of competitors; describe their external nature of the product or service, including the way the brand proves meeting the psychological or social needs of the customer (Kotler & Keller, 2016). Brand image is the image of the company in the eyes of consumers based on knowledge, feedback and consumer experience of the company concerned (Li *et al.*, 2011). Following Biel (1992), brand image has three components that are product image, corporate image, and user image.

C. Purchase Decision

According to Kotler and Keller (2016), a purchase decision is made based on how consumers perceive prices and from various sides for them to consider, rather than the price advertised by marketers. It can also be called the consumer's choice to buy or not, which includes six additional decisions, namely the decision to the choice of product, choice of brand, choice of distribution, quantity, time, and payment method. This is necessary for companies to need to recognize the role of it's because of all the roles contains implications for designing products, determining messages and allocate promotion budget costs and create a marketing program that according to buyer (Swastha & Handoko, 2012).

D. Country of Origin Relation with Brand Image

Quoted by Keegan & Green (2013) that COO is part of the brand image and contributes to brand value, this theory only applies to certain types of products, one of which is fashion. So, it can be concluded that the relationship between Country of Origin has a significant relationship with Brand Image. Because a successful brand in the global market gives credibility and respect to its consumers and this will affect the COO.

E. Country of Origin Relation with Purchase Decision

As stated by Kotler and Keller in Suria et al. (2016) stated that the perception of COO is a mental association and belief provoked by a country. So, it can be concluded from what Kotler and Keller stated that the Country of Origin has a significant relationship with the Purchase Decision. Because with the perception of COO, consumers will have more confidence and confidence in buying products that are marketed.

F. Brand Image Relation with Purchase Decision

According to Kotler and Keller (2016), this branding describes the external nature of a product or service, including how the brand tries to meet the psychological or social needs of customers. So, the brand image attached to a product is well remembered by consumers when they decide to choose the product they want. The brand image represents consumer's overall perceptions of the brand and is formed depend on the information received and consumer's perceptions of the brand. Brand image plays an important position in influencing purchasing behavior. Consumers who have a positive brand image tend to choose that brand when shopping.

III. RESEARCH METHODOLOGY

Based on the research variables such as Country of Origin, Brand Image, and Purchase Decision. In this research, the method used is the quantitative descriptive method. According to Sugiyono (2019) states that the research method can be interpreted as a scientific way to obtain data on specific purposes and uses. According to Indrawati (2015), the quantitative research method is a research method that proves whether the measurement is accurate on knowledge, attitudes, opinions and behavior. Descriptive research aims to explain a situation that will be studied supported by literature sources that can strengthen the researcher's analysis in concluding the research results. This study uses data analysis techniques in the form of descriptive analysis and path analysis.

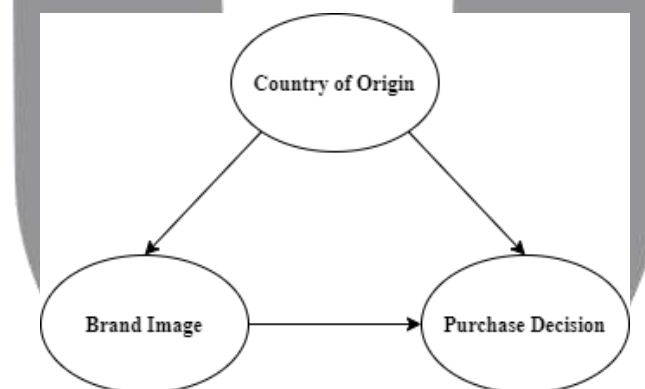


Figure 1 Conceptual Framework

Source: Fadhiilah & Sunarti (2018)

Research Hypothesis

- a. Country of Origin influence Brand Image
- b. Country of Origin influence Purchase Decision
- c. Brand Image influence Purchase Decision

