

## INFLUENCE OF PRODUCT QUALITY, PRICE AND BRAND IMAGE ON PURCHASING DECISIONS FOR MS GLOW COSMETICS IN TEBING TINGGI CITY WITH LABEL SHALAL AS A MODERATING VARIABLE

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### Abstract

*This research seeks to examine the impact of product quality, pricing, and brand image on consumers' decisions to purchase Ms. Glow products in Tebing Tinggi, taking into account the moderating variable of a halal label. The study aims to ascertain whether these effects are direct or indirect in nature. It falls under the category of explanatory research, which elucidates the causal relationships among variables through hypothesis testing. The study involved a sample of 96 respondents, selected through accidental sampling, consisting of individuals who had previously purchased MS Glow products. Data analysis encompassed a Validity Test, Reliability Test, and Hypothesis Testing (t Test), and the data processing was carried out using SmartPLS version 3.0 software. The findings indicate that product quality does not exert a significant influence on purchasing decisions for Ms. Glow products in Tebing Tinggi. In contrast, pricing has a discernible impact on purchasing decisions for Ms. Glow products in the city. Furthermore, brand image plays a significant role in influencing consumers' decisions to purchase Ms. Glow products in Tebing Tinggi. However, it was observed that the presence of a halal label did not significantly affect purchasing decisions for Ms. Glow products in the city. Additionally, the halal label does not act as a moderator in influencing the relationship between product quality, pricing, and brand image on consumers' purchasing decisions for Ms. Glow products in Tebing Tinggi.*

**Keywords:** *Product Quality, Price, Brand Image, Purchase Decision and Halal Label.*

### 1. INTRODUCTION

In this era of competitive globalization, business competition is very fierce. Every company is expected to meet consumer needs and create products that are superior and different from their competitors. Therefore, efforts to develop different products can be an effective strategy for companies in providing innovative products, which in turn will provide satisfaction for both consumers and the company itself. Beauty is an important factor for women that increases their self-confidence. The growth in purchasing power of Indonesian people has a positive impact on the development of the business industry in Indonesia, including the beauty industry, which is experiencing rapid development. Ms. skin care products Glow is very popular among many individuals because it is known for its ability to brighten the skin. Ms. Glow has a number of shops or outlets spread throughout Indonesia, including in Tebing Tinggi. Below there is a table showing sales data for Ms. Glow over the past year:

MONTH	TOTAL SALES
MARCH	IDR 282,623,000.00
APRIL	IDR 484,852,000.00
MAY	IDR 229,901,000.00
JUNE	IDR 589,510,000.00
JULY	IDR 400,853,000.00
AUGUST	IDR 259,021,000.00
SEPTEMBER	IDR 255,233,000.00

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OCTOBER	IDR 595,510,000.00
NOVEMBER	IDR 264,021,000.00
DECEMBER	IDR 486,505,000.00
JANUARY	IDR 589,510,000.00
FEBRUARY	IDR 282,623,000.00

From the table above, it can be concluded that sales of Ms. Glow fluctuates, with periods of increases and decreases. This sales variability can be explained by dependence on agents, resellers and regular consumers. Agents, for example, can make large purchases worth tens to hundreds of millions in one transaction, and in a month they might reach 500 million. However, when they have enough stock, they may not make purchases in the following month, which will automatically result in a decrease in sales in that month. Meanwhile, consumers who shop tend to reach sales figures of around 100 to 200 million. This situation reflects data from the Ms. Beauty Products Sales Table. Glow at Tebing Tinggi in 2021-2022 previously. Making a decision to purchase a product is not an easy action. One factor that plays an important role in influencing purchasing decisions, as found in a study by Dwi Ningrum and Maddinsyah (2021), is product quality. Product quality refers to the physical condition, characteristics and performance of a product, be it goods or services, based on the level of excellence measured through aspects such as durability, reliability, ease of use, suitability, possibility of repair, as well as other designed components. to meet customer satisfaction and needs.

According to research conducted by Dwi Ningrum and Maddinsyah (2021), another factor that has an influence on the decision to purchase cosmetic products is the price aspect. Price is the single element connected to income. Price is able to shape perceptions regarding the quality of the product or service provided. The higher the price set by the company, the higher the level of product or service quality expected by consumers. According to research conducted by Wijayanto and Iriani (2013), another factor that has an impact on purchasing decisions for cosmetic products is brand image. Brand image includes consumer perceptions and beliefs regarding a group of associations associated with a particular brand and formed in the consumer's mind. There is a close relationship between brand associations and brand image, where brand associations are everything that is related to memories about a brand and contributes to forming a brand image. Related to other factors that have an impact on decisions to purchase cosmetic products, according to research conducted by (Ilsanti et al., 2019), there is also the role of the halal label. The halal label refers to writing a "halal" label on the packaging or product which indicates that the product complies with halal principles. In this context, halal refers to products that meet the requirements of being good and safe for consumption in accordance with the principles of the Islamic religion.

