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The Influence of Local Cosmetics Video-Sharing Review on Female Daily Network Youtube Channel towards Viewers Purchase Intention

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Abstract:

The competition of cosmetics industry in Indonesia are getting fierce since there are so many brands that emerges from local to foreign cosmetics brand so the effort to lead the market must be made even harder. In order to survive this fierce competition, nowadays local cosmetic marketers try to market their product in many ways and online channel is one of the way company uses to deliver their marketing message. Female Daily Network YouTube channel is an account that provides various information and review about many cosmetic products that have launched in Indonesia and many local cosmetics product are have been reviewed there and the online credible review is believed can leads consumer purchase intention. This research aims to identify the factors that influence viewers purchase intention of local cosmetic products and analyze the decision process of viewers to buy local cosmetic products upon the value of communication perceived from watching Video-Sharing Review on Female Daily Network Youtube Channel. This study explores factors (number of views, likes, comment, and replies, perceived credibility, perceived video characteristics, perceived usefulness, attitude toward purchase, and purchase intention. The data was collected through semi structured interview and online questionnaire and analyzed by open coding and CB-SEM to assess the relationship between the factors. The result indicates that perceived video characteristics, perceived usefulness, and attitude toward purchase are influencing customers' purchase decision. The finding of this research is expected to improve Female Daily Network YouTube channel as the marketing strategy for local cosmetics products in Indonesia.

Keywords: Female daily network, local cosmetics, purchase intention, video-sharing review, YouTube

1. Introduction

Indonesia's local cosmetics have been growing rapidly with a variety of innovative products from various brands that appear simultaneously. However, in this fierce competition, companies have to keep on finding innovative products and marketing strategies in order to compete with other local or foreign cosmetics brands since nowadays customers have a lot of options rather than five years ago (ekonomi.bisnis.com, 2018). Companies need to know how to appeal to their targeted markets. Online advertisement is one of the ways the company uses to deliver their marketing message. Female Daily Network YouTube channel is a YouTube account that provides various information about local products that have launched in Indonesia. 73% of consumers revealed that they are more willing to buy after watching a video on YouTube (boostlikes.com, 2017). Madahi and Sukati (2012) describes in recent times the purchase intention has become difficult and substantial. Customers need to know how well the product looks from different ads, reports and product articles. In addition, since local products come in various kinds of brands and products, customers have difficult and complicated decisions. Therefore, this research arises to discover what factors are influencing Female Daily Network Youtube Channel viewer's intention to buy local cosmetic products and how the purchase decisions of consumers are made.

2. Literature Review

2.1. Video-Sharing Review

YouTube is a website for video sharing that has more than billion users viewing hours of video play everyday (YouTube for Press, 2017). Content such as review videos can be classified as an authentic, unbiased, highly appealing video about a consumer-friendly product (Octoly, 2018).

2.2. Customer Decision Making Process

Solomon *et al.* (2006) defined the process of decision-making the amount of effort that required to be made over time. Dewey (1910) introduced five stages of this conventional process of decision-making (Figure 1). This model will helped to answer research question regarding analyzing customer's decision process upon value of communication perceived from watching Female Daily Network YouTube Channel. Marketers need to properly understand customers' decision-making stages in an effort to lead consumers in buying the product

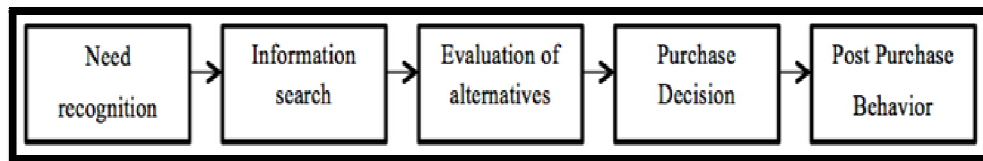


Figure 1

2.3. Number of Views, Likes, Comments and Replies (NVLCR)

Consumer impressions of the video may be affected by experiences of other users (Lee, 2009). Mir and Rehman (2013) highlighted that the amount of posts, shares and feedback that other users produce on YouTube has a positive impact on customers perceived credibility and usefulness of the product content.

- H₁: The number of views, likes, comments and replies has positive significant relation with perceived credibility of the information in the videos.
- H₂: The number of views, likes, comments and replies has positive significant relation with perceived usefulness of the information in the videos.

2.4. Perceived Credibility of the Information in the Videos (PC)

Bouhleb *et al.*, (2010) stated that perceived credibility is the reliance factor influences the acceptance of a positive or negative way in the message where it is able to transform customer attitudes. McKnight and Kacmar (2007) stated that perceived credibility positively affects the perceived usefulness of the online information.