IV. RESULTS AND DISCUSSION

There are 100 respondents that used in this research. Most of the respondents came from Bogor with 29 respondents, followed by Jakarta with 17 respondents, Depok with 11 respondents, and Bekasi with 9 respondents. Respondents aged 15 to 19 years were 13%, respondents aged 20 to 24 years were 82%, respondents aged between 25 to 29 years were 4%, while respondents aged more than 30 years were 1% who was 40 years old. The most respondents have an age range of 20 to 24 years, as many as 82 people or 82% and the least respondents have an age of more than 30 years is 1 person. 5% respondents are male and 95% are female. Respondents are 4% junior school level, 15% are senior school level, 24% are diploma level, 56% are S1 level, and 1% have S2 education level. The majority of respondents are students by 78%, 16 respondents or 16% are employees, 3% are entrepreneurs, 1% are housewives, 1% are baby sitters, and 1% are lecturer assistants. There are 60% respondents that have an income below 1 million per month, who have an income of 1 million to 3 million as much as 27%, 9% have an income between 5 million to 10 million, and 1% have an income above 10 million.

Result of F Test

Table 1 Result of F Test

Influence	Fvalue	Ftable	Significance	Information
COO + BI → PD	71.051	3.09	0.000	Positive and Significant

Source: SPSS Data Processing Result, 2021

Based on Table 1 it is known that H_0 is rejected, which means Country of Origin and Brand Image affect the Purchase Decision. These could be happened because $F\text{-value} > F\text{-table}$ and $p\text{-value of } 0.000 < 0.05$.

Result of T Test

Table 2 Result of T Test

Influence	Tvalue	Ttable	Significance	Information
COO → BI	6.147	1.984	0.000	Positive and Significant
COO → PD	5.803	1.984	0.000	Positive and Significant
BI → PD	11.616	1.984	0.000	Positive and Significant

Source: SPSS Data Processing Result, 2021

Based on Table 2 it is known that H_1 , H_2 and H_3 are accepted, which means Country of Origin influences the Brand Image and Purchase Decision, and also the Brand Image has an influence on the Purchase Decision. These could be happened because $T\text{-value} > T\text{-table}$ $p\text{-value of } 0.000 < 0.05$.

Coefficient of Determination

Table 3 Result of R Square Test

Influence	R	R ²	Adjust R ²	Std. Error of The Estimate
COO → BI	0.528	0.278	0.271	3.648
COO → PD	0.506	0.256	0.248	6.482
BI → PD	0.761	0.579	0.575	4.873
COO + BI → PD	0.771	0.594	0.586	4.081

Source: SPSS Data Processing Result, 2021

The influence of Country-of-Origin on Brand Image can be seen with the value of R square of 0.278 which indicates that country of origin affects brand image by 27.8% while the remaining 72.2% is influenced by other factors. The influence of Country-of-Origin on Purchase Decision can be seen with the value of R square of 0.256 which indicates that the country of origin affects the purchase decision by 25.6% while the remaining 74.4% is influenced by other factors. The influence of Brand Image on Purchase Decision can be seen with the value of R square of 0.579 which indicates that brand image affects purchase decision by 57.9% while the remaining 42.1% is influenced by other factors.

