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**Analysis of Customer Value, Satisfaction and Loyalty of
Recommendation Behavior in Digital Payment Applications:
Case Study of Gopay and OVO**

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Abstract. The development of the use of digital payment is currently very rapid. Gopay and OVO are two of the digital payment service providers that are currently the most widely used by Indonesian people with evidence of data showing 2 digital payment users are quite high, although as we have seen, there are still many other digital payments that are quite competitive in the past. now. This study aims to see how ways to create customer value can influence customer satisfaction and loyalty improvement and provide behavioral recommendations that can be used as key success factors for digital payment services. The first method used in this research is exploratory research with data collection techniques using in-depth internet research data. While the second method is conclusively descriptive multiple cross-sectional by distributing online questionnaires to 408 samples with GoPay and / or OVO criteria in the age range of 17-45 years and having transacted in the past month. Then the data will be processed using a comparison between Semantic Differential and Structural Equation Modelling (SEM). The results of the analysis using the semantic differential method showed that GoPay was rated higher than OVO. Whereas the analysis using SEM method shows satisfaction, loyalty and interest in recommendations that have positive influence so that each factor that is considered to be able to meet the requirements of interest recommendations can have a positive effect and can directly create a recommendation behavior for digital payment users.

Keywords: Digital Payment, GoPay, OVO, Customer Value, Recommendation Behavior.

1. INTRODUCTION

While the competition in the mobile payment industry is getting more competitive, it can be seen from the emergence of various new players in the industry. Demonstrates the importance of knowing competition in the analysis of competitor maps in the mobile payment industry. This is useful for identifying and defining

competitors based on their offering category. In the midst of a competitive industry, there is intense competition between mobile payment service providers, namely Go-Pay and OVO, which are the most popular mobile payment applications in Indonesia. The competition between Go-Pay and OVO makes the differentiation felt by consumers low, so it is important for the two services to compare the advantages and disadvantages based on an

assessment from the consumer's point of view. In addition, to overcome the increasing bargaining power of consumers, it is very important to know how the post-adoption behaviour of Go- Pay and OVO users can be seen from the recommendation interest based on customer value, level of satisfaction and level of customer loyalty. So that it can be evaluated the success rate of the mobile payment service provider of customer recommendation behaviour. The first objective of this research is Investigating competitor maps in mobile payment services so that competition can be identified in the mobile payment industry. The second objective is to analyze the profile comparison between two mobile payment applications, namely Go-Pay and OVO to find out the advantages and disadvantages of the two applications. And the third objective is to analyze the effect of customer assessment, level of satisfaction and level of loyalty on interest in recommendations to improve post-adoption behaviour in the use of GoPay and OVO mobile payment services.

2. LITERATURE REVIEW

Mobile payment is defined as a payment system for goods, services and various kinds of bills using mobile devices such as smartphones and other digital devices using wireless communication technology [1]. Meanwhile, according to [2] defines the concept of mobile payment which is a process in which at least one phase of transactions is carried out using mobile devices (such as cell phones, smartphones and other wireless devices) which are capable of processing financial transactions securely via cellular networks, or through various wireless technologies (such as NFC, bluetooth, QR code and other technologies).

Customer Perceived value describes the value desired when using the services offered [3]. And according to Zeithaml [4] Customer value is defined as a consumer's overall assessment of the utility of a product based on perceptions of what is received and what is given. Perceived value is a popular concept in the study of consumer behavior, and this concept expresses evaluation based on the benefits offered, compared to the sacrifices that consumers make to obtain and use a product or service [5].

According to Venkatesh et al. [6] defined utility benefits as functional benefits obtained when using mobile payment services, these benefits are a form of application performance that plays a role in achieving desired results by users. Meanwhile, according to Kerviler et al. [3] the utilitarian benefit value is the result of the expected performance using mobile payment services. The utility system factor or use in mobile payment is shown to what extent someone believes that using a mobile payment system will provide superior and desirable results [6]. In other words, the usefulness of the

system reflects a behavior-based belief about the consequences of using the system [7]. In his explanation, System utility reflects the utilitarian benefits of using an information system and represents the perceived usefulness factor in the Technology Acceptance Model (TAM) theory and expected performance in UTAUT [8].

System quality or system quality is an object-based perceived belief in a system or application. When referring to the research of Xu et al. [7] system quality will be stated as application quality. If according to the conceptual Wixom & Todd [9] system quality reflects such as system reliability, system responsiveness and system integration of smartphones as a payment medium itself. The quality of the system itself is also important for user behaviour, because if the mobile payment system is difficult to use, users may feel that the service provider lacks the ability and integrity to offer quality services.

In addition to the utilitarian benefits used to determine the formation of value characteristics in customers. There are benefits from another point of view, namely the hedonic benefits. According to Xu et al. [7] that hedonic benefits can be referred to as external benefits because they are defined as non- functional benefits provided by the performance of a service to get pleasure and self-satisfaction. Hedonic benefits are obtained by a user because they arise from feelings or affective states generated by mobile payment services [6].

