An Analysis of the Influence of Lifestyle, Customer Value, Customer Experience, and Brand Image on Customer Loyalty Cosmetics Oriflame PT. Orindo Alam Ayu Moderated by Satisfaction

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Abstract. Cosmetics are a basic need for most women. Loyalty to purchase cosmetics is much influenced by lifestyle, customer value, customer experience, and brand image. Satisfaction with the product also affects the increase in consumer loyalty to certain cosmetic products. This research was survey research using quantitative analysis which aims to analyze the effect of lifestyle (X1), customer value (X2), customer experience (X3), and brand image (X4) on Oriflame cosmetics customer loyalty (Y) which is moderated by satisfaction. The research population was the company's regular customers for the last 1 year, amounting to 2247 people. The determination of the sample used the Slovin formula in order to obtain 96 research samples. The data collection instrument used was a questionnaire and the data were analyzed using multiple linear regression analysis and path analysis with a residual test. The results showed that lifestyle directly had a significant positive effect on customer loyalty ($p < 0.05$), customer value directly had a significant positive effect on customer loyalty ($p < 0.05$), customer experience directly had a significant positive effect on customer loyalty ($p < 0.05$), and brand image directly had a significant positive effect on customer loyalty of Oriflame cosmetics at PT Orindo Alam Ayu Medan Branch ($p < 0.05$). Customer satisfaction managed to moderate the direct influence of lifestyle, customer value, customer experience, and brand image on Oriflame cosmetics customer loyalty at PT Orindo Alam Ayu Medan Branch.

Keywords: Lifestyle · Customer value · Customer experience · Brand Image · Loyalty · Satisfaction

1 Introduction

Cosmetics is one of the products offered to fulfill secondary needs and consumer desires in order to appear more beautiful and attractive. Each cosmetic has a different ability to meet the needs and desires of consumers. Therefore, consumers are required to be careful in buying the products (cosmetics) offered in order to obtain maximum satisfaction.

The cosmetic industry in Indonesia is experiencing rapid development. Therefore, companies are competing to improve their brand image to make consumers give more value to the products and services produced in order to compete in the market. The increased competition resulted in the mindset of competitors to maintain the product in the company. Therefore, every company is required to be able to meet consumer needs and try to innovate or create products that are different from competitors, have advantages in each product, and develop brands for the future. The company has made various efforts to meet customer satisfaction.

One of the multi-level marketing companies that strive to create good quality cosmetic products is PT Orindo Alam Ayu, which is a pioneer in the network marketing industry (MLM) combined with direct selling. The direct selling system allows customers to get advice and inspiration from people they know and trust. Given the importance of managing a product quality, PT Orindo Alam Ayu always updates previous products, prioritizes innovation, creativity, pays attention to product quality, and keeps the appearance of the product in order to stay ahead of the competition and can maintain customer satisfaction.

Competition between the personal care and cosmetic industry markets is increasingly competitive. This is evidenced by the many types of cosmetics circulating, both domestically and internationally produced. The flood of cosmetic products on the market affects a person's attitude toward the purchase and use of goods. The purchase of a product is no longer to fulfill a need, but a desire. Coupled with the discovery of consumers deciding to choose to use certain products in order to clarify their identity so that they are seen as good in certain communities. If consumers feel the product can meet their needs and desires, they will definitely buy the product. Mars (2011) stated that the competition in the cosmetic industry today is getting tougher, indicated by the increasing growth of the cosmetic industry every year.

Lifestyle is part of consumer behavior in making a purchase. Lifestyle is an individual's active adaptation to social conditions in order to meet people's needs to integrate and socialize with others, especially with regard to self-image to reflect their social status. Especially how he wants to be perceived by others so that his lifestyle is closely related to the social status he bears. To reflect this image, certain status symbols are needed that play a very important role in influencing consumption behavior (Sari, 2014). Lifestyle factors can also influence a person's behavior or decisions because this factor is very influential in determining customer loyalty. Often a person chooses a product because he wants to show his status in society.

Many factors can affect customer loyalty to a product such as personal factors (lifestyle, customer value, customer experience), social factors, product quality, and product prices. Personal factors include age and stage in the buyer's life cycle, occupation and economic circumstances, personality and self-concept, and lifestyle and values (Ketler, 2014).