- H₃: Perceived credibility of the information in the videos has positive significant relation with perceived usefulness of the information in the videos. Mir and Rehman (2013) stated that today's consumers believe that product reviews and information generated on networking sites on the Internet are reliable compared to product commercials.
- H₄: Perceived credibility of the information in the videos has positive significant relation with attitude toward purchase.
- H₅: Perceived credibility of the information in the videos has positive significant relation with purchase intention.

2.5. Perceived Usefulness of Information in the Videos (PU)

Perceived usefulness in the website information is belief information that will improve the efficiency of obtaining product information (Pavlou and Fygenson, 2006). According to Mir & Rehman (2013), Cho & Sagynov (2015), and Sin *et al.* (2012) research result shows that perceived usefulness is connected to attitude toward purchase and purchase intention.

- H₆: Perceived usefulness of information in the videos has positive significant relation with attitude toward purchase.
- H₇: Perceived usefulness of information in the videos has positive significant relation with purchase intention.

2.6. Perceived Video Characteristics (PVC)

Video characteristics are supported with features like quality regardless the resolution quality of the video, whether it could be high or low and it could affect user engagement. According to Yüksel (2016) and Mathur & Mittal (2019), it stated that perceived video characteristic is correlated to perceived credibility, perceived usefulness, attitude toward purchase, and purchase intention.

- H₈: Perceived video characteristics has positive significant relation with perceived credibility of the information in the videos.
- H₉: Perceived video characteristics has positive significant relation with perceived usefulness of the information in the videos.
- H₁₀: Perceived video characteristic has positive significant relation with attitude toward purchase.
- H₁₁: Perceived video characteristic has positive significant relation with purchase intention.

2.7. Customer's Attitude towards Purchase Intention

Attitudes is a set of beliefs that shape behaviors, resulting in a factor being imposed on the outcome (Ajzen, 2002). According to Bouhleb *et al.* (2010), attitudes of consumers have an impact on online purchasing desire and those who gain a favorable attitude towards website prefer enforce actual purchasing.

- H₁₂: Attitude toward purchase has positive significant relation towards purchase intention.

2.8. Purchase Intention

Morinez *et al.* (2007) define intention to buy in the act of circumstances in which the customer tends to do the shopping of the product in particular under certain conditions. In their decision making process, customer knowledge about the product plays a key role (Satish & Peter, 2004).

Thus, according to the definition, explanations, and findings of previous studies, the researcher uses this conceptual framework that is proposed by Yüksel (2016) as shown in this study model (Figure 2) below.

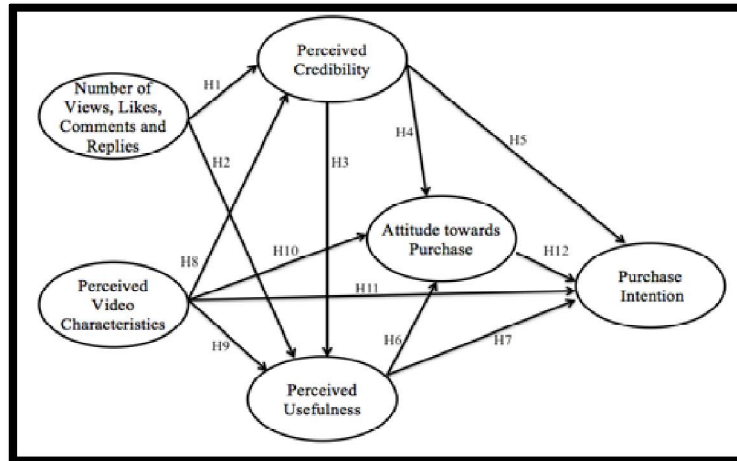


Figure 2: Conceptual Framework

3. Methodology

This research uses a qualitative and quantitative approach, by semi-structured interviews and questionnaire to Female Daily Network YouTube Channel viewers for the last 3 months in order to gain insight about the factor that influence purchase intention and to analyze consumer's decision process. The interview data were analyzed through open coding and triangulation and for the questionnaire is analyzed by CB-SEM (Covariance Based), because the model fit constraints of CB-SEM are more suitable for proven theoretical testing and validation. Purposive sampling technique because these also contain finding and having chosen individuals or groups who have been particularly having a great knowledge or familiar over related occurrence being study (Cresswell & Plano Clark, 2011).