Enjoyment or convenience is the extent to which users in using a service can please themselves, regardless of the consequences of the service's performance. Various IS studies show that convenience directly affects technology acceptance and interest in use [10]. The enjoyment factor used in the study strongly reflects the hedonic benefits of using the UTAUT 2 theory and the Motivation Model of IT Adoption theory [11].

Aesthetics is a guideline that must be considered in designing the display system in an information system. So aesthetics is an object-based belief about the visual appearance of a system. Previous research on information systems has shown that system aesthetics play a decisive role in influencing users to adopt various types of information technology categories. The effect of aesthetic systems on technology user behaviour can be explained through many theories such as The Signalling Theory, and The Visual Rhetoric Theory[12].

Price is an important component in terms of the financial costs required to obtain and use a product / service. Perceived price or price that is felt is a result of grouping prices on products / services based on customer assessments with the intention that it is meaningful to these customers[4]. Much of the literature on marketing shows that perceived price affects the value perceived by customers. If the price of an item is unacceptable or beyond the customer's ability, the customer will assume that the product has little or no value.

Privacy risk is a major consumer problem in adopting

mobile payments because a lot of personal information such as telephone numbers, pin codes, location and historical data of purchases etc. are needed in the use of mobile payment services [13]. Perceptions of the possibility of exposure to other parties about users' personal information are referred to as privacy risks [14]. Meanwhile, according to Sweeney et al. [15] Privacy risk refers to malicious behavior on the part of an application developer regarding the collection and use of individual information about application users.

Knowledge of alternative quality or knowledge of alternative quality can be defined to what extent users realize that there are alternative mobile payment application services that are better at meeting needs, when compared to the application services used [7]. The concept of knowledge of alternative quality is based on The Relationship Perspective of Marketing theory and The Commitment and Trust Model of IT Continuance [16]. Both theories indicate that the intention to continue using information technology also depends on the quality of the alternative products offered by competitors.

Technicality or technical factors are defined as the extent to which mobile payment application service users consider technically that the service is technically difficult to use [7]. Based on the theory of the value-based option model of technology [17]. The technical factor is a non-monetary sacrifice in using an information system service. In the context of mobile payment application services, technicality is categorized as high if it is associated with too complex a system, or requires special understanding in operating the system. So based on the explanation from previous research, the technicality factor is a significant factor in non-monetary sacrifices [7].

Satisfaction is a key factor in the VSL model. Satisfaction or satisfaction is a form that reflects feelings that can change and develop cumulatively when customers get the desired value when interacting with service providers [18]. Satisfaction can also be said to be the key to fostering and maintaining loyal customers, because satisfaction is the main factor as the main result of marketing activities, and is very influential in changing consumers' initial perceptions to make repeated purchases or use or it can be said to form consumer loyalty [7].

Continuance intention or interest in continuous use is classified as post adoption of mobile payment services

and post-adoption use is one of the important factors in determining the success of mobile payment service providers [18]. Continuance intention is defined as consumer interest as individual users who reflect their willingness to continue using a service [7].

Interest in making recommendations is a form of communication that allows users to express their opinions and experiences about mobile payment services to others [19]. Interest in recommendations can be indicated that consumers with higher intentions of sustainable use are likely to make recommendations to the community in the surrounding environment [20].

3. METHODS

The research design used consists of two ways, first, namely exploratory research to identify competitive conditions through competitor map analysis with in-depth internet search data collection techniques. The results showed that as many as 56 companies were declared direct competitors and 35 companies were declared indirect competitors, so it can be said that the mobile payment industry currently has a very high level of competition. The second research method uses conclusive descriptive multiple cross-sectional with data collection techniques using online questionnaires. The online questionnaire was distributed to 408 samples who were Go-Pay and / or OVO users and had made transactions in the last one month with an age range of 17-45 years. Furthermore, the data were analyzed using a comparison of semantic differential and Structural Equation Modelling (SEM).

4. RESULT

The researcher conducted a structural model analysis of the planned research model. Structural model testing is useful for determining the relationship between variables to answer the research hypothesis. Before testing the hypothesis, a structural fit model test must be carried out to determine the feasibility of the structural model. The structural fit model test is carried out through a comparative analysis of the results of the fit model obtained with the cut-off value criteria of the goodness of fit model based on the theory [21].