The phenomenon of the decline in sales of PT Oriflame occurred because Oriflame products did not display products that were able to keep pace with the development of lifestyle, consumer experience, and brand image. The same thing was also stated by Ulyadi and Saktiawati (2013) and Yasri and Sylvia (2014) in their research which stated that brand personality had an influence on customer loyalty.

Another phenomenon is the inconsistency of some previous research results where there are studies stated that lifestyle, customer value, customer experience, and brand image had a significant effect on customer loyalty. However, some other findings revealed that lifestyle, customer value, customer experience, and brand image had no significant effect on customer loyalty. Therefore, it needs to be re-examined and developed in conditions, times, and places that are certainly different considering the many factors that influence customer loyalty to a product such as Oriflame cosmetics.

2   Methods

This type of research was causal descriptive with an associative quantitative approach. The research was conducted at PT Orindo Alam Ayu Medan. The population in this study was 2247 people. The sampling technique in this study was carried out using a simple random sampling technique using the Slovin formula.

$$n = \frac{N}{N(d)^2 + 1} \tag{1}$$

Note:
n = Number of samples N = Total population
d = Slovin accuracy constant (0.1)

The number of samples can be calculated as follows:

$$n = \frac{2247}{2247(d)^2 + 1} = 95.73 \approx 96 \tag{2}$$

3   Results and Discussion

The normality test was conducted to determine whether the research data were normally distributed using the Kolmogorov-Smirnov test with the following results: the residual probability value (asymp.sig. 2-tailed) is 0.710, greater than sig-α (0.05), so it can be concluded that the research data is normally distributed.

The first substructure path analysis includes the direct influence of lifestyle on satisfaction, the direct influence of customer value on satisfaction, the direct influence of customer experience on satisfaction, and the direct influence of satisfaction on loyalty with the results are shown in Table 1.

The second substructure path analysis includes the direct and indirect effects of lifestyle on loyalty, customer value on loyalty, customer experience on loyalty and brand image on loyalty (Table 2).

Table 1. Results of the First Substructure Path Analysis

Independent Variable	Influence			Conclusion
	t- count	Sig-p	R-square	
Lifestyle to Satisfaction	4.363	0.000	0.168	Significant
Customer Value on Satisfaction	3,217	0.002	0.118	Significant
Customer Experience on satisfaction	3,720	0.001	0.116	Significant
Brand image on satisfaction	2,751	0.007	0.075	Significant
The effect of satisfaction on loyalty	4.673	0.000	0.189	Significant

Table 2. Results of the Second Substructure Path Analysis (Direct and Indirect Effects)

Independent Variable	Influence				Conclusion
	Direct		Indirect		
	Sig-p	R-square	Sig-p	R-square	
Lifestyle towards loyalty moderated satisfaction	0.000	0.459	0.000	0.488	**Significant and moderate**
Customer value on loyalty moderated satisfaction	0.001	0.103	0.003	0.261	**Significant and moderate**
Customer Experience on loyalty moderated satisfaction	0.000	0.247	0.000	0.406	**significant and moderate**
Brand Image on loyalty moderated satisfaction	0.000	0.207	0.000	0.311	**significant and moderate**

4   Conclusion

Based on the results of data analysis on the influence of lifestyle, customer value, customer experience, and brand image loyalty through satisfaction at PT Orindo Alam Ayu, it can be concluded that:

1. (Lifestyle) had a significant positive effect on loyalty (p = 0.000 < 0.05)
2. Customer values had a significant effect on loyalty (p = 0.002 < 0.05)
3. Customer experiences had a significant effect on loyalty (p = 0.001 < 0.05)
4. Brand image had a significant effect on loyalty (p = 0.007 < 0.05)
5. Satisfaction managed to moderate the influence of lifestyle on loyalty. This was indicated by an increase in r-square from 45.9% to 48.8%

6. Satisfaction managed to moderate the influence of customer value on loyalty. This was indicated an increase in r-square from 10.3% to 26.1%
7. Satisfaction managed to moderate the influence of customer experience on loyalty. This was indicated by an increase in r-square from 24.7% to 40.6%
8. Satisfaction managed to moderate the influence of brand image on loyalty. This was indicated by an increase in r-square from 20.7% to 31.1%

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