The Influence of Price Perception and Product Quality on Luxcrime Cosmetics Purchase Decisions Post-Covid-19 Pandemic

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A R T I C L E I N F O

A B S T R A C T

Using of cosmetics is very important to support people's appearance even in the post-COVID-19 pandemic era. This study aims to find out the effect of price perceptions and product quality on purchasing decisions for Luxcrime cosmetic products after the Covid-19 pandemic. The population in this study are consumers who have bought and used Luxcrime cosmetics since the new normal era with a minimum age of 17 years. The technique used in sampling is non-probability sampling with purposive sampling method with a sample size of 108 respondents. The analysis method uses Smart PLS software with Structural Equation Modeling (SEM) Techniques. The results of this study showed that: (1) Price perception has a significant positive effect of 0.427 on purchasing decisions; (2) Product quality has a significant positive effect of 0.417 on purchasing decisions

INTRODUCTION

In late 2019, the world was shaken by the Covid-19 pandemic, which affected various aspects of life. The World Health Organization (WHO) urged people worldwide to implement physical distancing and even lockdown measures. The post-Covid-19 pandemic, or the new-normal era marks a turning point in society, where the government has slightly relaxed physical distancing and lockdown policies, allowing people to resume activities outside their homes as before.

Currently, the cosmetics industry is experiencing significant growth. Cosmetics or makeup are part of women's needs to enhance their appearance and boost self-confidence (Viva.co.id). In the post-pandemic era, many people, especially women, have started using makeup again, which is also used to support their work. There is a demand for long-lasting and affordable makeup products (Tribunnews.com, 2022). This is because since the post-pandemic era, the economy has started to recover, and people are inclined to choose affordable makeup products with good quality. This has become one of the reasons influencing consumers' purchasing decisions.

Lately, Indonesian consumers have started to rely on local cosmetic products to support their daily lives due to the improved quality and more affordable prices (wolipop.detik.com, 2021). Luxcrime is one of the local cosmetic brands that has gained popularity among the public. In early 2022, Luxcrime Cosmetics ranked third in the top-selling local cosmetics, generating sales of IDR 24.3 billion and achieving a market share of 5.07% from April to June 2022 (compass.co.id). This is further supported by positive responses from beauty enthusiasts, leading to Luxcrime cosmetics receiving several awards, such as the Best Mascara and Best Powder for their Luxcrime Blur & Cover Two Way Cake product in 2022 (beautyhaul.com, 2022). Although Luxcrime Blur & Cover Two Way Cake received an award for Best Powder, it has yet to surpass Make Over Powerstay Matte Powder Foundation in the category of compact powder products (GoogleTrends.com).

Female consumers tend to be more cautious when purchasing cosmetic products. According to Tjiptono, as cited in Sari (2021), the purchasing decision is a process where the buyer becomes aware of a problem, seeks information about a specific product or brand, evaluates available options to solve the problem, and ultimately makes a purchasing decision based on the perceived benefits of the product or service. Various factors, including product quality and price perception, influence decision-making.

Kotler and Keller, as translated by Bob Sobran in Teddy and Zuliestiana (2020), state that product quality encompasses the mix of product characteristics, including marketing, design, manufacturing, and maintenance, that ensure the product meets customer expectations. Based on research conducted by Ismayana and Hayati (2018), it was found that product quality significantly contributes to purchasing decisions and has a positive and significant impact.

According to Schiffman and Kanuk, as cited in Poespa et al. (2020), price perception refers to consumers' perception or view of prices, including how they perceive prices as high, low, or rational. It has a strong influence on purchasing decisions and satisfaction with the purchase. Based on research conducted by Septiyani et al. (2020), it was found that price perception has a significant positive impact on purchasing decisions.

Research Question

Based on the information provided, the research problem can be formulated as follows: Does price perception and product quality influence the purchasing decisions of Luxcrime cosmetic products in the post-Covid-19 pandemic period?

Research Objectives

Based on the research problem, the objective of this study is to determine the influence of price perception and product quality on the purchase decisions of Luxcrime cosmetic products in the post-Covid-19 pandemic period.

LITERATURE REVIEW

Price Perception

According to Schiffman and Kanuk, as cited in Poespa et al. (2022), price perception refers to consumers' perception or view of prices, including how they perceive prices as high, low, or rational. It has a strong influence on purchasing decisions and satisfaction with the purchase. Tjiptono, as cited in Sari (2021), states that price plays two prominent roles: allocation and information. The allocation role helps buyers obtain the expected benefits. In contrast, the information role helps consumers evaluate the quality and benefits of a product or service to the offered price.