**2. LITERATURE REVIEW**

**2.1 Marketing**

According to Kotler and Armstrong (2018), marketing is defined as a process in which companies can interact with customers, forming strong relationships with potential buyers, with the aim of influencing the views of potential buyers and receiving feedback from them.

**2.2 Marketing Management**

According to research conducted by (Pasaribu, 2021), marketing management is explained as a combination of artistic skills and scientific principles used to select target market segments. The company then implements a series of processes to create value and build solid relationships with customers, with the aim of achieving the goals set by the company.

## 2.3 Product Quality

According to (Tirtayasa et al., 2021), product quality is a crucial factor that must be emphasized by every company that wants to succeed in market competition with the aim of meeting consumer needs and desires.

## 2.4 Price

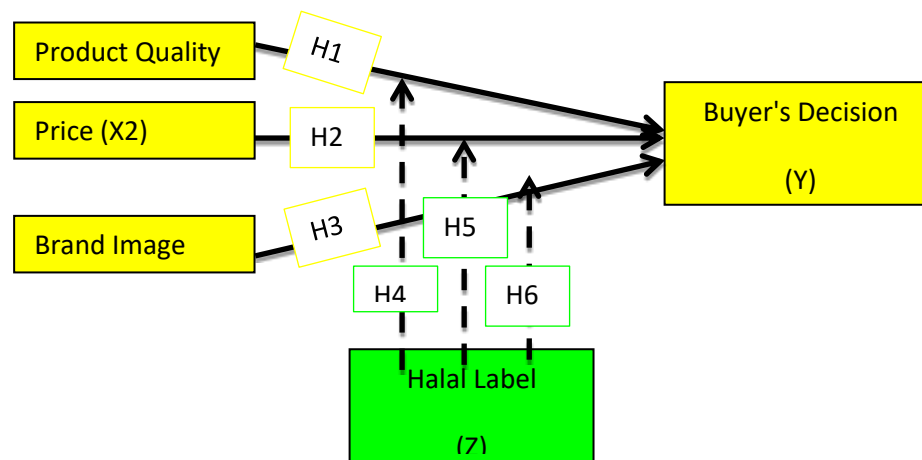
According to (Anam et al., 2021), price is a representation of value created by consumers that converts the benefits of owning or using a product or service into outcomes reflected in price elements, including income.

## 2.5 Brand Image

According to research (Wijayanto & Iriani, 2013) Brand image is the perception and belief in a set of associations of a brand that occur in the minds of consumers.

## 2.6 Halal Label

According to Rangkuti (2020), the halal label is a combination of writing the "halal" label on the packaging or product which indicates that the product meets halal standards. In this context, "halal" refers to a product's suitability for consumption in accordance with Islamic principles, which encourage consumption that is good and clean for humans.



conceptual framework

## HYPOTHESIS

H1: There is an influence of Product Quality (X1) on the Purchase Decision (Y) of Ms Glow products at Tebing Tinggi

H2: There is an influence of price (X2) on the purchase decision (Y) of Ms Glow products at Tebing Tinggi

H3: There is an influence of Brand Image (X3) on Purchasing Decisions (Y) of Ms Glow products at Tebing Tinggi

H4: There is an influence of Product Quality (X1) on Buyer Decisions (Y) with the Halal Label (Z) as a Moderating Variable.

H5: There is an influence of Price (X2) on Buyer Decisions (Y) with the Halal Label (Z) as a Moderating Variable.

H6: There is an influence of Brand Image (X3) on Buyer Decisions (Y) with the Halal Label (Z) as the Moderating Variable.

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**3. RESEARCH METHODS**

In this research, the data was analyzed quantitatively using the Structural Equation Model (SEM) method based on Partial Least Square (PLS) to calculate the data. The population that is the research subject is Ms. product users. Glow in Tebing Tinggi, but the actual population size is unknown. Samples were taken using the accidental sampling method. The data used in this research comes from primary and secondary data, which was collected using a questionnaire. The variables in this research consist of independent variables, namely Product Quality (X1), Price (X2), and Brand Image (X3), which influence the dependent variable, namely Purchase Decision (Y), with the Halal Label (Z) acting as a moderating variable .