4. Findings and Argument

4.1. Interview Findings

The qualitative analysis is collected from five interviewee's explanation which then divided into five subjects:

- Consumer's Need Recognition: it seems that four out of five interviewee got internal stimuli and one interviewee got external stimuli. From this finding, it can be concluded that the stimuli that encourage people to recognize their needs are coming from different causes. Companies should understand consumers' needs in order to build marketing strategies that capable of translating consumer desires into wants for specified products.
- Information Search: All of the interviewees say that they look up to the review on FemaleDailyNetwork YouTube channel before they check out their products that they wanted to purchase. This findings indicates that external search is happening in their information search stages. This is also in line with Huang & Benyouchef (2015).
- Evaluation of Alternative: it appears that there must be some factor that they evaluate and eliminate in order to arrive with one brand that they choose to purchase. The factors that the customer considers regarding this interview result are perfect shades for them, price, product information and the ingredient used in the product. Stankevich (2017) also agreed that typically a customer selects one of the most significant attributes on the basis of which they can obtain a final decision or use a cut-off criterion.
- Purchase Decision: Four out of five respondents are into partially planned purchase type. Meanwhile, one interviewee saying that the purchase always goes according to plan which indicates planned purchase. From this finding, it seems that each customer has a different style when it comes to fulfilling their need of purchasing products.
- Post Purchase Behavior: it appears that there must be some factor that they evaluate and eliminate in order to arrive with one brand that they choose to purchase (Stankevich, 2017). The factors that the customer considers regarding this interview result are perfect shades for them, price, product information, and the ingredient used in the product.

4.2. CB-SEM Result

	Hypothesis	Path Coefficient	T Value	P-Value	R-Square	Result
H1	Number of Views, Likes, Comments, and Replies -> Perceived Credibility	0.044	0.718	0.473	0.521	Rejected
H2	Number of Views, Likes, Comments, and Replies -> Perceived Usefulness	0.025	0.284	0.776	0.561	Rejected
H3	Perceived Credibility -> Perceived Usefulness	0.85	4,318	0,000	0.561	Accepted
H4	Perceived Credibility -> Attitude Toward Purchase	0.13	0.778	0.437	0.545	Rejected
H5	Perceived Credibility -> Purchase Intention	-0,136	-0,763	0.445	0.62	Rejected
H6	Perceived Usefulness -> Attitude Toward Purchase	0.529	4,981	0,000	0.545	Accepted
H7	Perceived Usefulness -> Purchase Intention	0.26	2,036	0.042	0.62	Accepted
H8	Perceived Video Characteristics -> Perceived Credibility	0.911	4,128	0,000	0.521	Accepted
H9	Perceived Video Characteristics -> Perceived Usefulness	0.496	2,279	0.023	0.561	Accepted
H10	Perceived Video Characteristics -> Attitude Toward Purchase	0.099	0.548	0.584	0.545	Rejected
H11	Perceived Video Characteristics -> Purchase Intention	0.076	0.401	0.688	0.62	Rejected
H12	Attitude Toward Purchase -> Purchase Intention	0.568	4,421	0,000	0.62	Accepted

Table 1: Hypothesis Testing Result

4.2.1. The Number of Views, Likes, Comments, and Replies Has Negative Significant Relations with the Perceived Credibility of the Information in the Videos

It can be concluded that, the interactions between videos that are generated by Female Daily Network and their viewers does not influence the credibility of the information given from this channel when consumers wanted to watch a review videos for certain products that they are looking for. This result contradicts to the result by Flanagan *et al.* (2011), Mir and Rehman (2013), O'Reilly and Marx (2011), and Yüksel (2016).

4.2.2. The Number of Views, Likes, Comments, and Replies Has Negative Significant Relations with the Perceived Usefulness of the Information in the Videos

This result is consistent with previous research by Yüksel (2016). It can be concluded that the number of views, likes, comments, and replies on Female Daily Network YouTube channel does not influence their viewers towards the usefulness of the information on the videos about the product. Based on the findings on comment section on FemaleDaily Network YouTube channel, whenever their viewers are looking for certain product, they just simply watching this channel to find product knowledge or entertain them.

4.2.3. Perceived Credibility of the Information in the Videos Has Positive Significant Relations with the Perceived Usefulness of the Information in the Videos

It indicates that the vlogger or the talent on Female Daily Network videos is the people that can be trusted for their opinion for a product review. This also in line with qualitative result where they watch this channel for their information search process before it comes to final purchase. Thus, the credibility of the review product from this channel is useful to the viewers' information about product before final purchase. This finding is consistent to Mir and Rehman (2013).

