# THE EFFECTS OF BRAND IMAGE, PRODUCT QUALITY, AND PROMOTION ON PURCHASE INTENTION OF SCARLETT WHITENING SKIN CARE PRODUCTS MEDIATED BY ELECTRONIC WORD OF MOUTH (E-WOM)

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***ABSTRACT***

*This study aims to determine: (1) the direct influence of brand image on purchase intention, (2) the direct influence of product quality on purchase intention, (3) the direct influence of promotion towards purchase intention, (4) the influence of brand image towards purchase intention mediated by E-WOM, (5) the influence of product quality towards purchase intention mediated by E-WOM, (6) the influence of promotion towards purchase intention mediated by E-WOM. The population in this study were all consumers of Scarlett Whitening skin care products, while the sample in this study was 96 consumers of Scarlett Whitening skin care products. This research's sampling technique used a combination of purposive and snowball sampling. Data was obtained by distributing questionnaires to 96 respondents who fit the criteria related to brand image, product quality, promotion, purchase intention, and E-WOM. The data analysis process used the SmartPLS 3 software. Based on the results of data analysis, the research results obtained that: (1) brand image had a direct positive influence on purchase intention, (2) product quality did not have a direct positive influence on purchase intention, (3) promotion had directly positive influence towards purchase intention, (4) brand image did not have a positive influence towards purchase intention mediated by E-WOM, (5) product quality had positive influence towards purchase intention mediated by E-WOM (full mediation), (6) promotion did not have a positive influence towards purchase intention mediated by E-WOM.*

*Keywords: brand image, product quality, promotion, purchase intention, E-WOM.*

## INTRODUCTION

Through the use of technology, the era of globalization has witnessed the successful emergence of new lifestyle trends. In this digital era, technology has successfully served as a catalyst for generating new industrial and corporate prospects. In particular, social media is a product of technical advancements as a tool for constructing a new world. Social media contribute to the dissemination of information. Multiple phenomena that occur at various locations and times can be acknowledged in only seconds. The cosmetic and beauty industry is one of the industries affected by the development of technology and information. The beauty and body care industry in Indonesia was reached $6.03 billion in 2019 and $8.46 billion in 2022, according to market research (Ministry of Industry, 2020).

Scarlett Whitening, which ranked first with a market share of 18.9 percent for the week of 1-15 August 2021 according to the online shopping sites Tokopedia and Shopee, is one of the companies that has succeeded in fostering growth in the cosmetic and beauty business (Databoks, 2021). Through Electronic Word of Mouth (E-WOM) engagement, Scarlett Whitening products are widely discussed in internet, raising interest. One of the Scarlett Whitening products managed to rank in the top 10 for the skin care product category on TikTok (Nurfadilah, 2021). E-WOM is a natural marketing strategy through the process of product description by word of mouth represented by tweets, captions, dialogues, and so on. Especially if this

action is performed by individuals who are considered experts in the field or who have a favorable image.

Technological advancements must be tackled sensibly in order to offer new opportunities and effectively communicate them to consumers via promotional techniques. Internal elements must be linked with marketing strategy for marketing activities to function properly. Numerous elements influence the consumer response to a product. Among these criteria are product quality, price, service, and product image. The researcher attempted to perform a study titled "The Influence of Brand Image, Product Quality, and Promotion on Purchase Interest as Mediated by Electronic Word of Mouth (E-WOM) on Scarlett Whitening Skin Care Products" based on the given description.

## LITERATURE REVIEW

### Direct marketing

Direct marketing is a marketing technique that involves direct consumer channels to distribute products to consumers (Kotler & Keller, 2019: 657). Direct marketing can enable marketers to interact with consumers and potential customers to evaluate their reaction to the provided products.

### Brand Image

Indrasari (2019: 97) defines brand image as a collection of information about products and the company's brand. Image has an essential role in the product journey because it is related to consumer confidence in the product in question, as evidenced by the research conducted by Wardhana & Wahyudi (2013: 103), which concluded that there is a significant influence between brand image and consumer trust. The brand image needs to be implanted slowly so that it sticks in people's minds as potential customers or existing customers. There are several indicators in determining brand image:
1. Brand awareness: the ability of consumers to recognize a brand as part of a particular product category (Firmansyah, 2019: 85).
2. Brand association: the impression that arises when remembering a brand (Firmansyah, 2019: 90).
3. Quality perception: consumer views on product quality as expected (Firmansyah, 2019: 99).
4. Brand loyalty: consumer purchasing choices for a brand in a specific product category (Giddens, 2002, in Firmansyah, 2019: 84-108).