**4. RESULTS AND DISCUSSION**

**4.1 Research Results:**

**4.2 Validity Test**

**a. Convergent Validity**

Validity Test Results Using Loading Factor

	<i>Loading Factor</i>			
X1. 4				0.683
X1.5				0.863
X2.1		0.703		
X2.2		0.663		
X2.4		0.708		
X3. 2	0.713			
X3. 3	0.855			
Y.1			0.628	
Y.3			0.636	
Y.4			0.726	
Y. 5			0.790	
Z.1				1,000

Source: Primary data (2022)

Based on the table above, it can be seen that all Loading Factor values have passed the limit of 0.6, so it can be concluded that each indicator in the research is valid.

**b. Discriminant Validity**

Instrument Validity Test Results Using Cross Loading

Items	X1	X2	X3	Z	Y
X1. 4	0.683				
X1.5	0.863				
X2.1		0.703			
X2.2		0.663			
X2.4		0.708			
X3. 2			0.713		
X3. 3			0.855		
Y.1					0.628
Y.3					0.636
Y.4					0.726

Y. 5				0.790
Z.1			1,000	

Source: Primary data (2022)

Based on the table above, it can be seen that all cross loading values for each of the indicators targeted have a higher correlation with each variable compared to other variables. It can be concluded that the indicators above are valid as a whole.

### 4.3 Reliability Test

Calculation of AVE, Cronbach Alpha, and Composite Reliability

	Cronbach's Alpha	Rho_A	Composite Reliability	Average Variance Extracted (AVE)
purchasing decision (Y)	0.644	0.641	0.790	0.488
Halal Label Variable (Z)	1,000	1,000	1,000	1,000
Product Quality Variables (X1)	0.361	0.390	0.752	0.606
Price Variable(X2)	0.459	0.458	0.733	0.478
Brand Image Variable (X3)	0.394	0.416	0.764	0.620

Source: Processed data (2022)

Based on the table above, it can be seen that the Cronbach's Alpha value of the purchasing decision variable (Y) is 0.644, the halal label variable (Z) is 1.000, the Product Quality variable (X1) is 0.361, the Price variable (X2) is 0.459, and the Brand Image variable (X3) of 0.394. From the calculation results above, it can be seen that all indicators are reliable in measuring other variables.

### 4.4 R2(R-square) Results

Correlation Value (r<sup>2</sup>)

Variable	r <sup>2</sup>
Purchase Decision (Y)	0.429

Source: Processed data (2022)

### 4.5 HYPOTHESIS TESTING

#### 4.6 Direct Effect Testing

*Path Coefficients*

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Q statistics ( O/STDEV )	P Values
Product quality	0.033	0.016	0.127	0.258	0.796



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(X1) -> Buyer Decision (Y)					
Price(X2) -> Buyer Decision (Y)	0.245	0.272	0.113	2,169	0.031
Brand Image (X3) -> Buyer Decision (Y)	0.407	0.439	0.134	3,038	0.003
Halal Label (Z) -> Purchase Decision (Y)	0.086	0.087	0.112	0.772	0.441

Source: Processed data (2022)

**4.7 Testing Indirect Effects**

*Moderating Effect*

	<i>Original Sample (O)</i>	<i>Sample Mean (M)</i>	<i>Standard Deviation (STDEV)</i>	<i>Q statistics ( O/STDEV )</i>	<i>P Values</i>
Moderating Effect 1 -> Purchase decision (Y)	-0.185	-0.183	0.107	1,734	0.084
Moderating Effect 2 -> Purchase decision (Y)	-0.012	-0.008	0.113	0.108	0.914
Moderating Effect 3 -> Purchase decision (Y)	0.230	0.230	0.118	1,945	0.052

Source: Processed data (2022)

**4.8 Discussion:**

**4.8.1 Influence of Product Quality (X1) on Purchasing Decisions (Y)**

Shows that the product quality variable (X1) does not have a significant influence on purchasing decisions (Y) for Ms. products. Glow. This finding is in line with research conducted by Ninda Aulia Faradhlla (2021), which also stated that product quality does not have a significant impact on purchasing decisions. In addition, the results of the distribution of respondents' answers showed that 30.2% of them gave neutral answers, disagreed, or strongly disagreed with the statement that Ms. Glow suits their skin type and has little chance of not providing the expected results. This indicates that some consumers feel

that Ms. Glow does not suit their skin type and the results are likely to be unsatisfactory, so product quality does not have a significant impact on Ms. Glow. Furthermore, the characteristics of respondents according to occupation, as seen in Table 4.3, shows that the majority of respondents were students (62 people or around 63.9%). This may be due to the tendency of students to try new products, regardless of their quality, considering the price and popularity of the product. Therefore, product quality does not have a significant influence on purchasing decisions in this group.