Table 1. Criteria of the goodness of fit model

No	Goodness Of Fit Measure	Cut-off Value	Sebelum Respesifikasi		Cut-off Value	Setelah Respesifikasi		Sumber
			Nilai	Keterangan		Nilai	Keterangan	
<i>Absolute Fit Indische</i>								
1	CMIN/DF	≤ 3	3,040	Tidak Fit	≤ 3	2,490	Fit	(Wijanto, 2008)
2	GFI	≥ 0,9	0,715	Tidak Fit	0,7-0,8	0,766	Fair	(Peng & Fuzhou, 2015)
3	AGFI	≥ 0,9	0,687	Tidak Fit	0,7-0,8	0,739	Fair	(Peng & Fuzhou, 2015)
4	RMR	≤ 0,08	0,172	Tidak Fit	≤ 0,08	0,171	Tidak Fit	(Malhotra, 2009)
5	RMSEA	≤ 0,08	0,072	Fit	≤ 0,08	0,061	Fit	(Malhotra, 2009)
<i>Incremental Fit Indische</i>								
6	NFI	≥ 0,9	0,823	Tidak Fit	0,8-0,9	0,858	Marginal Fit	(Wijanto, 2008)
7	CFI	≥ 0,9	0,873	Tidak Fit	≥ 0,9	0,909	Fit	(Malhotra, 2009)
8	IFI	≥ 0,9	0,874	Tidak Fit	≥ 0,9	0,910	Fit	(Malhotra, 2009)
9	TLI	≥ 0,9	0,866	Tidak Fit	≥ 0,9	0,902	Fit	(Malhotra, 2009)
<i>Persimony Fit Indische</i>								
10	PNFI	0,60-0,90	0,778	Fit	0,60-0,90	0,796	Fit	(Wijanto, 2008)
11	PGFI	0,50-1,00	0,652	Fit	0,50-1,00	0,686	Fit	(Wijanto, 2008)

After the respecification stage is carried out, it is shown in the table above that there is a change in the GOF value for the better as indicated by the increase in the value that meets the cut-off-value criteria. In the results of the researcher's respecification also conducted a literature study to support the results of the model being said to be feasible. When compared with the GOF value before respecification, from the total criteria for goodness

of fit, there are seven criteria categorized as fit, one criterion is categorized as marginal fit and two criteria are categorized as fair. Fair results refer to research by Peng & Fuzhou [22] and marginal fit results refer to Wijanto which states that if a model has GFI, AGFI, NFI, CFI and TLI values ≥ 0.7 and ≥ 0.8 then the model is still considered feasible, and allowed to proceed to the next stage of analysis.

Table 2. Hypothesis test conducted using path analysis in Structural Equation Modelling (SEM).

Hipotesis	Pengaruh	Standardized Regression	p-value	Keterangan	Hasil
H1a	Satisfaction → Continuance Intention	0,438	***	Signifikan	Diterima
H1b	Satisfaction → Recommendation	0,194	0,006	Signifikan	Diterima
H2a	Non-Monetary Sacrifices → Continuance Intention	-0,124	0,013	Signifikan	Diterima
H2b	Non-Monetary Sacrifices → Recommendation	-0,129	0,009	Signifikan	Diterima
H3a	Perceived Price → Continuance Intention	0,138	0,002	Signifikan	Ditolak
H3b	Perceived Price → Recommendation	-0,011	0,808	Tidak Signifikan	Ditolak
H4a	Utilitarian Benefit → Continuance Intention	0,110	0,019	Signifikan	Diterima
H4b	Utilitarian Benefit → Recommendation	-0,133	0,004	Signifikan	Ditolak
H5a	Hedonic Benefit → Continuance Intention	0,271	***	Signifikan	Diterima
H5b	Hedonic Benefit → Recommendation	0,336	***	Signifikan	Diterima
H6	Non-Monetary Sacrifices → Satisfaction	-0,075	0,124	Tidak Signifikan	Ditolak
H7	Perceived Price → Satisfaction	0,256	***	Signifikan	Ditolak
H8	Utilitarian Benefit → Satisfaction	0,315	***	Signifikan	Diterima
H9	Hedonic Benefit → Satisfaction	0,575	***	Signifikan	Diterima
H10	Continuance Intention → Recommendation	0,339	***	Signifikan	Diterima
H11	Intention to Recommendation → Recommendation	0,845	***	Signifikan	Diterima

From the results of the relationship between satisfaction with interest in sustainable use and interest in recommendations, the results are consistent with previous research. Research conducted by Xu et al. [7] and Ranaweera & Prabhu [23] which also show that satisfaction has a positive influence on two post-adoption purchasing behaviour, namely re-purchase and interest in doing word of mouth. Xu et al. [7] explained that satisfaction does have a significant effect on consumer loyalty in terms of interest and behaviour. There are two types of loyalty in consumer behaviour, namely customer retention which is presented with interest in sustainable use and customer attraction which is presented with interest in user recommendations.

From this relationship, it can be seen that user satisfaction can be used as one of the keys to maintaining a long-term relationship between service providers and users [24]. Satisfaction is a form of feeling that indicates that someone has got the desired value from a service. So that if a satisfaction has emerged, it can tend to make consumers continue to use the same service again. In addition, consumer satisfaction can also encourage users to spread positive things related to services used to others

[25]. This is a very beneficial impact if the company can shape customer satisfaction. Another fact states that users who are very satisfied with the overall condition and feel happy about a service can significantly increase user loyalty and interest in making word of mouth recommendations than users who are only satisfied [19].