### Product Quality

According to Garvin & Timpe, 2011 (in Rahmawati, 2016: 23), product quality is a product's main strength. The following are product quality indicators used in this study (Tjiptono 1997, in Firmansyah, 2019:16-17):
1. Performance: relates to characteristics in operation.
2. Additional features: characteristics that serve as a complement, such as interior, extra storage space.
3. Reliability: an estimate of the probability of damage or production failure.
4. Conformance to specifications: efforts to meet standards with due regard to design and operation.
5. Durability: the approximate length of time the product can be used.
6. Aesthetics: the product's beauty that can be enjoyed by the five senses.

### Promotion

According to Sitorus & Utami (2017: 4), promotion is a marketing activity that consists of communicating new products to consumers in order to provoke their desire to make purchases. Continuous promotion will slowly instil in the public what the product is, what it looks like, what its function is, and so on. (Kotler & Keller, 2019: 624) The following are indicators of promotion variables:
1. Online marketing: online activities and programs designed to engage customers to increase sales
2. Publicity: programs to promote products, protect images, or communicate products through various means

3. Prizes/ contests, sweepstakes, games: chance to win prizes
4. Cross-promotion: using other, dissimilar brands to advertise a particular brand.

### *E-WOM*

According to Alves et al. (2016) and Astaki, (2019: 5444), E-WOM is a method for delivering product-related communications over a communication system. E-WOM is a simple marketing method. E-WOM is an evolution of WOM, which originally relied solely on word of mouth. Now, promotions are conducted via word-of-mouth and business-appropriate social media platforms, such as Facebook, Instagram, TikTok, Pinterest, Reddit, Twitter, LinkedIn, and Snapchat. Indicators for the E-WOM variable (Goyette, 2010, cited in Asanti, 2015: 31) included in the present study are:
1. Read product reviews written by online users
2. Communication with other online users
3. Frequently search online for product-related information before making a purchase
4. Reviews from other internet shoppers instill confidence in their purchasing selections.
5. Recommendations from users of a network website

### Purchase Intention

Purchasing interest is an internal or external factor that influences the desire to purchase a product or service (Kuberasyani & Rahyuda, 2019: 7). Consumers' purchase intention can be increased. There are individuals that are uninterested in the product, but due to the product's appealing marketing strategy, it can build consumer desire to at least learn more about the product until a purchase choice is made. According to research conducted on Wenak Tok items by Njoto and Sienatra (2018:617), promotion in the form of advertising has a substantial impact on purchasing decisions. This indicates that an attractive campaign will increase the likelihood of consumers purchasing the

provided products. Indicators of purchase intention variables in this study include the following (Ferdinan, 2014, in Purbohastuti & Hidayah, 2020, p. 39; Suwandari, 2008, in Rizky & Yasin, 2014, p. 141):

1. Transactional interest: the tendency shown by consumers in making purchases
2. Referential interest: the tendency of consumers to recommend the products they buy to others
3. Preferential interest: the interest shown by consumers who have a primary preference for a particular product
4. Exploratory interest: behavior shown by consumers by digging for information about certain products to collect positive affirmations.
5. Attention: consumer awareness of the existence of the product offered.

Research on the direct influence of product quality, brand image, and promotion on product purchase intention has been conducted by Himawan (2016) regarding "The Influence of Product Quality, Brand Image, and Promotion on Acer Notebook Purchase Interest". This study led to the results that product quality, brand image, and promotion had a positive effect on product purchase intention. Meanwhile, product quality, brand image, and promotion influence purchase intention.

