The Mediating Effect of Self-Congruity in The Influence of Country Image, Corporate Image, and Brand Image on Purchase Intention of Korean Cosmetic Products in Indonesia

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ABSTRACT

From the perspective of Indonesian consumers, this study aimed to test the mediating effect of self-congruity in the influence of country image, corporate image, and brand image of purchase intention of Korean cosmetic products. As many as 232 participants filled out the questionnaire voluntarily in an online survey. We proposed that there is an influence of country image, corporate image, and brand image on purchase intention, and self-congruity has a mediating effect in the influence of country image, corporate image, and brand image on purchase intention. Hypotheses testing was done using SmartPLS 3.0. The Results show that country image, corporate image, and brand image have a significant impact on purchase intention. Moreover, the results also find that self-congruity partially mediates the influence of country image, corporate image, and brand image on purchase intention. All hypotheses were statistically significant and supported by the data. Implications of this study are also to define further theoretically and practically.

Keywords: country image, corporate image, brand image, self-congruence, purchase intention

1. INTRODUCTION

Over time, there have been major changes to evaluation standards for international state formation. Some factors include an international brand image, corporate image, and country image focused on evaluating international competitiveness. One of the countries in East Asia that is currently the Asian tiger due to its very rapid growth in South Korea. At this time, the culture of South Korea is spreading all over the world. South Korea exports South Korean cultural products such as cosmetics, food, and fashion.

The cosmetic business today is growing very rapidly and has become a business sector that generates the largest turnover. Consumers from the middle class to the upper class also need cosmetic products, especially women. Women have a natural nature, namely wanting to look attractive in their daily lives, so using cosmetics is one of the pleasures to beautify themselves so that it creates a sense of confidence.

Beauty is one of the important factors that support the appearance of women. Consciously or not, the physical appearance will cause a response from others. The majority of women in this world, want to have a naturally beautiful face. Women can not be separated from the personality to always look beautiful and perfect. To beautify yourself requires effort to take care of. When doing the treatment, they use a variety of beauty products that are combined with various uses to get the look they think is perfect.

Currently in Indonesia, the development of beauty products is in high demand among men and women. The beauty products currently circulating in the Indonesian market are very diverse. Based on research that has been conducted by South Korea, the items that are often sought after by tourists when visiting South Korea are cosmetics. In addition, the average growth of the cosmetics industry in South Korea reached 10.4% per year, exceeding the average GDP growth of 3.5%.

Cosmetics have undergone various changes and also caused cosmetic formulations to continue to evolve, following changes in the definition of beauty and makeup. The majority of people today have thoughts that change slowly, thus indirectly making people consumptive, one of which is skincare. They always want to look beautiful and beautiful by using various cosmetic brands.

Skincare products are also growing rapidly, and there are already many. Women, both teenagers and adults, and the elderly are now more confident in skincare products and services that can make changes to their face and appearance. These products and services can change the appearance to be whiter, cleaner, shining, and radiant.

The most preferred beauty products in Indonesia are not domestic products, but products originating from South

Korea. One brand originating from South Korea is Innisfree. Innisfree is a well-known natural beauty brand from Korea that offers beauty products inspired and made from natural ingredients from Jeju Island. In its home country, Innisfree is a cosmetic and skincare product that has quite a lot of fans. Encouragement from consumers to want to appear better than others can make consumers make purchases. This can be seen from the increased sales generated by Innisfree every year. The following is a chart of Innisfree products' operating profit in Korea during 2013-2021.
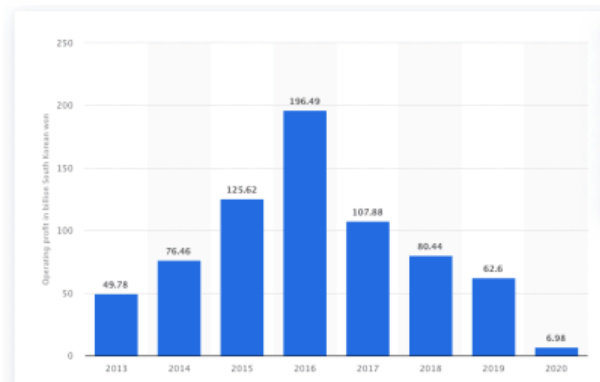

Figure 1. Operating Profit of Innisfree in South Korea between 2013-2021 in Billion Won.
Source: http/://statista.com.