From these results it can be seen that non-financial sacrifices are stated to have a direct influence on the interest in using the mobile payment application on an ongoing basis and the interest in making recommendations. For testing hypothesis 2a, there are similarities in the results of the study between this study and research by Xu et al [7] related the relationship between non-financial sacrifice and interest in sustainable use. This is also in accordance with expectations and related theories, which discuss that the sacrifices a user makes in adopting a system can affect the perceived value of user interests and behaviour in adopting a system [26].

According to Xu et al. [7] explained that there was no significant influence between non-financial sacrifice and interest in recommendations, because based on the literature from Matos & Rossi [27] it was revealed that

the sacrifice factor only had an indirect effect on the interest in doing word of mouth. However, in this study, the proposed hypothesis is acceptable, thus indicating that in the use of mobile payments, non-financial risks such as technical risks and privacy are very important considerations for someone to engage in sustainable use interest and recommendation interest. When viewed from current conditions, the use of mobile payments such as Go-Pay and OVO is a financial technology application in which there are various important information and user finances. If the privacy and technical risks felt by users are increasing, such as the possibility of users' personal data being stolen and application systems that are increasingly complex to use, of course users will feel insecure and uncomfortable to use the service continuously [28]. This is very different from the effect on the satisfaction variable because users are only concerned with profit and paying less attention to risk.

The results of the hypothesis test findings obtained have differences and similarities with previous research. In a study conducted by Xu et al. [7] and Pham & Ho [29] show that perceived price / cost does not have a significant effect both on interest in sustainable use and interest in recommendations. Because the perceived price has a very small role in shaping the behaviour of adopting mobile payments, hypothesis 3b is stated in accordance with previous research, that there is no direct influence between perceived price and interest in recommendations. However, there is a positive mediating effect between perceived price through satisfaction and loyalty to interest in recommendations.

According to Venkatesh et al [6] price value is a positive perception of the price offered because a service provider provides more benefits at a very low cost. So that the price value makes the perceived price low because there are many promotions and discounts offered. This is in accordance with current conditions where Go-Pay and OVO offer a lot of discounts and promotions so that the price that is felt when making transactions is cheap. With the massive discount war by service providers, users perceive the perceived price to be low and profitable for the user. This assumption makes perceived price a price value obtained through the use of Go-Pay and OVO. The high price value certainly makes users more interested in continuing to use mobile payments.

This study has similarities to the study of Xu et al. [7] stated that utilitarian benefits in the form of system quality and utility systems have a direct influence on the interest in using applications in a sustainable manner. In addition, according to Pham & Ho [29], the perceived benefits are the most influential influence on the adoption behaviour of the use of mobile payments. As well as utilitarian benefits also have indirect benefits that are mediated through satisfaction, this is also in line with research conducted by Zhou [18]. Utilitarian benefits that

show the functional side of the system are strong predictors for building positive value on a system service, especially mobile payments. So that making utilitarian benefits is an important factor in improving user post-adoption behaviour.

From this test, it shows that the benefits of hedonic are a very strong predictor of increasing loyalty and interest in recommendations. These results are similar to the research conducted by Xu et al. [7] with the results that hedonic benefits have a direct positive effect on continued user interest and significant recommendation interest. In addition, the research results are also in accordance with the research by Rouibah et al. [30] who stated that perceived enjoyment can increase user trust and adoption behaviour.

These findings are very rational in the current condition of mobile payment usage in Indonesia. Due to the fact that the use of mobile payment applications tends to be new, the majority of service providers will provide promotions and large discounts to increase public interest in mobile payment applications. This has made people ignore the perceived non-financial sacrifices because they consider the value of the discount offered to be more valuable than the perceived risk. This is in line with the statement of Kim et al. [17] which states that if the benefits in terms of the price received are very high, the sacrifices incurred will not be felt. In addition, they consider the use of mobile payments as a new financial technology service, so that people tend to be more willing to try something new so that they ignore the risks that may arise.

The effect of the relationship on these variables has different results from previous studies conducted by Xu et al. [7] who showed positive results but were declared insignificant, this was because the objects used in this study were different from previous studies. Kim et al. [31] explained that the occurrence of an insignificant positive effect was made possible by several factors, namely, the application used offered a low price and the application had other advantages so that the price had no effect. Similar to the effect of perceived price on sustainable use, the positive effect of price value on satisfaction is obtained because the prices offered by mobile payment service providers are low, resulting in price value [19]. So that the price perceived by mobile payment users now has a positive effect on satisfaction.

These findings have similarities with previous research conducted by [7] which states that utilitarian benefits have a direct positive effect on application user satisfaction. The utilitarian benefit is a functional benefit that is a value of excellence in mobile payment services, utilitarian benefits can further encourage user satisfaction if the performance of the service is as expected. This is very relevant because consumer satisfaction is actually the result of user value that is formed from perceived

benefits [32]. According to Lam [25], it is stated that customer value or in this study is a utilitarian benefit and hedonic benefits act as a cognition construct which is assessed as a predictor to encourage the level of consumer satisfaction.