It has not been found definitively regarding research involving the E-WOM variable as a mediation. However, comparative research was found, namely, the research conducted by Nurgiyantoro (2021 regarding "The Influence of Promotional Strategies through Social Media on Garskin Purchase Decisions Mediated by Word of Mouth Marketing". There is an influence of WOM-mediated promotional strategies on product purchasing decisions. Furthermore, there is also a positive influence of WOM on product purchasing decisions. Figure 1 shows a summary of the conceptual framework in this study.
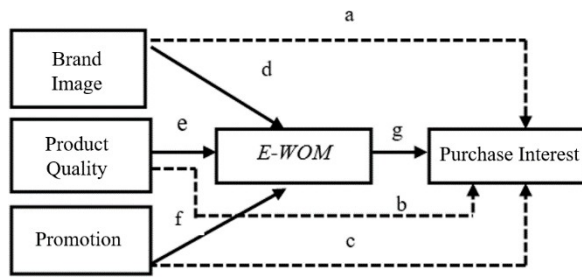
**Figure 1. Conceptual Framework**

## HYPOTHESES

H1 (a): Brand image has a direct positive effect on Scarlett Whitening skin care product purchasing interest.

H2 (b): Product quality has a direct positive effect on Scarlett Whitening skin care product purchasing interest.

H3 (c): Promotion directly has a positive effect on purchase intention in Scarlett Whitening skin care products.

H4 (d): Brand image has a positive effect on purchasing interest in Scarlett Whitening skin care products mediated by E-WOM.

H5 (e): Product quality has a positive effect on purchasing interest in Scarlett Whitening skin care products mediated by E-WOM.

H6 (f): Promotion has a positive effect on purchasing interest in Scarlett Whitening skin care products mediated by E-WOM.

## METHOD

According to Supranto (2016:30), a population is a group of similar elements with unique characteristics. The population in this study were all consumers of Scarlett Whitening skin care products. Supranto (2016: 30) states that the sample is representative of the population. The researchers determined the number of samples using the Slovin formula for an unknown population, so it found there was 96 respondents needed to research.

The technique used is purposive sampling which is a technique for selecting samples following the research objectives (Hardani et al., 2020: 368). The sampling technique is combined with the snowball sampling technique, which is a sample collection technique by disseminating information among certain circles in a familiar group (Hardani et al., 2020: 369). Data collection in this study was carried out by distributing questionnaires to the respondents according to the criteria needed by the author.

This study uses measurements with the Partial Least Square (PLS) model. PLS, based on Garson's (2016: 8) understanding, is the most suitable alternative to OLS regression, canonical correlation, or covariance-based structure when research aims to predict or make exploratory models. Abdillah et al. (2015: 163) states that the purpose of PLS is to predict the effect of variable X on Y and explain the theoretical relationship between the two variables. In this PLS method, it is known that there is a bootstrap procedure or hypothesis to determine the significance of the influence between variables.

### Instrument Testing Techniques

The validity test stated by Hardani et al. (2020: 393) is a measurement step from a scale that uses variables to determine an event's relationship. Construct validity is defined by Abdillah & Jogiyanto (2015: 195) as validation that can describe the results obtained from theoretical measurements seen from how good the results are, and this validation consists of convergent and discriminant validity. Convergent validity is defined by Abdillah & Jogiyanto (2015: 195) as validity that has a relationship with the principle that construct measurement must be highly related. Discriminant validity is defined by Hartono, 2008 (in Abdillah & Jogiyanto (2015: 195) as a validity test that is predicted to have no relationship, which results in a related score if two different instruments measure two unrelated constructs as well.

The reliability test describes the measurement of measuring instruments internally seen from their consistency

(Abdillah & Jogiyanto, 2015: 194). This study will use Cronbach's alpha method. The Cronbach's alpha method, according to Chin, 1995 (in Abdillah & Jogiyanto, 2015: 194) aims to measure the lower limit of the reliability value on the construct. The reliability criteria used are by looking at the value of Cronbach Alpha. If the Cronbach alpha value > 0.60, the statement/question concerned is reliable. If the Cronbach alpha value is 0.60, the statement/question concerned is unreliable.

## Data analysis technique

The first step in PLS data analysis is to analyze the measurement model (outer model). The purification stage is an important stage that is useful for predicting rational and causal relationships from a concept and research model that cannot be tested in measurement modeling which aims to test construct validity and instrument reliability (Abdillah & Jogiyanto, 2015: 194).