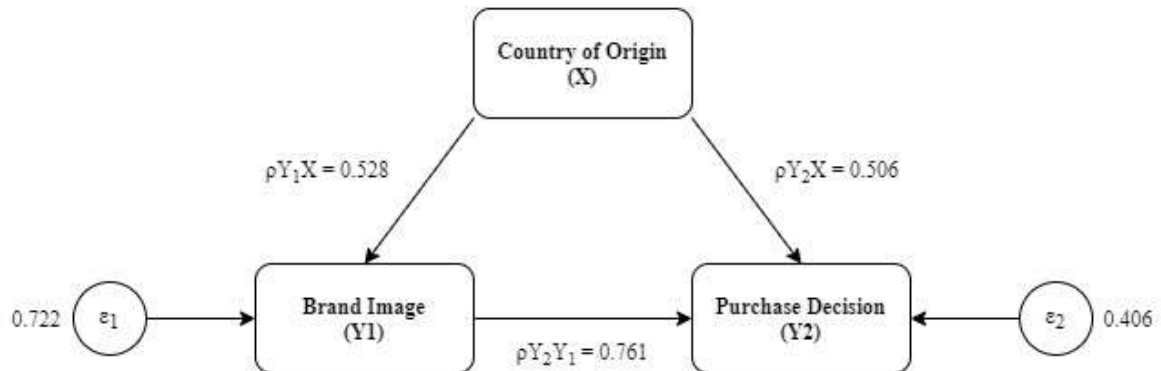


Figure 2 Path Analysis

Source: Processed Data by Author, 2021

Structural Equation

a. Structural Path 1

$$Y_1 = \rho_{Y_1X} X + \varepsilon_1 \\ = 0.528 X + 0.722 \varepsilon_1$$

b. Structural Path 2

$$Y_2 = \rho_{Y_2X} X + \rho_{Y_2Y_1} Y_1 + \varepsilon_2 \\ = 0.506 X + 0.761 Y_1 + 0.406 \varepsilon_2$$

Model Determination of R²

$$R^2 = 1 - (1-R_1^2) (1-R_2^2) (1-R_3^2) \\ = 1 - (1-0.278) (1-0.256) (1-0.579) \\ = 1 - (0.722) (0.744) (0.421) \\ = 1 - 0.226 \\ = 0.774 \sim 77.4\%$$

Thus, the modeling using path analysis is declared valid and considered good or appropriate because the R² value is close to 1 with a value of 0.774.

V. CONCLUSION AND SUGGESTION

Based on the analysis results of "The Effect of Country of Origin on Brand Image and Their Impact Toward Purchase Decision (Study on Laneige Skincare Consumers in Indonesia)", the purpose of this research is to know the influence between Country of Origin with Brand Image and Purchase Decision and also to know the influence Brand Image with Purchase Decision. Based on the tests that have been carried out, the following conclusions can be drawn:

a. Country of Origin Laneige in Indonesia

Based on the results of descriptive analysis, the overall COO in the eyes of the respondents is in the good category (4.33/5). The worst respondent's response is stating that "The country of origin of Laneige products, South Korea, is an ideal country to visit." The best respondent's response is stating that "The country of origin of the Laneige product, South Korea, is a developed country."

b. Brand Image Laneige in Indonesia

Based on the results of descriptive analysis, the overall BI in the eyes of the respondents is in the good category (4.02/5). The worst respondent's response is stating that "The Laneige brand has an affordable

price and matches the quality.” The best respondent's response is stating that “The Laneige brand has good product quality.”

c. Purchase Decision Laneige in Indonesia

Based on the results of descriptive analysis, the overall PD in the eyes of the respondents is in the good category (3.95/5). The worst respondent's response is stating that “I am considering the Laneige product that I will buy.” The best respondent's response is stating that “I know the Laneige product that I will buy.”

- d. The Country of Origin has an effect on the Brand Image partially and significantly with a determination coefficient of 27.8%. These results are in line with the research of Adenan *et al.* (2018) and Kim *et al.* (2018).
- e. The Country of Origin has an effect on the Purchase Decision partially and significantly with a determination coefficient of 25.6%. These results are in line with the research of Suria *et al.* (2016) and Ghaizani *et al.* (2018).
- f. The Brand Image has an effect on Purchase Decision partially and significantly with a determination coefficient of 57.9%. These results are in line with the research of Fadhiilah & Sunarti (2018) and Putri & Yulianti (2019).

Suggestion

Based on the results of the research which shows that there are still some weaknesses, the suggestions for the company are as follows:

a. For Company

The results of the study state that the brand image variable has a significant positive effect on purchase decision. This proves that the better the brand image, the higher the consumer's decision to make a purchase.

b. For Further Research

Further research is recommended to involving a larger number of samples, so that the results obtained are more generalizable; using analytical techniques other than path analysis which allows to get different results; and researching other variables that may also play a role in influencing purchasing decisions, so that it can be useful for the development of knowledge, especially in the field of marketing management.

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