These findings have similarities with previous studies conducted by Xu et al. [7] and Chaabane & Volle [33] which state that hedonic motivation is the strongest predictor of directly influencing user satisfaction. Hedonic motivation is a social benefit or external benefit outside of the perceived functionality of the system, which creates pleasure and happiness when using technology, especially in mobile payments [19]. The hedonic benefit variable in this study has the same role as the utilitarian benefit, which reflects customer value by becoming a cognition construct in directly affecting satisfaction. The relationship between hedonic benefits and satisfaction is also assessed as a mediating relationship that is useful for predicting the indirect relationship between user interest in making recommendations. Satisfaction is very importance for business impact [34] and [35].

Interest in sustainable use is a sign as a perspective of consumer loyalty in the context of the use of behavioural information technology that describes affective behaviour from the results of user value and satisfaction [36]. Matos & Rossi, [27] states that the behaviour of word of mouth in users is associated with users who are loyal to a product or service. So that the loyalty factor is considered a factor that directly influences user interest in making recommendations [35].

Interest in making recommendations is a form of communication that allows users to express their opinions and experiences about mobile payment services to others [19]. In this study, recommended behaviour testing was carried out to examine the actual action of post-adoption behaviour of mobile payment users. so that it can be used as a critical success factor for service providers. From the results of hypothesis testing that has been done, there are similarities in the results with previous research. Xu et al[7] stated that there is a positive influence between recommendation interest on recommendation behaviour, indicating that recommendation interest is influenced by customer value, satisfaction and loyalty plays an active role in improving recommendation behaviour for Go-Pay and OVO users.

5. CONCLUSION

The results of the analysis of the competitor map for mobile payment service providers in Indonesia, it is known that the current conditions of competition between service providers are very high and competitive. The level of competition indicates that there are 56 financial technology companies in the payment sector that offer server-based e-money systems with similar

characteristics and payment activities to be categorized as direct competitors. In addition, there are 35 services that offer the use of e-money with almost the same payment activities but have different characteristics which are categorized as indirect competitors.

the results of the semantic profile comparison analysis based on the ratings of each Go-Pay and OVO service users. Of the 15 attribute factors in the assessment, it is known that Go-Pay is considered superior to OVO on 13 attribute factors (ease of use, system practicality, attractiveness of appearance, newness of service, app suitability, system quality, speed of time, service trust, system security, diversity, features and services, number of merchants, and level of promotion) although the value obtained between the two services does not differ significantly. Meanwhile, the advantages of OVO over Go-Pay are only superior to two attribute factors (cheaper transaction prices and higher reward points).

The results of the analysis of structural equation modelling (SEM) show that there are several customer values that are divided into benefits and sacrifice variables that can directly influence post-adoption behaviour in the use of mobile payment applications. First, perceived utilitarian benefits are considered to have a positive effect on satisfaction and loyalty perspectives. Second, the perceived hedonic benefits are considered to have a positive effect on satisfaction, the perspective of loyalty and interest in recommendations. Third, perceived monetary or price sacrifices have a positive effect on user satisfaction and loyalty, because many discount promotions and cashbacks are offered. Fourth, non-financial sacrifices are considered to have a negative effect on loyalty and interest in recommendations. Also, every post-adoption behaviour, namely satisfaction, loyalty and interest in recommendations, is considered to have a positive relationship.

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Paper 13

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The Investigation of Purchase Intention in Using Skincare Product Aloe Vera 92% Shooting Gel Nature Republic in Surabaya City

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Abstract. This study aims to determine how significant is the influence of Korean Wave, eWom and Country of Origin variables on Purchase Intention; Through Brand Image as a Mediation Variable (Study on Purchasing Aloe Vera 92% Shooting Products Nature Republic Gel in the City of Surabaya). The research method used in this study is the questionnaire method, that by distributing questionnaires based on the research objectives. The number of respondents taken for the research is 265 respondents. Using the non-probability sampling method with a purposive sampling approach, and the method used in analyzing the data in this study is SmartPLS 2.0. B. on the data analysis, the results show that the Korean wave does not have a significant effect on brand image, but it has a significant positive effect on purchase intention. Country of origin has a significant positive effect on brand image and purchase intention. eWom has no significant positive effect on brand image purchase intention. Brand image has a significant positive effect on purchase intention. While the mediation results show that brand image is able to mediate the country of origin in the purchase intention of Aloe Vera 92% Nature Republic Gel Shooting, but cannot mediate Korean wave and eWom on purchase intention of Aloe Vera 92% Nature Republic Gel.

Keywords: Korean wave, Country of Origin, eWom, Brand Image, Purchase Intention.

1. INTRODUCTION

At present, the need to beautify oneself has become a priority, both physically and non-physically beautiful, especially the facial skin. A clean and beautiful face is every woman's dream. To maintain and support physical beauty, especially the facial skin, Indonesian women choose to use cosmetics routinely. Cosmetics today are a phenomenal product and are a primary need especially for women who want to beautify and make treatment on their faces. The national cosmetics industry recorded the growth of the Indonesian cosmetics industry increasing

by 20% in 2018 with a total sales value of 22.8 trillion [28].

