

To cite this article: Ari Soeti Yani, Imam Suryono, Abriandi and Sabda Aulia (2023). THE INFLUENCE OF RAW MATERIAL SELECTION STRATEGY AND PRICING STRATEGY ON THE DECISION TO USE SK-II SKINCARE PRODUCT WITH PRODUCT EXCELLENCE AS MODERATOR, International Journal of Research in Commerce and Management Studies (IJRCMS) 5 (6): 44-61 Article No. 236 Sub Id 442

THE INFLUENCE OF RAW MATERIAL SELECTION STRATEGY AND PRICING STRATEGY ON THE DECISION TO USE SK-II SKINCARE PRODUCT WITH PRODUCT EXCELLENCE AS MODERATOR

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DOI: <https://doi.org/10.38193/IJRCMS.2023.5604>

ABSTRACT

The aim of this research is to determine the influence of raw material selection strategies and pricing strategies on decisions to use SK-II skincare products, with product excellence as a moderator. in choosing to purchase a product. The population of this study is skincare users. The research sample is representative of the population selected to answer questions related to the research variables. The method used is quantitative research. The results of this research show that raw material selection strategies have a positive and significant effect on product decisions, and price strategies have an effect on product decisions. positive and significant, Product excellence has a positive and significant effect on product decisions; the moderation strategy for selecting raw materials has a positive and significant effect; and the price moderation strategy has a negative and insignificant effect. millennial-era customers.

KEYWORDS: Raw Material Selection Strategy, Pricing Strategy, Product Use Decisions, Product Excellence

1. INTRODUCTION

The era of skin care is increasingly developing, especially in Indonesia. This development has resulted in many local skin care products competing with foreign products. In the past two years, MSBB has established itself as an e-commerce company specializing in local beauty brands, with approximately 72 official partnerships with local brands, 1,100 product variants, and a total of hundreds of thousands of products sold by 2022.” (Nadya, 2022). The global halal cosmetics industry is worth approximately US\$13 billion, with an annual growth rate of 12%. Currently, the halal cosmetics market accounts for 11% of the total global halal industry. According to an Allied Market Research report (2016), the global cosmetics market is expected to reach \$429 billion in 2022. (Wahyuningsih, 2019).

Judging from previous researchers' statements, Lubis (2021), raw material selection strategies, and

purchasing decisions Likewise, research (Hasanah et al., 2022) proves that there is a link between raw material selection strategies and purchasing decisions. Raw materials that have benefits that suit consumer needs will influence purchasing decisions. Selecting a purchasing decision as a choice of action from two or more alternative choices Consumers who want to choose need alternative choices. synthesis process that combines knowledge to evaluate two or more alternative actions and choose one of them (Agustin, 2020).

Purchases are factors that influence someone's interest in buying products or goods that will be offered in stores and on platforms. Certain. The difference is that in previous research, there was no research that placed the product superiority variable as a variable that moderated the influence of raw material selection strategy and pricing strategy. This will be the latest discussion for this research and will complement previous research. And it is hoped that this research can make a significant contribution to the field of marketing management. Purchasing decisions influence and moderate the influence of raw material selection strategies on purchasing decisions, and price strategies influence and moderate the influence of raw material selection strategies on purchasing decisions.

2. Review Literature

Purchasing Decision

This is an opportunity for customers to decide to make a purchase after going through a process of evaluating factors such as brand, location, amount to be purchased, time of purchase, and available payment methods. (Ikhsani & Ali, 2021). Selection of raw materials The selection of raw materials is very important to support sustainable production and management processes, which require fast and accurate decision-making. Inappropriate supplier selection can cause company losses. (Siregar et al., 2021).

Pricing Strategy

The marketing strategy of pricing is a very important step because pricing is generally a marketing strategy to increase sales, and pricing policy greatly influences the increase or decrease in consumer purchasing power. (Zulkarnaen & Amin, 2021).

Product Excellence

Product excellence is the strength of a product or service that is produced or shown to be more important than other goods. Product excellence is achieved by finding the whole for customers, thereby achieving customer satisfaction and increasing the value of a product or service (Exmawati, 2021).

3. METHODS

The research population is SK-II users, and the research sample is representative of the population selected to answer questions related to research variables. The method for determining the sample size uses the Hair method, where the sample size ranges from 5 to 10 times the number of indicators or the number of questions in the questionnaire (Hair & Alamer, 2022). Sample selection used the convenience method (Bambang Sudaryana et al., 2022). This method explains that the sample was selected based on ease of meeting or communicating. The analysis used is regression analysis accompanied by a moderation test, also called path analysis with the partial least squares method (Sekaran & Bougie, 2017), for research data analysis using smart PLS software (Musyaffi et al., 2022). This research consists of four variables, namely: Y) purchasing decision; X) raw material selection strategy; X2) pricing strategy; and Z) product excellence.