Innisfree carries out various innovations to survive in the competition between companies engaged in the beauty industry, one of which is a promotion on social media because consumers today are increasingly selective in choosing cosmetic products to be used by looking at the ratings written by consumers who have used it before. used this product before. Assessments from consumers who have used the product before are very helpful in determining the purchase intention of the product needed by the consumer. Consumers who have a sense of trust in a brand, tend to entrust more problems to the brand.

Purchase intention (purchase intention) is a behavior that occurs and functions as a response to an object. Purchase intention describes the customer's desire to purchase a product/brand after carrying out various evaluation processes. Brand attitude is an evaluation assessment held by consumers of a product, where the product provided by the company is considered good and the benefits of the product are bad.

Based on the background described and the results of previous studies, it can be identified that Country Image has a positive influence on Brand Attitude, Corporate Image has a positive influence on Brand Attitude, Brand Image has a positive influence on Brand Attitude, Country Image has a positive influence on Corporate Image, Corporate Image has a positive influence on Brand Image, Brand Attitude has a positive influence on Purchase Intention, Brand Attitude has a positive influence on Purchase Intention through the mediation of Self Congruity. Therefore, this study aims to explore the mediating effect of Self Congruity in the effect of Brand Attitude on Purchase Intention.

2. BACKGROUND

2.1. Country Image

[1] defined a country's image as the image, reputation associated by businessmen and consumers in a particular country. According to [2], the image of the country in all forms of consumer perceptions of the products of a country is based on previous consumer perceptions of the advantages and disadvantages of the country's production and marketing. The image of the country according to [3] was defined as the place where the product comes from, it can be a city, country, or region. The effect of country image influence shows that people have pre-determined judgments about a country, while evaluations are formed on political, economic, and social situations.

2.2. Corporate Image

[4] explained that corporate image is the image of an organization or company as a whole, not just the image of its products or services. [5] explained that corporate image is a collection of people's perceptions of an organization. Image in perception is formed through the senses: sight, sound, smell, touch, taste, and feeling based on experience using products, services, business environment, and corporate communications. Furthermore, [5] described that corporate image consists of various company activities ranging from visual impressions, logos, document headers, stamps, posters and service friendliness processes, office layout, choice of uniform colors and patterns, carpets, wallpapers, air conditioning, aromas. office, interior design to problems that are directly related to the quality of the company's business, both goods, and services. According to [6], corporate image is the impression that the public has on a company.

2.3. Brand Image

According to [7], brand image is all customer perceptions of a brand as reflected in brand associations that are embedded in consumers' minds about the good or bad of a brand image. [8] explained that brand image is the perception and belief held by consumers, as reflected in the associations embedded in the customer's memory, which are always remembered for the first time when they hear the slogan and are embedded in the minds of consumers. According to [9], brand image is a description of consumer associations and beliefs about certain brands, as well as observations and beliefs held by consumers, as reflected in associations or consumers' memories.

2.4. Brand Attitude

According to [10], brand attitude is an attitude that helps consumers to evaluate the brand's perceived ability to meet needs. Brand needs can be negatively oriented (e.g., problem solving, problem avoidance, unfulfilled satisfaction) or positively oriented (e.g., social approval). [11] explained that brand attitude is a consumer's overall evaluation of a brand or brand image regarding the quality and satisfaction of a consumer with a brand. According to [12], brand attitude is a consumer's overall evaluation of a brand whether it is good or bad. A person's attitude toward a brand is the highest level of brand association and often forms the basis of a consumer's behavior.

2.5. Self-Congruity

According to [13], Self-Congruity is the level of match or mismatch between the store image and the consumer's self-image. [14]) explained that Self Congruity is a significant predictor in determining aspects of post-purchase consumer behavior such as satisfaction. Meanwhile, [15] described Self-Congruity as the suitability between the consumer's self-image/concept with the image of an innovative service.