#### **4.8.2 Effect of Price (X2) on Purchasing Decisions (Y)**

The results of the analysis of hypothesis 2 show that the Price variable (X2) has a significant impact on the Purchase Decision (Y) of Ms. product. Glow. In terms of the age of respondents, the majority of them are under 30 years of age, which is the most productive age group in caring for skin and has great potential as consumers of Ms. products. Glow.

Therefore, the research results show that respondents generally tend to strongly agree or agree that the price of Ms. Glow is affordable, so they are willing to repurchase Ms. products. Glow. The results of this study are consistent with findings from research (Ninda Aulia Faradhlla 2021), which also confirms that price has a positive and significant influence on purchasing decisions.

#### **4.8.3 Influence of Brand Image (X3) on Purchasing Decisions (Y)**

The results of the analysis of hypothesis 3 show that the Brand Image variable (X3) has a positive and significant influence on the Purchase Decision (Y) of Ms. products. Glow. This finding is in line with research conducted by (Ninda Aulia Faradhlla, 2021), which also confirmed that brand image plays a significant role in influencing purchasing decisions.

In the context of the age of the respondents, most of them are under 30 years old, which is a very productive age group in caring for skin and has great potential as consumers of Ms. products. Glow. At this age, considerations for using a product are often based on the brand image attached to Ms. Glow. Therefore, brand image has a significant impact on purchasing decisions in this age group.

#### **4.8.4 Influence of the Halal Label (Z) on purchasing decisions (Y)**

The results of the analysis of hypothesis 4 show that the Halal Label variable (Z) does not have a significant influence on the Purchase Decision (Y) of Ms. products. Glow. Based on frequency distribution data regarding halal labels, there were some respondents (around 6%) who gave neutral or disagree answers regarding consumers' ability to identify the combination of the logo and the words "halal" printed on Ms. Glow. Therefore, these results indicate that halal labels do not have a significant impact on purchasing decisions.

#### **The Influence of Moderating Effect 1 (Z) on Purchasing Decisions (Y)**

The results of the analysis of hypothesis 5 show that the Halal Label (Z) does not have a significant moderating effect on the relationship between Product Quality and Purchase Decisions (Y) for Ms. products. Glow. This means that product quality does not have a significant impact on purchasing decisions, and after being moderated by the halal label, product quality still does not have a significant impact on purchasing decisions which are influenced by the halal label on Ms. Glow.

#### **4.8.5 Effect of Moderating Effect 2 (Z) on Purchasing Decisions (Y)**

The results of the analysis of hypothesis 6 show that the Halal Label (Z) does not have a significant moderating effect on the relationship between Price (X2) and Purchase Decision (Y) for Ms. products. Glow. This means that price does not have a significant impact on purchasing decisions, and after being moderated by the halal label, price still does not have a significant impact on purchasing

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decisions which are influenced by the halal label on Ms. products. Glow.

**4.8.6 Effect of Moderating Effect 3 (Z) on Purchasing Decisions (Y)**

The results of the analysis of hypothesis 7 show that the Halal Label (Z) does not have a significant moderating effect on the relationship between Brand Image (X3) and Purchase Decision (Y) for Ms. products. Glow. This means that brand image does not have a significant impact on purchasing decisions, and after being moderated by the halal label, brand image still does not have a significant impact on purchasing decisions which are influenced by the halal label on Ms. products. Glow.

**CONCLUSION**

1. The results of this research indicate that hypothesis 1 is rejected, meaning that there is no significant influence between Product Quality (X1) on Purchasing Decisions (Y) for Ms Glow Products in the city of Tebing Tinggi.
2. The results of this research indicate that hypothesis 2 is accepted, meaning that there is a significant influence between price (X2) on the purchasing decision (Y) of Ms Glow products.
3. The results of this research indicate that hypothesis 3 is accepted, meaning that there is a significant influence between Brand Image (X3) on Purchase Decisions (Y) for Ms Glow Products in the city of Tebing Tinggi.
4. The results of this research indicate that hypothesis 4 is rejected, meaning that there is no significant influence between the Halal Label (Z) on Purchase Decisions (Y) for Ms Glow Products in the city of Tebing Tinggi.
5. The results of this research indicate that hypothesis 5 is rejected, meaning that the Halal Label (Z) cannot moderate the influence of product quality (X1) on purchasing decisions (Y) for Ms Glow products in the city of Tebing Tinggi.
6. The results of this research indicate that hypothesis 6 is rejected, meaning that the Halal Label (Z) cannot moderate the influence of price (X2) on purchasing decisions (Y) for Ms Glow products in the city of Tebing Tinggi.
7. The results of this research indicate that hypothesis 7 is rejected, meaning that the Halal Label (Z) cannot moderate the influence of brand image (X3) on purchasing decisions (Y) for Ms Glow products in the city of Tebing Tinggi.

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