The data analysis stages consist of respondent demographic data, variable descriptive statistics, validation for doubtful experiments, and real experiments to explain the coefficient of determination (Sugiarto, 2022). Research demographics are research data about gender, age, and DST. Descriptive statistics of the average, maximum, and minimum variables are to be studied. A validity test is a test of the validity of questions or statements in the research questionnaire; a reliability test is a test of the consistency of respondents' answers or a test to see the seriousness of respondents in answering questionnaire questions; and hypothesis testing is testing a predetermined temporary conclusion, whether it is accepted or rejected. The coefficient of determination is the decision of the independent variable to describe the dependent variable. (Gunawan, 2022).

4. RESULT AND DISCUSSION

This survey involved a sample of 150 students and community members, consisting of 58 female respondents (58.%) and 42 male respondents (42%). Respondents in this survey were divided into three age groups: 17 between the ages of 43 and 20, 42 between the ages of 21 and 25, and 14.7 over the age of 25. In this work, data quality was tested using Partial Least Squares (PLS) analysis, which is a Structural Equation Model (SEM) with a variance or component-based structural equation modeling approach. SmartPLS (Partial Least Squares) is the program used.

Table 2: Hypothesis Processing Results

Hypothesis	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Raw material selection strategy	0.325	0.327	0.054	6.045	0.000
Pricing strategy	0.291	0.290	0.043	6.812	0.000
Product quality	0.290	0.290	0.030	9.540	0.000
Moderating Effect 1 > Purchasing Decision	-0.171	-0.164	0.084	2.039	0.042
Moderating Effect 2 > Purchasing Decision	0.078	0.056	0.079	0.990	0.323

Based on the results of the data above, it can be concluded that hypothesis testing was successful, namely that of the five hypotheses proposed in this research, four variables were accepted. Proving the first hypothesis (H1) regarding the raw material selection strategy for purchasing decisions The hypothesis results from H1 show that, if seen from the P value of 0.000, which is smaller than the significance value (0.05), it is stated that the raw material selection strategy has a positive and significant effect. so, accepted. This means that the raw material selection strategy can be accepted by consumers, namely that it influences purchasing decisions, because it can be concluded that consumers really pay attention to product quality and material quality. The raw material selection strategy has five indicators, namely material efficiency, ease of obtaining materials, specifications of the selected materials, and material strength, manifested in the form of five applications: the first is material efficiency in determining purchasing decisions, and the second is the application of material efficiency in determining purchases and sales to consumers. From the two implementations, it is stated that the two implementations prove that the research above is positive and significant; the three implementations are easy to obtain in determining purchasing decisions; from the four material specifications chosen in determining purchasing decisions from the two implementations, it is stated that the influence of the two is positive and significant; and the five material forces influence purchasing decisions. The data also states that this research is positive and significant. Other research also states that the raw material selection strategy is an effort made to select the right raw materials to support existing production (Kurniasih & Sunarsi, 2020), so it can be concluded that the first hypothesis (H1) is accepted.

Proving the second hypothesis (H2) Pricing strategy moderates purchasing decisions and influences

purchasing decisions in the interests of consumers. Hypothesis H2 shows that, when viewed from the P value of 0.000, it is smaller than the significant value (0.05), which indicates that pricing strategy has a positive and significant effect. So this hypothesis is accepted. This means that pricing strategy is very influential in moderating consumer purchasing decisions. In this decision, pricing strategy is one of the reasons consumers see whether the product pricing strategy is easier and more relative or not because they will see that the product is not in good condition. but also the price; consumers also see relatively good quality and relatively cheap prices. Therefore, in this second hypothesis, it explains how to make good quality but too expensive a price. The pricing strategy has two indicators, namely product quality and suitability of benefits. The first is product quality. In determining a product, a company must look at the condition of the product to determine whether it is suitable for sale or not, because this is a very important reason to attract consumers. Before a product is traded, it must first be seen whether it contains dangerous ingredients or not. Of the two forms of implementation mentioned above as part of a pricing strategy, one of them has a positive and significant influence on purchasing decisions. Another study states that pricing strategy is the only mix element that generates sales revenue, while the other elements are just ordinary elements. Because it produces sales recipients, pricing strategies influence sales levels. Ariella (2018) believes that pricing strategy influences purchasing decisions; Ariella (2021) in this research also says that these two influences influence each other; and Lionarto et al. (2022) in this study also said that these two influences are interrelated. It can be concluded that the second hypothesis (H2) is accepted.

