

# CHAPTER I

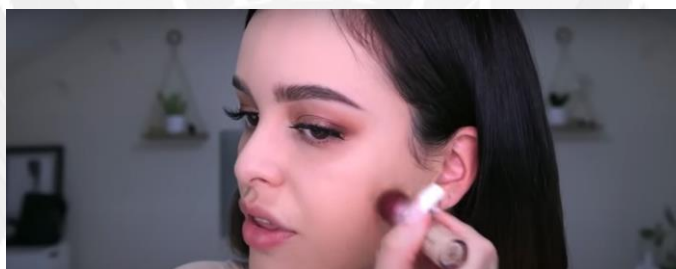
## INTRODUCTION

### 1.1 Background of the Study

Since ancient times, human beings have always had a standard of beauty, and today the standard of beauty strongly affects daily life. People define beauty standards in terms of appearance such as body shape, facial proportions, height and weight. Beauty standards are not static. As times change, people's beauty standards have been affected, and people have become very picky about beauty. In the face of this situation, competition in the beauty industry has become fierce, where many cosmetic companies continue to launch products and make these products a necessity for people to have an appearance that is consistent with the beauty standard (Kaur et al., 2023).

Along with the development of social media, people are relatively convenient to obtain information and most of the information is from social media. There are groups on social media that act as influencers, who influence people by sharing opinions about fashion, beauty, and other things. Most of these people are outstanding in appearance. At the same time, the audience's concept of beauty is formed. The influencer has a pursuit of a beauty standard and the followers will be influenced. The behavior affects how people look at things and makes purchase decisions. In these times when social media prevails, new trends exist, such as fashion trends and beauty standards (Jun & Yi, 2020).

People with beauty-conscious cannot tolerate an uneven skin tone, bags under the eyes, fine lines, and other blemishes. Therefore, people want to cover these blemishes with beauty products, skin care products, or other beauty methods. In addition, in order to arouse consumers' impulsive consumption, the current enterprises increase product functions and sales anxiety which makes people feel anxiety through advertising (Nurlia & Hidayati, 2021).



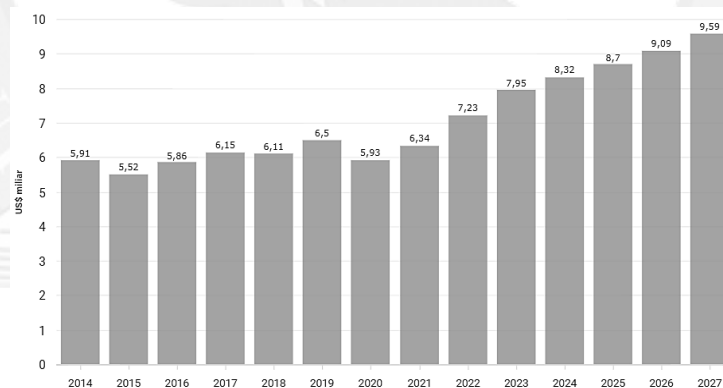
**Figure 1.1 Maybelline concealer makeup**  
Source: Maybelline New York (2020)

From Figure 1.1 can be seen that the person feels the face is imperfect due to the acne scars. The marketing content of Maybelline conveys the meaning that people will be able to become more beautiful and flawless by using this product. The company does know that people are becoming more and more concerned about appearances. This is one of the reasons why company displays this kind of content when marketing the product.

According to Handajani (2022), an interviewee said that it is to respect a person's performance and wear makeup on important occasions to show importance. Another respondent felt that makeup was a sign of being fully prepared. From this it can be known social aware that makeup has important role, especially for women. The significance given by makeup is not only beauty; women's makeup can express identity and social relationship. Therefore, making

people beautiful with makeup affects people's self-confidence and self-esteem, and people feel honored by makeup. In today's society, beauty is the preference of the social order.

Cosmetic is not basic needs for people. However, the cosmetics industry is developing rapidly in Indonesia. According to MPR RI (2022), *Badan Pusat Statistik* (BPS) has calculated that the growth rate of the cosmetics industry, including the pharmaceutical, chemical and traditional medicine industries, will reach 9.61% in 2021. The number of cosmetic businesses registered in *Badan Pengawas Obat dan Makanan* (BPOM) increased from 819 in 2021 to 94 in July 2022. Besides, the development of Indonesia's beauty and pharmaceutical industry has ranked 9th in the world. It can be known from this that the spiritual needs of the Indonesian people are gradually increasing, which affects the demand for cosmetics.