2.6. Purchase Intention

According to [16], Purchase Intention is a decision-making process carried out by consumers before making purchase transactions for certain products needed by consumers. [17] defined Purchase Intention is the tendency of consumers to buy the most preferred brand. After consumers evaluate several brands, in the end, the choice will be on the one brand that best suits the wishes of consumers. Meanwhile, [18] defined Purchase Intention is something that is formed when an individual makes a plan to perform a behavior in the future.
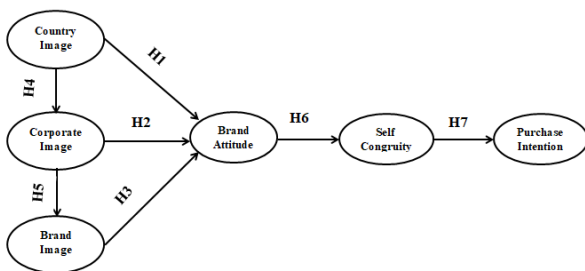

Figure 2. Research Model

Based on the above framework, the research hypothesis can be formulated as follows:
a. H_1: Country Image has a significant influence on Brand Attitude.
b. H_2: Corporate Image has a significant influence on Brand Attitude.
c. H_3: Brand Image has a significant influence on Brand Attitude.

d. H_4: Country Image has a significant influence on Corporate Image.
e. H_5: Corporate Image has a significant influence on Brand Image.
f. H_6: Brand Attitude has a significant effect on Self-Congruity.
g. H_7: Brand Attitude has a significant influence on Purchase Intention through the mediation of Self-Congruity.

3. METHODS

This research used quantitative methods. This research is conclusive with descriptive research. The population used in this study are all Innisfree consumers in Indonesia who already know and have used Innisfree products. Samples will be taken from students, employees, and the general public.

The sampling technique was taken by using non-probability sampling, and by convenience, namely taking samples based on the ease with which the elements of the population were reached. Sampling was done by distributing questionnaires using a google form to students who have an age range of 15-25 years who know and have used Innisfree products as respondents in this study. The number of samples taken in this study was 200 respondents.

4. FINDINGS AND DISCUSSIONS

The subjects of this research are Innisfree consumers who know and have shopped at Innisfree. Respondents who participated in filling out the questionnaire were divided into several characteristics such as gender, age, domicile, education level, occupation, and monthly expenses. Respondents who participated in filling out the questionnaire were 173 female respondents (86.5%), and male respondents were 27 respondents (13.5%). Respondents by age with an age range of 15 - 19 years were 20 people (10%), with an age range of 20 - 24 years as many as 175 people (87.5%), and an age range of 25 - 29 years as many as 5 people (2.5%).

A total of 164 people (84.5%) live in Jakarta. Jakarta is divided into 94 people in West Jakarta, 13 people living in East Jakarta, 38 people living in North Jakarta, 6 people living in South Jakarta, 18 people living in Central Jakarta. Then the remaining 36 people are domiciled in Bandung, Tangerang, Bekasi, Kalimantan, Batam, Depok, Surabaya, Batam, Bogor, Sumatra, Makassar, Tanjung Pinang, East Java.

Based on education level, respondents with the last education of senior high school were 156 people (78%), and 44 people (22%) were graduated from university. Based on occupation, 184 people (92%) were college students, 10 people (5%) were employees, 5 people (2.5%) were entrepreneurs, and 1 person (0.5%) was lecturer. Based on monthly expenses, respondents who participated in filling out the questionnaire had expenditures per month <

IDR1,000,000 as many as 84 people (42%), monthly expenses IDR1,000,000 - IDR2,900,000 as many as 88 people (44%), monthly expenses IDR3,000,000 - IDR4,900,000 as many as 22 people (11%), and monthly expenses > IDR5,000,000 as many as 6 people (3%).

The analysis of the validity obtained in the study, both convergent validity and discriminant validity, has been carried out using AVE analysis, loading factors, Fornell-Larcker, and cross-loadings. All variables and indicators in this study are statistically valid and reliable.

The results of the R-Square test show the effect of approaching the value of 1, which represents the most complete predictive accuracy. R-Square value of 0.364 means that 36.4% of the purchase intention variable can be explained by the independent variable in this study and the remaining 63.3% can be explained by other variables. Furthermore, the R-Square value of 0.439 explains that 43.9% of the self-congruity variable can be explained by the independent variable in this study and the remaining 56.1% can be explained by other variables, then the R-Square value of 0.553 explains that 55.3% of the brand image variable can be explained by the independent variables in this study and the remaining 44.7% can be explained by other variables.