Proving the third hypothesis (H3) regarding product quality, which moderates purchasing decisions the results of the hypothesis from H3 show that if seen from the P value of 0.000, it states more than a significant value (0.05), then it is asked that product quality has a positive and significant influence, and the hypothesis is accepted. This means that product quality has a positive impact if it is controlled properly. Product quality has three indicators, namely customer loyalty, location, and service quality, which are realized in implementation in the form of consumers having to have a good mindset in the future. Consumers must be more careful in determining product quality or in choosing the product to be used because, in implementing product quality, some of the product quality has a positive and significant influence on purchasing decisions. Customer loyalty: in this formation, a company must be able to attract consumers with the products we have. How do we get consumers interested in our products? First, how do we promote goods? And how does our product look attractive to trade? Two forms of implementing product quality as part of purchasing decisions have a positive and significant impact: Location is an important factor in building a business because it also looks at whether the location is adequate for the process. If it is inadequate, it will be a big loss for the business owner. Service quality in running a business is very important because the value of our products depends on how we serve customers when shopping. These two data points say that the data above shows a positive and significant meaning in this research. We know how important customers are to business

builders and how we respond to problems that exist in our business. Other researchers say that this research is about product superiority in purchasing decisions because it was conducted by Ariella (2018) and the results show that product superiority influences purchasing decisions. This research was also conducted by Lionarto et al. (2022), who stated that product superiority influences purchasing decisions because it attracts consumers to the product, who really pay attention to a process because it is a very important reason to make a product that is of high quality for consumers. Thus, the third hypothesis (H3) is accepted.

Proving the fourth hypothesis (H4) is that there is a relationship between pricing strategy and the relationship between raw material selection strategy and purchasing decisions. The fourth hypothesis, H4, shows that if we look at the P value of 0.042, this value is less than significant (0.05). Then it is stated that the value is positive and significant, meaning that the price strategy has a positive effect because it can moderate the raw material selection strategy because it can influence purchasing decisions. The application of time management contains statements relating to things that regulate our time in product expenditure, such as pricing, product suitability, and benefit suitability. This makes consumers interested in our products, so that consumers buy our products because a product must have very good quality and what benefits are contained in our products so that it does not harm our customers in buying our products for use in the near future. or for a long time. Concentration of mind has two implementations. First, when we serve customers well, it will create a very good image of our company or our products. Second, what benefits do we get from the product? Is it safe for all skin types? These two forms of application have positive and significant value. Product suitability has the implementation that, when preparing a product, the suitability of the product must be seen to attract consumers. The application of the second benefit conformity must also be very careful in including ingredients in the product, whether they are good for use or not, because the value and significance of this application are positive. Research (Arwini, 2021) says that this is very influential because they complement each other in making these products. The data above also shows the results of pricing strategies on purchasing decisions, and this product definitely has unique qualities that other products do not have. Therefore, every product manufacturing process must be very careful. This proves that the fourth hypothesis (H4) is accepted.

Proving the fifth hypothesis (H5) is that there is a relationship between pricing strategy and the relationship between product excellence and purchasing decisions. The hypothesis from observation H5 shows that, judging from the P value of 0.323, this value is greater than the value of 0.05. So it is declared not accepted, and there is no significant relationship. This means that product superiority does not affect the value of the pricing strategy because the two variables do not reinforce each other. physical, reliability, responsiveness, and empathy. Of the five implementations, each has its own

implementation, which is related to a person's beliefs about a person's competence in mastering the field of shopping for a product and how we choose products that are good for our skin. present and future. This means that in this research (Astuti, 2019), the relationship between product superiority and pricing strategy in relation to raw material selection strategies, which moderate purchasing decisions, can be negative. So, it is concluded that hypothesis H5 is rejected.

5. CONCLUSION

This research provides evidence regarding the influence of raw material selection strategies on purchasing decisions, with time management and self-efficacy as moderating variables. The results of this research show that the raw material selection strategy has a positive and significant effect on purchasing decisions. Pricing strategy provides evidence that pricing strategy has an influence on decisions. Purchasing with time management and self-efficacy as moderating variables in this research provides positive and significant results on purchasing decisions. Product excellence provides evidence that product excellence has a positive effect on purchasing decisions with time management and is significant for purchasing decisions. Product excellence provides evidence that the raw material selection strategy has a positive and significant effect on the raw material decision strategy. Product superiority provides evidence for purchasing decisions, with time management and self-efficacy as moderating variables. The results of this research indicate that purchasing decisions have a negative and insignificant effect on purchasing decisions. In this study, it is recommended that further samples be taken. This is very useful to better understand the accuracy and shortcomings of data in further research as well as to see and assess any changes in reports or results regarding respondent behavior from time to time through ongoing research stages.

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