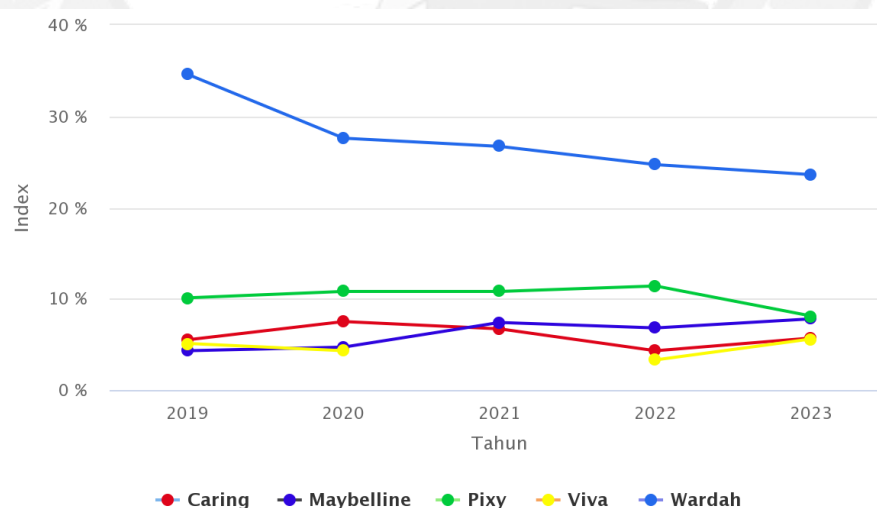


**Figure 1.2 Estimated revenue in the Beauty & Personal Care market 2014-2027**  
Source: Mutia (2022)

From Figure 1.2, it can be seen that there has been an increase in revenue in the beauty and personal care market in Indonesia since 2020. In 2022, revenue in this sector will reach US\$7.23 billion which is an increase indicating good

prospects in the field. Therefore, it is estimated that there will be a CAGR (Compound Annual Growth Rate) of 5.81% per year from 2022 to 2027. This shows that the beauty market is developing and will be in great demand; cosmetics which are part of beauty will certainly be develop.

In Indonesia, there are many companies in cosmetics industry. One of these companies is Maybelline New York. Maybelline New York is a multinational cosmetics company from New York. The company mainly sells the products through retail stores. Therefore, Maybelline products are easily available. In Medan, people can find the product at supermarkets such as Brastagi Supermarket, convenience stores such as Alfamart, and retail outlets that carry beauty products such as Matahari. Apart from this, Maybelline sells the products on large e-commerce platforms such as Shopee, Sociolla and Tiktok Shop where people can easily access it. Since Maybelline is a cosmetics company, changes in people's needs will affect Maybelline's sales.

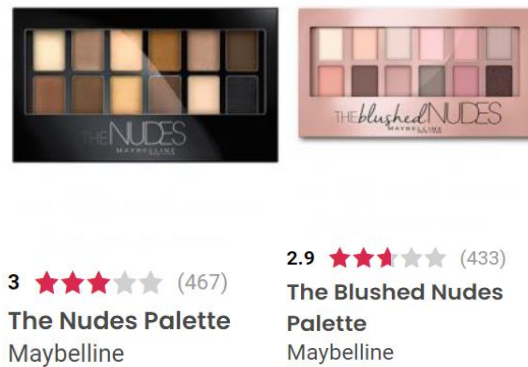


Nama Brand	2019	2020	2021	2022	2023
Wardah	34.60	27.60	26.70	24.70	23.60
Pixy	10.10	10.80	10.80	11.40	8.10
Maybelline	4.30	4.70	7.40	6.80	7.80
Caring	5.50	7.50	6.70	4.30	5.70
Viva	5.10	4.30	-	3.30	5.60

**Figure 1.3 Brand Index Comparison**

Source: Top Brand Award (2023)