R-Square value of 0.601 explains that 60.1% of the corporate image variable can be explained by the independent variable in this study and the remaining 39.9% can be explained by other variables. As well as R-Square value of 0.603 explains that 60.3% of the brand attitude variable can be explained by the independent variable in this study and the remaining 39.7% can be explained by other variables.

It can be concluded that the value of the determinant coefficient on the purchase intention and self-congruity variables has a small level because it has an R-Square value between 0.25 and 0.50. Brand image, corporate image, and brand attitude have moderate level of determinant coefficient, because their R-Square values range between 0.50 and 0.75.

Furthermore, the results of the Q2 test show a value of 0.392 for brand attitude, 0.364 for brand image, 0.402 for corporate image, 0.267 for purchase intention, 0.340 for self-congruity, which means that the predictive relevance value in this study is greater than 0 (> 0).

Table 1 Hypotheses Testing Results

Variable	Path Coefficient	t-Statistics	*p-Value*
Brand Attitude -> Self-Congruity	0.662	18.820	0.000
Brand Image -> Brand Attitude	0.241	3.196	0.001
Corporate Image -> Brand Attitude	0.333	3.895	0.000
Corporate Image -> Brand Image	0.744	21.011	0.000
Country Image -> Brand Attitude	0.276	3.092	0.002
Country Image -> Corporate Image	0.775	22.472	0.000
Self-Congruity -> Purchase Intention	0.603	10.796	0.000
Brand Attitude -> Self-Congruity -> Purchase Intention	0.399	8.278	0.000

Table 1 shows hypotheses testing results of this study. The path coefficient value indicates that all variables in the study have a positive influence on purchase intention. The first hypothesis testing results reveals that Country Image can give a significant positive influence on Brand Attitude. Thus, the first hypothesis is statistically supported. The results of this study are in line with previous research [19] which stated that consumers actually do not really concern about product's country of origin. However, countries' image can affect consumer decisions. As a result, the country's image can influence product trust and also influence consumer attitudes. Even though consumers are familiar with a product, the image of the country directly affects the brand attitude of consumers.

For the second hypothesis, Corporate Image can give a significant positive influence on Brand Attitude. This hypothesis is also statistically supported. The results of this hypothesis are in line with [19] which explains that corporate image has a positive effect on brand attitude and corporate image can directly affect brand attitude. This finding stated that the company's image can improve consumers' attitude of the brand.

The third hypothesis testing reveals that Brand Image has significant influence on Brand Attitude. This hypothesis is also statistically supported. According to [19], brand image has a positive effect on brand attitude. Brand image not only influence brand attitude but also can help consumers to understand about what brand can benefit them.

The fourth hypothesis testing is statistically supported and shows that Country Image has a significant influence on Corporate Image. [19] explains that the country's image not only affects the company's image but can also affect the brand image through the company's image.

The fifth and sixth hypothesis testing are also statistically supported. Corporate Image has a significant influence on Brand Image Corporate image is an important factor that can affect brand image [19], meanwhile, company is also one of the important factors that influence the brand. Brand

Attitude has a significant influence on Self Congruity. Brand attitude is an evaluation made by a consumer, and self-congruity is whether or not a consumer is suitable for a particular brand. Thus, the evaluation of consumers will be able to influence whether or not the consumer is suitable for a particular brand.

Finally, the seventh hypothesis is testing a mediation of Self Congruity in the influence of Brand Attitude on Purchase Intention. This hypothesis is statistically supported. With the consumer's evaluation of the brand, consumer will evaluate the suitability of consumer's self-concept with the brand, after which the consumer will make a purchase decision process for the product he needs.

5. CONCLUSIONS

From the previous description and analysis, we conclude that Country Image has a significant influence on Brand Attitude, Corporate Image has a significant influence on Brand Attitude, Brand Image has a significant influence on Brand Attitude, Country Image has a significant influence on Corporate Image, Corporate Image has a significant influence on Brand Image, Brand Attitude has a significant influence on Self-Congruity, Brand Attitude has a significant influence on Purchase Intention through the mediation of Self-Congruity. This research was conducted in 2020 during Covid-19 pandemic situation, thus results may vary if research carried out under normal conditions in the future. For future research, we suggest to explore other variables such as customer loyalty and product quality. Cosmetic industry can also conduct research and evaluation to improve the company's image in the minds of consumers.

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