The indicators of price perception, according to Kotler as cited in Suryajana & Sienetra (2020), are as follows:

1. Price affordability
2. Price-quality suitability
3. Price-benefit suitability
4. Price competitiveness

Product Quality

According to Kotler and Keller, as translated by Bob Sobran in Teddy and Zuliestiana (2020), product quality combines product characteristics ranging from marketing, design (planning), production, and maintenance that ensure the product meets customer expectations.

Product quality is of utmost importance for companies, considering the crucial issues related to customer satisfaction and the factors that support the business to expand or maintain its position in the market (Assauri as cited in Suryajaya and Sinatra, 2020).

According to Tjiptono as cited in Yunefa & Sabardini (2020), the indicators of product quality are as follows:

1. Product variety
2. Reliability
3. Durability
4. Packaging

Buying Decision

According to Tjiptono as cited in Sari (2021), purchase decision is a process in which buyers become aware of a problem, seek information about specific products or brands, evaluate available options to solve the problem, and eventually make a purchase decision. Meanwhile, according to Kotler & Keller as cited in Setyani and Gunadi (2020), purchase decision is defined as the final decision made by individuals to buy goods or services for personal consumption.

There are five stages in the purchase decision process according to Kotler as cited in Septiani and Pambudi (2020):

1. Problem Recognition
2. Information Search
3. Alternative evaluation
4. Purchase Decision
5. Post-purchase Behavior

The indicators of purchase decision, according to Kotler as cited in Budi et al. (2022), include:

1. Loyalty to a particular product
2. Buying habit
3. Word-of-Mouth recommendation
4. Repurchase behavior

The Influence of Price Perception on Purchase Decision

Price is a crucial factor in the purchase decision-making process. Tjiptono, as cited in Septiani and Pambudi (2021), explains that price strongly influences consumers' willingness to make a purchase. Sangadji and Sopiah, as cited in Yunefa and Sabardini (2020), define price as the agreed-upon amount of money between potential buyers and sellers to exchange goods or services in a transaction. Based on the above discussion, it is evident that price aids prospective consumers in making decisions by exchanging a certain amount of money to acquire desired goods or services.

Research conducted by Poespa et al. (2020) and Septiyani et al. (2020) found that price perception significantly positively impacts purchase decisions. This indicates that if the price aligns with consumers' perception, it will influence the purchase decision-making process.

H1: Price Perception has a Positive Influence on Purchase Decisions

The Influence of Product Quality on Purchase Decision

Tjiptono, as cited in Yunefa and Sabardini (2020), explains that good product quality enables a company to overgrow and achieve long-term success compared to other companies. A product is designed with specific characteristics to compete in the market, so consumers have various options before purchasing.

According to Cahya, as cited in Septiani and Prambudi (2021), consumers desire to purchase products offered by a company. However, their decision is influenced by several factors, including product quality, new product variations offered, product convenience, and consumer affordability.

Based on research conducted by Ismayana and Hayati (2018) and Poespa et al. (2020), it was found that product quality has a significant positive impact on purchase decisions. However, this finding differs from the research conducted by Septiyani et al. (2020), which found a significant negative impact of product quality on purchase decisions.

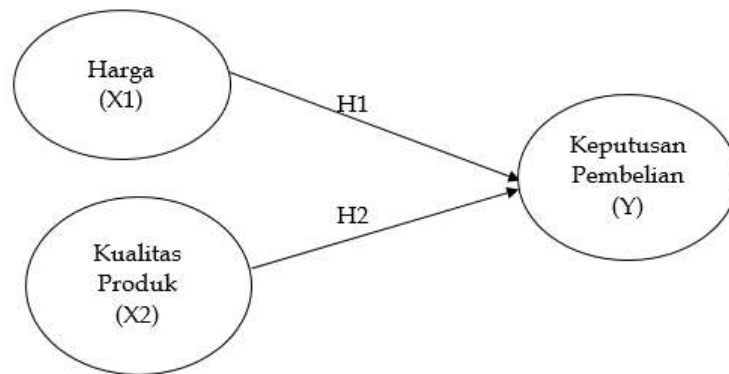**H2: Product Quality has a Positive Influence on Purchase Decisions**

Figure 1. Theoretical Framework

METHODOLOGY

The research method used in this study is Quantitative. The population of this study consists of consumers who have purchased and used Luxcrime cosmetic products after the Covid-19 pandemic. The sampling technique used is non-probability sampling with purposive sampling, and 108 respondents were selected by distributing questionnaires via Google Forms. The data was measured using a Likert scale. The data used in this study includes primary data obtained through the questionnaire, which contains the research variables, and secondary data sourced from books, journals, print media, and web data processing. The data analysis technique used in this study is Structural Equation Modeling (SEM) based on components, using Partial Least Squares (PLS) with the assistance of the SmartPLS application.