4.2.4. Perceived Credibility of the Information in the Videos Has Negative Significant Relationship with Attitude toward Purchase

This result is not consistent with the finding from Mir and Rehman (2013) and Yüksel (2016). From this result, it seems that the credibility of the information on Female Daily Network channel does not affect customers' thoughts, feelings, and beliefs in making real purchase of local cosmetics products after watching this channel videos.

4.2.5. Perceived Credibility of the Information in the Videos Has Negative Significant Relationship with Purchase Intention

This result is not consistent with Brown *et al.* (2007). According to mediating testing, perceived credibility of the information on this channel does not influence purchase intention directly, and perceived usefulness, as the mediating

variable, does not mediating this relationship.

4.2.6. Perceived Usefulness of the Information in the Videos Has a Positive Significant Relationship with Attitude Toward Purchase

The result is also in line with previous research (Bouhleb, 2010; Hsu *et al.*, 2013; Yang *et al.*, 2010; Yüksel, 2016). Customers may find that FemaleDailyNetwork local cosmetics review videos is useful when they feel that the information provided in the videos may improve their buying efficiency and minimize the risk of decision taking.

4.2.7. Perceived Usefulness of the Information in the Videos Has a Positive Significant Relationship with Purchase Intention

This result is consistent with Cho & Sagynov (2015) and with qualitative result, where most of the participant stated that they watches Female Daily Network to gain information about the product ingredients, finding information product, finding alternative choice to their list before made a purchase.

4.2.8. Perceived Video Characteristics Have a Positive Significant Relationship with the Perceived Credibility of the Information in the Videos

If the quality of the video, duration, and well-prepared content affect customers' trust and perception to believe in the information given from Female Daily Network YouTube channel. This result is in line with previous study by Yüksel (2016).

4.2.9. Perceived Video Characteristics Have a Positive Significant Relationship with the Perceived Usefulness of the Information in the Videos

The same result of this relationship is found on Yüksel (2016). Meaning that the quality of the videos content giving perspective and knowledge to the viewers of Female Daily Network especially, when this channel reviewed and discussed about local product cosmetics. Since, people watching Female Daily Network YouTube channel to gain knowledge about the information of the products, the duration and display of the video should be considered so that it will not distract the viewers.

4.2.10. Perceived Video Characteristic Has Negative Significant Relationship with Attitude toward Purchase

This result is contradictory with the previous study by Yüksel (2016). The possible explanation of this result is the quality, duration of the video, the preparation, and presentation of the Female Daily Network content does not change the consumers' attitude toward purchase.

4.2.11. Perceived Video Characteristic Has Negative Significant Relationship with Purchase Intention

This result is contradictory with Yüksel (2016) and Mathur & Mittal (2019). This illustrates that the quality, duration, and well-presented content from Female Daily Network videos does not drive customer's purchase intention.

4.2.12. Attitude toward Purchase Has Positive Significant Relations with Purchase Intention

This finding is consistent with previous studies (Choi & Lee, 2019; Yang *et al.*, 2017; Mir & Rehman, 2013). By this research findings, it means that customers who got positive attitude toward purchase local cosmetic products by watching Female Daily Network YouTube channel shows a higher intention to purchase those products.

5. Conclusions

It is found that Factors that influenced customers intention are perceived video characteristics, perceived usefulness of the information on the videos, and attitude toward purchase. Based on the interview result to 5 Female Daily Network YouTube viewers, it can be concluded that customers' need recognition mostly coming from internal stimuli. In order to gain information about the local cosmetics product that they need, they did an external search through Female Daily Network review videos. After gaining information, customers then evaluate and eliminate which brands should they choose according to personal cut-off criterion. Next, it comes to purchase decision stage. Mostly, the customers are in partially planned purchase type, which means that they already know the product that they need, but still looking for which brands should they purchase. According to the interviewee, they are satisfied about the product that they already bought from Female Daily Network review videos. Female Daily Network YouTube channel need to pay attention to their videos layout such as, background used, duration, and quality of the videos. Videos content must be interesting, informative, entertaining, and well presented. Detail review to product information is very important, but do not too wordy. For future research, it is suggested to dig out other factors that could significantly influence customers' intention to buy local cosmetics products towards video-sharing review. Even though the limitation of this research is not only for women, but all respondents are women. Thus, this might not portray the entire Female Daily Network viewers' population. For implication, , this research can help content-creator who made review videos to understand through their viewer's point of view and could help local cosmetics company and Female Daily Network YouTube channel understanding their consumers and viewers behavior.

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