Figure 1.3 shows the comparison of brands based on the compact powder category in phase 1 of the Top Brand Award which involved 8,500 respondents consisting of random samples (6,000), booster samples (1,700) and B2B booster samples (800). This index shows that the brand has reached the top in meeting the criteria for mind share (showing brand positioning), market share (showing brand strength) and commitment share (showing customer repurchase intention). The results of respondents (Figure 1.3) show that brand awareness and intention to repurchase compact powder, Wardah has a higher percentage than Maybelline. Therefore, it can be seen that Maybelline has not yet reached the top brand in cosmetics, especially in compact powder products in Indonesia. Apart from that, Maybelline in other cosmetic products such as BB cream and lipstick has not yet reached the top brand (can be seen at <https://www.topbrand-award.com/top-brand-index/>). Therefore, it is necessary to understand Maybelline's customer purchase decision.



**Figure 1.4 Maybelline Product Review**  
 Source: Female Daily Network

From Figure 1.4 it can be seen that eyeshadow products from Maybelline have a very low rating. This shows that Indonesian consumers are not satisfied with eyeshadow from Maybelline. Consumers will look for other products as an alternative to eyeshadow. The product is not achieving customer satisfaction, which may be the reason for the company to consider identifying the factors affecting it.

People have a lifestyle, this reflects how people live. People live in communities and build relationships by holding social gatherings. However, people's lifestyles differ due to activities, interests and opinions (Tarigan et al., 2020). Therefore, companies need to analyze people's lifestyles due to the influence on purchasing decisions. According to Maney & Mathews (2021), companies continue to develop products that demonstrate the influence of lifestyle on the buying process. The article shows that lifestyle has an influence on purchasing decisions among Indian youth.

Customers will collect information before purchasing a product, especially when it comes to cosmetics. Cosmetics need to be used on the face. On the

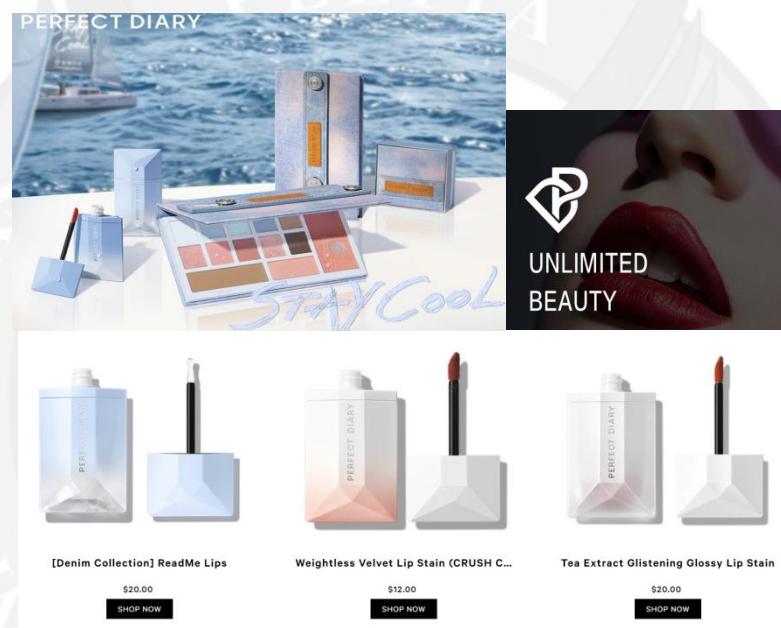
assumption that the ingredients or texture of the product are not suitable for the skin, there will be many adverse reactions such as acne and allergies. Therefore, customers will collect as much product information as possible for comparison, and one source of information is from user reviews. Customers can see customer reviews on the platform when shopping online, which is the most convenient information channel to obtain. According to Zahara et al. (2021) research shows that online customer reviews have a significant impact on customer purchase decisions. Since online customer reviews can provide customers with useful key information such as product experience, cost-effectiveness, and other product recommendations, the information are very important to other customers (Agesti et al., 2021).

In addition, the desires of people affect company in designing the product packaging. People's concern about product packaging keeps increasing. According to Ketelsen et al. (2020), the number of consumers who are willing to practice the concept of environmental protection has increased. This is reflected in a marked increase in the purchase of products with environmentally friendly packaging. Therefore, it can be seen that people are beginning to consider psychological needs and are willing to spend money on values other than functions. Many brands make differentiation about packaging, whether it is a concept or exquisite packaging designs, it means that consumers are aware of the value given by the packaging.