After testing the outer model, the next step is to test the structural model (inner model). The evaluation process carried out by PLS with a structural model was carried out using R2 to show the dependent construct; path coefficient value that serves to indicate the level of significance in hypothesis testing with t-statistic values; t-values for each path for the significance test between constructs in structural modeling (Abdillah & Jogiyanto, 2015: 197). R2 becomes a measure of the variation of changes in the independent variable to the dependent (Abdillah & Jogiyanto, 2015: 197). If the level of R2 is higher, then the prediction model proposed is getting better (Abdillah & Jogiyanto, 2015: 197). The T-statistic must be above 1.96 for the two-tailed species and above 1.64 for the one-tailed in hypothesis testing with 5% alpha and 80% power (Hair et al., 2008, in Abdillah & Jogiyanto, 2015: 197). P-values serve as a guide for hypothesis testing conducted in research with PLS. In contrast, this study's significance level is 0.05, with a 5% ($\sigma$) probability of error with a 95% probability of making a decision. If p-values 0.05 with 5%, then H0 is rejected, and Ha is accepted. If p-values > 0.05 with 5%, then H0 is accepted, and Ha is rejected.

## RESULTS AND DISCUSSION

### Validity and Reliability Test
1. Convergent Validity

The validity test is seen by using a value > 0.7 on the outer loading and the value of AVE (Average Variance Extracted), which is > 0.5. The data obtained shows an AVE number above 0.5, so the data obtained is valid data through the convergent test that has been carried out.

2. Discriminant Validity

The discriminant validity test can be determined by looking at the value on the cross loading, which can be seen from the analysis results through SmartPLS. The cross-loading value must be more than 0.5 to state that the data is valid in discriminant validity testing. The values obtained each show more than 0.5, so the discriminant test of the data is valid.

3. Reliability Test

This test is carried out using SmartPLS by paying attention to Cronbach's alpha which must have a value > 0.6, and the composite reliability value must be > 0.7. Based on the data in the table above, the value of Cronbach's alpha and composite reliability shows a value of > 0.7, so based on testing the reliability value, the data is said to be valid.

### Structural Model Testing

Structural model testing is done using $R^2$ using SmartPLS. Based on the data obtained, the R-square value for the E-WOM variable is 0.834. This result shows variations in exogenous variables, namely brand image, product quality, and promotion, of 83.4%, and the remaining 16.6% is a value that indicates the influence of other variables not examined by researchers. Furthermore, the R-square value for the purchase intention variable shows a result of 0.946. This figure shows

variations in exogenous variables, namely brand image, product quality, and promotion, by 94.6% and the remaining 5.4%, which is the influence of other variables not examined by researchers. The value of the Q-square obtained is 0.937. This value explains that the diversity obtained through this research is 93.7%, and the remaining 6.3% influences other factors. This value also explains that the goodness of fit in this study is good.

### Inner model

Inner model determines the effect of exogenous variables on endogenous variables. SmartPLS makes it easier to analyze it by looking at bootstrapping. This section will display the t-statistic value to see its significance provided that it is said to be significant if the t-statistic value is > 1.96.

#### Table 1. Result of Direct Effect Estimation

| Hypotheses | Original Sample | T-Statistic | P-Values | Results |
|---|---|---|---|---|
| Brand image → purchase intention | 0,640 | 11,441 | 0,000 | Significant |
| Product quality → purchase intention | 0,037 | 0,424 | 0,672 | Not significant |
| Promotion → purchase intention | 0,225 | 3,584 | 0,000 | Significant |

#### Table 2. Results of Indirect Influence Estimation

| Hypotheses | Original Sample | T-Statistic | P-Values | Results |
|---|---|---|---|---|
| Brand image → E-WOM → purchase intention | 0,014 | 1,081 | 0,280 | Not significant |
| Product quality → E-WOM → purchase intention | 0,067 | 2,011 | 0,045 | Significant |
| Promotiion → E-WOM → purchase intention | 0,025 | 1,201 | 0,231 | Not significant |

Source: Processed Primary Data (2022)

### Hypothesis test

From Tables 1 and 2 it can be analyzed that the direct influence of brand image on purchase intention is shown by a t-statistic of 11.441 (positive sign with the original sample value of 0.640) with a p-value of 0.000 <0.05, so H01 is rejected and Ha1 is accepted, which means that brand image directly has a positive effect on purchase intention. The direct effect of

product quality on purchase intention is shown by a t-statistic of 0.424 (positive sign with the original sample value of 0.037) with a p-value of 0.672 > 0.05, so H02 is accepted and Ha2 is rejected, which means that product quality has no direct effect. positive on purchase intention. The direct effect of promotion on purchase intention is shown by a t-statistic of 3.584 (positive sign with the original sample value of 0.225) with a p-value of 0.000 <0.05, so H03 is rejected and Ha3 is accepted, which means that promotion directly has a positive effect on purchase intention.