Based on the data in table 1, the increase in the cosmetics industry in 2018 was 20%. From year to year the development of cosmetics in Indonesia is always increasing. This proves, Indonesia is a potential market for beauty industry entrepreneurs from both outside and within the country, so the potential is utilized by businessmen to develop their business ventures in the cosmetics field, but also to increase industry profits [1];[2] and company share ownership [3];[4];[5].

Table 1 The growth of cosmetics industry market in Indonesia for 2014-2018

Year	Market (Rp Triliun)	Increase (%)
2014	12.8	-
2015	13.9	8,6%
2016	17	22,3%
2017	19	11,8%
2018	22.8	20%

Source: GBG Indonesia, 2018

For Indonesian women the word 'beautiful' is still seen from the physical aspect like the skin (face) that is clean, bright, and glowing. So, to realize this dream, women prefer to use skincare on a daily basis and use a variety of skincare products considered as something more important than just using makeup.

Nature Republic is a cosmetics company established in Korea in 2009. Currently, the Nature Republic brand has existed in 17 countries, one of which is in Indonesia. This product received a good response from consumers due to the Korean cultural trend commonly called the Korean wave effect. Like what was said by [6] one's perception of the Korean state through the Korean Wave will lead someone to have a good perception of the brand originating from South Korea.

Based on the website soompi.com quoted from CeCi magazine, one of the leading magazines in **Indonesia**, released the 2015 K-Beauty Award and named **Aloe Vera 92% Shooting Gel** Nature Republic as **The Best Selling Body Product** [7] Judging from the data above, Nature Republic has got attention of the cosmetics lover community in Indonesia, especially to Aloe Vera 92% Shooting Gel products even though Nature Republic only had an official store in Indonesia in 2018. The absence of an official store, does not make it difficult for consumers to buy this product.

Nature Republic Aloe Vera 92% Shooting Gel is a skincare product from Nature Republic. Aloe Vera 92% Shooting Gel can be used for various types, ranging from facial treatments (skincare), body care, and hair care. This product is suitable for all skin types, especially sensitive skin types because of its high oxygen content of 92%. So, we can be sure this product uses natural ingredients. Although many types of cosmetic products use the same concept, Nature Republic can compete with other cosmetic products. The number of users of the Nature Republic skincare brand, especially the Aloe vera 92% Shooting Gel product made from the basic ingredients (aloe vera), causes many competitors to make similar products.

The results of previous studies show that consumers or buyers of Korean cosmetics initially saw Korean films or dramas causing a sense of interest. The interest

is triggered by the players or actors with clean and white skin or commonly referred to as glowing. So with the advent of Korean cosmetics it is very easy to market it to consumers. Before making a purchase, consumers will first find out how review or experience of other consumers who have used on the product, especially on the new products. In the current modern era, such information can be easily obtained not only by face to face but also by word of mouth, as well as through blogs and YouTube providing skincare reviews, meaning that the information can be obtained very easily.

E-Wom was an online word of mouth such as reviews on blogs and also on YouTube [8]. E-Wom was recognized as having a very large role in influencing and shaping consumer attitudes and purchase intentions. Many researchers showed that e-Wom was more influential, and very effective in the marketing process, and was also able to provide benefits to companies [9]. Negative and positive reviews on the product determine whether or not the product is suitable for use. The number of positive reviews will affect the brand image of a product. The information will influence to support sales afterwards, and encourage potential new customers to make purchasing decisions. When potential customers have obtained information about a product from previous consumer experience, the new prospective customers will draw conclusions whether the product is suitable for use or not.

Other determinants in influencing consumers to buy a product or service can be influenced by the image of a product. This image is not as easy as printing goods in a factory, but this image is formed from what has been obtained in accordance with one's understanding, experience, and knowledge about the product. [10] revealed that the image of the brand had a relationship with consumer attitudes in the form beliefs and preferences for a brand. A positive image of a brand enables consumers to make purchases. Assessments made by consumers for a product are based not only on the results of positive reviews, attractiveness, and physical characteristics of the product, but also on the country produced it (Country of Origin). According to [11] Country of origin is part of brand image and influences brand value. Country of origin is also referred to as an attribute in making purchasing decisions because the image of a product can be seen from the country of origin. [12] revealed that brand image is a group of brand associations formed and attached to consumers' minds. The location of a product where the product is produced affects consumer perceptions about the quality of the product.