According to Chen et al. (2022), product packaging is one of the weaknesses of Maybelline. The journal mentioned that Maybelline did not pay



attention to the product packaging and makes the customers feel that the packaging is not interested. It looks outdated and cheap, not aesthetic design compared to other brands which are focused on the packaging aesthetic such as Perfect Diary and Florasis. The journal compared these brands which are not having the same concept. However, the journal is based on the China's market perception.



**Figure 1.5 Perfect Diary Product Showcase**  
Source: Perfect Diary Official (2023)



**Figure 1.6 Florasis Product Showcase**  
Source: Florasis (2023)





**Figure 1.7 Maybelline Product Showcase**  
Source: Maybelline New York (2023)

From the Figure above it can be seen that the design concept of the product is different. The product shown is lipstick as a comparison of brands. Perfect Diary shows that beauty is unlimited (Figure 1.5). The brand believes when people aspire about beauty, the world will be better. The brand shows beauty from a different culture, and is committed to making creative products that can amaze people with their beauty and unique design. Figure 1.6 shows that Florasis implements the philosophy of Chinese aesthetics, the design is full of details and it looks exclusive. Besides that, Maybelline offers a simple with modern design which shows a cool and bold style (Figure 1.7). From this it can be seen that these brands have different concepts, a comparison was made in the journal Chen et al. (2022). This can happen due to consumer preferences in China pay quite high attention in terms of design. Therefore, it is necessary to know whether consumers

in Indonesia, especially Medan, have the same preference in choosing cosmetic packaging.

Based on the research above, the study is conducted by using the variables of lifestyle, online customer review and product packaging of Maybelline as the writer's final thesis report. Therefore, this study will examine "The Influence of Lifestyle, Online Customer Review and Product Packaging on Maybelline's Customer Purchase Decision in Medan."

## **1.2 Problem Limitation**

In doing the research, writers found some limitations which can affect the result of the research:

1. This research is conducted in Medan.
2. The respondents of this study are Maybelline's customers.
3. The study focus on discussing the influence of lifestyle, online customer review and product packaging on Maybelline's customer purchase decision.

## **1.3 Problem Formulation**

Based on the background of study, the problems to be answered are as follows:

1. Does lifestyle influence Maybelline's customer purchase decision in Medan?

2. Does online customer review influence Maybelline's customer purchase decision in Medan?
3. Does product packaging influence Maybelline's customer purchase decision in Medan?
4. Do lifestyle, online customer review and product packaging influence Maybelline's customer purchase decision in Medan?

#### **1.4 Objective of the Research**

The objectives of the research based on the problem formulation are as follows:

1. To analyze the influence of lifestyle on Maybelline's customer purchase decision in Medan.
2. To analyze the influence of online customer review on Maybelline's customer purchase decision in Medan.
3. To analyze the influence of product packaging on Maybelline's customer purchase decision in Medan.
4. To analyze the influence of lifestyle, online customer review and product packaging on Maybelline's customer purchase decision in Medan.

#### **1.5 Benefit of the Research**

##### **1.5.1 Theoretical Benefit**

The study contributes the evidence of the phenomena of Medan's customer purchase decision factors, especially in lifestyle, online customer review

and product packaging. Therefore, it will shed light on the influence of lifestyle, online customer review and product packaging on Maybelline's consumer purchase decision in Medan. This study found out lifestyle of Maybelline customers in Medan by looking at the impact of lifestyle on customers' purchasing decisions. Other than that, the study revealed Medan consumers' attention to online reviews and packaging preferences for aesthetic design.

### **1.5.2 Practical Benefit**

- a. For the writer, this research helps the writer apply the knowledge he learned at university and use this knowledge to help the writer expand the research thinking. Additionally, the writer could learn about the theories used in this research such as online customer review and gain insight into the current status of the Indonesian cosmetics industry.
- b. For future researchers, this research will help other researchers use this research to support the research in the influence lifestyle, online customer review and product packaging on customer purchase decision.
- c. For companies, this research will provide information to enhance understanding of Medan customers purchasing decisions in Cosmetic Industry.