The effect of brand image on purchase intention mediated by E-WOM is indicated by a t-statistic of 1.081 (positive sign with the original sample value of 0.014) at a p-value of 0.280 > 0.05. Without the E-WOM variable, brand image can directly affect purchase intention. However, after the E-WOM variable, the influence of brand image on purchase interest becomes insignificant. So it can be concluded that H05 is accepted and H15 is rejected, that is, E-WOM does not mediate the relationship between brand image and purchase interest.

The effect of product quality on purchase intention mediated by E-WOM is indicated by an t-statistic of 2.011 (positive sign with the original sample value of 0.067) at a p-value of 0.045 <0.05. Meanwhile, product quality has no significant effect on purchase intention directly (t-statistic 0.424 and p-value 0.672 > 0.05). It can be concluded that product quality has a positive effect on purchase intention fully mediated by E-WOM. Fully mediated means that the influence of product quality on purchase intention is entirely mediated by E-WOM.

The effect of promotion on purchase intention mediated by E-WOM is indicated by a t-statistic of 1.201 (positive sign with the original sample value of 0.025) at a p-value of 0.231 > 0.05, which indicates the indirect promotion on purchase intention mediated by E-WOM showed an insignificant effect. There is a change in the

effect of direct promotion on purchase intention, which was previously signed as insignificant after the presence of E-WOM. So, it can be concluded that E-WOM does not mediate the relationship between promotion and purchase intention.

## CONCLUSION

Brand image directly has a positive effect on purchase intention in Scarlett Whitening skin care products. Product quality does not directly have a positive effect on purchase intention in Scarlett Whitening skin care products. Promotion directly has a positive effect on purchase intention in Scarlett Whitening skin care products. Brand image does not have a positive effect on purchase intention in Scarlett Whitening skin care products mediated by E-WOM (no mediation). Product quality has a positive effect on purchase intention in Scarlett Whitening skin care products fully mediated by E-WOM (full mediation). Promotion does not have a positive effect on purchase intention in Scarlett Whitening skin care products mediated by E-WOM (no mediation).

## RECCOMENDATION

The study's results indicate that brand image directly has a positive effect on purchase intention in Scarlett Whitening skin care products. Efforts can be made, especially in product development with better content and composition. Amid many local and international skincare brands, it is recommended that Scarlett Whitening improve its brand image through various efforts, including accuracy in the process of creating positioning, brand value, and concept (Junaida, 2017: 801-802). This effort can be shown especially in the aspect of value development that Scarlett Whitening wants to convey through the slogan "Reveal Your Beauty" to campaign for pride in the unique beauty of each individual. However, with E-WOM as a mediating variable, product quality positively affects purchase intention. From

these results, it is suggested for Scarlett Whitening to keep paying attention to aspects of product quality even though the research results show that product quality does not directly have a positive effect on purchase intention. Aspects can be improved, especially the promotion aspect through TV advertisements, which Scarlett Whitening has never done before, so the promotion exposure is even more comprehensive. However, this promotion can still be maximized.

The study's results indicate that E-WOM plays a role in mediating fully between product quality and purchase intention. From these results, it is recommended for Scarlett Whitening to increase the variety of E-WOM, especially in the scope of promotional agents on social media, by utilizing nano influencers (influencers who have 1,000-10,000 followers). These nano influencers will be closer to the target market so that the E-WOM process can be conveyed more naturally.

Researchers realize that there are still many opportunities to add variety to the study, one of which is by adding exogenous variables, such as price and brand ambassadors. Both are variables that are currently compelling because Scarlett Whitening has shown a concentration on these two things for some time recently. Scarlett Whitening has the same price for each type of product, IDR 75,000. The effect of this pricing strategy is interesting to study. Scarlett Whitening applies this strategy to maximize product sales, which is interesting to research. At last the researcher suggests furthering research to try to add variables, especially those that are the concentration of the development of Scarlett Whitening.

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