RESULT
Validity Test

Table 1. Outer Loadings

Indikator	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)
X1.1 <- Price Perception (X1)	**0.689**	0.674	0.114	**6.037**
X1.2 <- Price Perception (X1)	**0.823**	0.824	0.037	**22.461**
X1.3 <- Price Perception (X1)	**0.742**	0.742	0.068	**10.862**
X1.4 <- Price Perception (X1)	**0.622**	0.608	0.106	**5.854**
X2.1 <-Product Quality (X2)	**0.709**	0.709	0.065	**10.939**
X2.2 <-Product Quality (X2)	**0.672**	0.668	0.094	**7.187**
X2.3 <-Product Quality (X2)	**0.755**	0.751	0.073	**10.365**
X2.4 <-Product Quality (X2)	**0.707**	0.702	0.079	**8.989**
Y.1 <- Purchase Decision (Y)	**0.765**	0.758	0.055	**13.846**
Y.2 <- Purchase Decision (Y)	**0.602**	0.599	0.104	**5.776**
Y.3 <- Purchase Decision (Y)	**0.849**	0.849	0.029	**28.900**
Y.4 <- Purchase Decision (Y)	**0.893**	0.892	0.026	**34.908**

Source: Processed Data (2023)

Based on the outer loading table, all reflective indicators for the variables Price Perception (X1) and Product Quality (X2), as well as the Purchase Decision variable (Y), exhibit factor loadings (original sample) greater than 0.50 and/or statistically significant (T-Statistic value greater than the critical value Z α = 0.05 (5%) = 1.96). Therefore, all indicators' estimation results have satisfied the convergence or good validity criteria. The following are the values of Average Variance Extracted (AVE):

Table 2. Average Variance Extracted (AVE)

Variable	Average variance extracted (AVE)
Price Perception (X1)	0.522
Product Quality (X2)	0.507
Purchase Decision (Y)	0.617

Source: Processed Data (2023)

The AVE test results for the variable Price Perception (X1) are 0.552, Product Quality (X2) is 0.507, and Purchase Decision (Y) is 0.617. All three variables show AVE values greater than 0.5, indicating that overall, the variables in this study have good validity.

Reliability Test

Table 3. Composite Reliability

Variable	Composite reliability
Price Perception (X1)	0.812
Product Quality (X2)	0.804
Purchase Decision (Y)	0.863

Source: Processed Data (2023)

The results of the Composite Reliability test show that the Price Perception (X1) variable has a value of 0.812, the Product Quality (X2) variable has a value of 0.804, and the Purchase Decision (Y) variable has a value of 0.863. All three variables have Composite Reliability values above 0.70, indicating that all variables in this study are reliable.

Table 4. Latent Variabel Correlations

Variabel	Price Perception (X1)	Product Quality (X2)	Purchase Decision (Y)
Price Perception (X1)	1.0000		
Product Quality (X2)	0.5960	1.0000	
Purchase Decision (Y)	0.6760	0.6720	1.0000

Source: Processed Data (2023)

Based on the table above, the average correlation values between variables indicate that the average correlation is above 0.5. The highest correlation value is found between the Purchase Decision (Y) variable and the Price Perception (X1) variable, which is 0.6760. Among the variables in the research model, the relationship between the Purchase Decision (Y) variable and the Price Perception (X1) variable is stronger than the relationships between other variables. This can also be interpreted as, in this research model, the level of Purchase Decision is