2. CONCEPTUAL MODEL

Korean Wave is a fondness for Korean dramas, films, and Korean pop. Korean wave, called hallyu, is one of the popular cultural phenomena from Korea

4 widely spread through mass media, and its popularity has spread to the Asian region [13]. The likability of Korean celebrities, Korean television dramas, and Korean popular music has a positive effect on Korean image. Therefore, it can turn into a positive image of Korean brands [6]. When someone is affected by the Korean wave, it can be said that someone likes one of Korean dramas, Korean celebrities, or Korean music. Actors and actresses playing roles in Korean dramas are always described as having a fresh and cool appearance, having white skin and beautiful or handsome faces. Not only Korean dramas, but also girl bands and boy bands from Korea have beautiful and handsome faces. This makes many people like people of Korea. The good looks possessed by Korean people acting in films, or playing music make many people think that beauty products made in South Korea make a person become handsome too.

According to [14], country of origin is often associated with product quality. Whereas [15] shows that consumers tend to use national origin if consumers are not familiar with product brands. According to [16] brand image is a multidimensional concept of which consumers can have different opinions based on information known about the brand itself. There are many dimensions that can affect this, such as quality, style/model, durability, and others that also affect overall product evaluation. So, it can be interpreted if consumers want to buy an unfamiliar product, they can measure it through several dimensions, and one of them is the image of the country or country of origin. The better the image of the country of origin, the better the consumer's thinking about the product.

According to [17], e-Wom is a negative or positive statement made by actual, potential or previous consumers about a product or company where it is available to everyone via internet social media. When considered the better the eWom, the better the brand image of a brand, it is because e-Wom is a medium for conveying various information and for engaging in conversation with many people through the web or blog. [17] and [18] show that e-Wom has a significant impact on brand image.

Brand image is the consumer perception of a brand, reflected in the brand association held in the consumer memories. Brand image plays an important role in improving the performance of a company because brand image is an indirect tool able to change consumer buying behavior [19]. The impact of brand image on purchase intention is that, if a company already has a good brand image and has implanted the brand image in the minds of consumers, the company does not need to struggle to find who will be its customers, because with a good brand image, consumers will be confident of the brand [20] So, it can be said that a persons buying interest starts from seeing a brand image that is in

accordance with consumers perceptions, and with the high brand image of the product or service, consumers increasingly believe in the product and will trigger the purchase interest. Based on the study of [21] examining the direct effects of store image and service quality on brand image and purchase intention for private label brands, and concluding that store image and brand image have a positive effect on purchase intention.

Korean Wave is a fondness for Korean dramas, films, and Korean pop. Korean wave, called hallyu, is one of the popular cultural phenomena from Korea spread through mass media, and its popularity has spread to the Asian region. Korean wave has a positive effect on exports of products from Korea. If someone likes Korean movies, drama or music, then most likely that person will buy products related to such things as CDs, concert tickets and so forth. Based on the research conducted by [22] shows that the majority of fans or fans of Korean culture prefer buying beauty products originating from South Korea. This can be influenced through their perceptions that the quality of Korean beauty products are better. E-Wom is a means of communication, although not done verbally, and possibly having no direct effect, has a permanent advantage. As internet users develop, e-Wom affects product brands on the internet and has an impact on consumer purchase decisions [8]. Based on the research by [17], e-Wom has a significant impact on purchase intention.

3. Result and Discussion

THE hypothesis testing in this study was conducted by looking at the value of T-Statistics and the value of P-Values. The research hypothesis was accepted when the P-Values value was <0.05. The following are the results of the hypothesis testing obtained in the study through the inner model.

Variable	P Values	Results
Korean Wave -> Brand Image	0.107	Rejected
Country of Origin -> Brand Image	0.000	Accepted
E-Wom -> Brand Image	0.054	Rejected
Brand Image -> Purchase Intention	0.002	Accepted
Korean Wave -> Purchase Intention	0.000	Accepted
Country of Origin -> Purchase Intention	0.001	Accepted
E-Wom -> Purchase Intention	0.888	Rejected

8 Based on the results of the hypothesis testing, it was concluded that the Korean wave had a positive and insignificant effect on brand image in skincare Aloe Vera 92% Shooting Gel Nature Republic. These results indicate that Korean Wave had not effect on the

formation of brand image. The results of the study were opposing those of the study [23] positive effect of Korean wave and brand image on Korean cosmetics of Etude House. The study took the respondents using Etude House cosmetics for less than 1 year to 2 years so they could feel the beauty of the product. Although Korean cosmetics are a part of Korea, the cultures, between Korea and Indonesia, are very different. When Korean culture is increasing among the people, Korean wave is not by cosmetics products only.

Country of origin has a significant positive effect on brand image in Aloe Vera 92% Shooting Gel Nature Republic. Korea has a positive image in society, especially among women. Korea is able to create superior products, especially in the field of cosmetics. This is exactly what makes consumers confident about Korean cosmetic products. The various perceptions of consumers about Korean cosmetics can effect the brand image of these cosmetic products. According [11], Country of Origin is part of brand image and affects brand value. Meanwhile, [24] also said that the attitudes and beliefs of buyers towards a country affect the buying intention to a product.