more influenced by the Price Perception variable than the Product Quality variable.
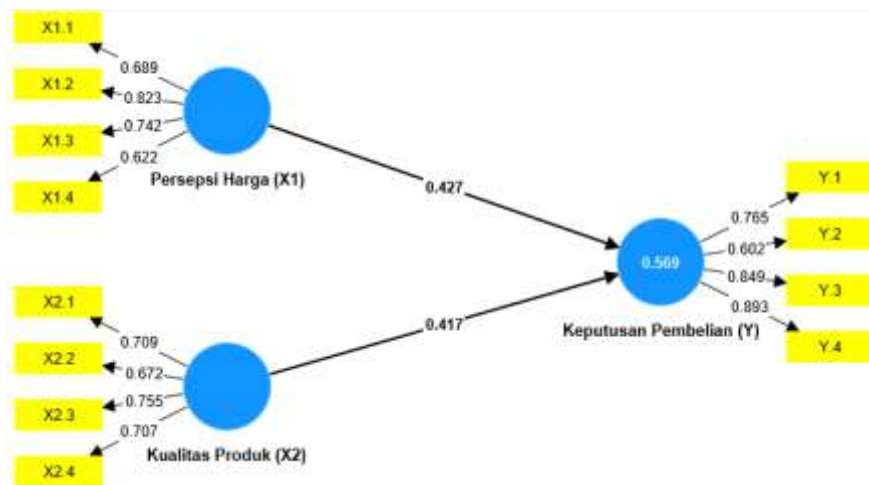
Outer Model

Figure 1. Outer Model with Factor Loading, Patch Coefficienr and R-Square
Source: Processed Data (2023)

R-Square

Table 5. R-Square

Variable	R-square
Price Perception (X1)	
Product Quality (X2)	
Purchase Decision (Y)	0.569

Source: Processed Data (2023)

The value of R^2 = 0.569. This can be interpreted as the model is able to explain 56.9% of the variation in the Purchase Decision (Y) phenomenon that is influenced by the independent variables, namely Price Perception (X1) and Product Quality (X2). The remaining 43.1% is explained by other variables not included in this study.

Path Analysis (T-Statistic)

Table 6 . Path Coefficients (Mean, STDEV, T-Values)

Variabel	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
Price Perception (X1) -> Purchase Decision (Y)	0.427	0.426	0.106	4.051	0.000
Product Quality (X2) -> Purchase Decision (Y)	0.417	0.426	0.109	3.830	0.000

Source: Processed Data (2023)

Based on the table above, both Price Perception and Product Quality have a significant positive influence on Purchase Decision (both hypotheses can be accepted). With path coefficients of 0.427 and a T-statistic value of 4.051, which is greater than the Z α = 0.05 (5%) = 1.96, and a P-value < 0.05 for Price Perception, and path coefficients of 0.417 and a T-statistic value of 3.830, which is greater than the Z α = 0.05 (5%) = 1.96, and a P-value < 0.05 for Product Quality.

DISCUSSION
The Influence of Price Perception on Purchase Decision
The research findings indicate that Price Perception positively and significantly influence the Purchase Decision of Luxcrime cosmetic products post the Covid-19 pandemic. Among the indicators of Price Perception, the highest result of factor loading is found in the aspect of the price that corresponds to the Product Quality offered. With an affordable price, buyers can experience the expected quality of the product, such as its safety and ability to provide smooth skin by covering pores.

These research findings align with Fandy Tjiptono's theory, as mentioned in Sari (2021), regarding the primary role of price in influencing the Purchase Decision. Price plays a role in allocation and information. It helps buyers obtain the desired benefits and evaluate the Product Quality based on the price offered. This research also aligns with a study conducted by Septiyani et al. (2020), which showed that Price Perception significantly positively impacts the Purchase Decision.

The Influence of Product Quality on Purchase Decision

Based on the research findings, it was found that Product Quality has a positive and significant influence on the Purchase Decision of Luxcrime cosmetics post the Covid-19 pandemic. Among the indicators of Product Quality, the highest result of factor loading is found in durability. This means that consumers can experience the durability of the cosmetics even after using them throughout the day, especially in the post-pandemic era where wearing masks is required. Cosmetics need to have good durability to avoid easily smudging onto the mask.

These research findings are consistent with Cahya, as mentioned in Septiani and Pambudi (2021), stating that consumers feel inclined to purchase products offered due to various factors, including Product Quality and product comfort. The findings of this study are also in line with the research conducted by Ismayana and Hayati (2018), which revealed that Product Quality contributes to the Purchase Decision and has a positive and significant impact.

CONCLUSION AND RECOMMENDATION

Based on the above discussion, the following conclusions can be drawn: Price Perception and Product Quality contribute to the Purchase Decision of Luxcrime Cosmetics post the Covid-19 pandemic.

Some recommendations related to the research findings include the following: Luxcrime should continue to maintain Product Quality, especially for cosmetics with innovations, and keep the prices affordable to maintain consumers' Price Perceptions. Luxcrime should also strive to maintain and enhance the durability of its products to remain competitive in the cosmetics industry in Indonesia.

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