Buyers' attitude and confidence of country of origin of products gives rise to an image of a brand. This means that the better the image of Korea, the better the brand image of the product of Aloe Vera 92% Shooting Gel Nature Republic, Nature Republic company can exploit this phenomenon to improve the brand image of their products. In addition, the developed image is a major factor in country of origin, Korea is considered to have cosmetics considered capable of making glow. The image circulating that Korean products can make skin glowing like Korean actors. This reason can encourage sales of Korean products Aloe Vera 92% Shooting Gel Nature Republic.

E-Wom had a positive but insignificant effect on brand image. Before the respondents purchased Aloe Vera cosmetics or skincare 92% Shooting Gel Nature Republic, they first checked on the review in the website or other social media. The Nature Republic website is fairly new. The more reviews obtained, the more information consumers get. Not only the number of reviews but also the results of the review affected the image. The more negative reviews, the worse the results. The e-Wom on the website is not enough to improve the brand image of the Aloe Vera 92% Shooting Gel Nature Republic product, because the product website is fairly new. In addition to the reviews from users of Aloe Vera 92% Shooting Gel Nature Republic, the information on a product is also considered important. When the information obtained about the product considered safe and good for the skin, then the consumers buy the product. But the information obtained about Aloe Vera 92% Shooting Gel Nature Republic is still considered lacking, so that people need and positive purchase

intention. A good brand image on cosmetic products cause consumers to make purchases, on the contrary if the brand image is bad then consumers rethink to make a purchase. The image circulating in the community that Korea has actors and people having white glowing, bright, and white skin. The existence of this image makes people want to have the same skin as the Korean people. These reasons make the sale of Aloe Vera 92% Nature Republic Shooting Gel products increase, and so does the demand by the public. The better the brand image of a product the greater the certainty in deciding a purchase. The brand image of the Aloe Vera 92% Shooting Gel Nature Republic, skin care product with good quality, attractive design, and effect work effectively makes consumers more confident to make a purchase.

According to [25], the impact of the Korean wave can produce a positive image on Korean products which will ultimately lead to buying interest. If someone likes Korean dramas, films or music, Korean celebrities, then that person is most likely to buy products related to them such as movie CDs / DVDs, concert tickets, and other products displayed or used in the drama or the Korean celebrity. Fans of Korean actors will buy items promoted by their idol artists. Factors of brand ambassadors from cosmetic products are considered to be able to determine the sale of a product. Fans want to have the same items as their idols, so it's not surprising that people buy things similar to their idols. This shows that the actual phenomenon in society can influence consumers' purchasing decisions. The increasing phenomenon of the Korean wave can lead to a sense of interest in buying Aloe Vera 92% Shooting Gel Nature Republic skincare products.

Country of Origin has a positive effect on purchase intention. The respondents agreed that Korea is a country that innovates in the manufacture of cosmetics or skincare. Korea is also a country maintaining its quality in the manufacture of cosmetics so that the respondents believe in cosmetic products made by that country, one of which is Aloe Vera 92% Shooting Gel Nature Republic. It can be concluded that the respondents in deciding to purchase Aloe Vera 92% Shooting Gel Nature Republic skin care products also looked at the country of origin of the product or the Country of Origin, South Korea. The indirect effect derived from the brand image in the study is greater than the direct effect that arises. That causes Country of Origin to have a dominant influence in deciding on a purchase, and brand image also has the influence on the consumers in making a purchase decision for Aloe Vera 92% Shooting Gel Nature Republic skin care products even at lower level. In addition, Korea has beauty products in demand by the global market, moreover Korean beauty products have innovations that make people interested. Korean beauty products have

ingredients able to make skin white and clean, so consumers will buy the product. Moreover, the perception of people saying that beautiful standards are white, with this perception the dominant community sees that Korean products can make skin whiter than other products.

E-Wom had a positive but insignificant effect on purchase intention. These results were in line with the research conducted by [26] stating that e-Wom has no significant effect on purchase intention. This is supported by the many people saying positive or negative things on the internet or social media about these products. The more negative things said on the internet and social media about skincare Aloe Vera 92% Shooting Gel Nature Republic, the worse e-Wom, and the less increase in purchasing interest, and vice versa. Aloe Vera 92% Shooting Gel Nature Republic products considered new in Surabaya require a review and public confidence that the product is safe to use. It could be that when consumers want to buy the product, evaluations made by the consumers having used it are few or incomplete. It is necessary to evaluate the product and introduce the product to the public by disseminating information and ingredients containing the cosmetics Aloe Vera 92% Shooting Gel Nature Republic.

4. CONCLUSION

In accordance with several indicators on the questionnaire distributed to the respondents, one of which could increase the consumer purchase intention, namely the Korean Wave. Korean consumers became more consumptive of Korean products because they like Korean culture. The Aloe Vera 92% Shooting Gel Nature Republic was able to exploit this phenomenon to spread the product to other cities. In addition, it is necessary to add a review of the use of Aloe Vera 92% Shooting Gel Nature Republic for customers having used it, making it easier for new customers who want to try to use the product.

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