THE RELATIONS OF THE 4PS MARKETING MIX TO THE DECISION TO PURCHASE SKINCARE PRODUCTS AT THE TIKTOK SHOP

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ABSTRACT

As one of the national priority industrial sectors, the cosmetics industry continues to experience growth driven by growing consumer awareness of health and beauty. The phenomenon of technological development has impacted changes in consumer behaviour in purchasing cosmetic industry products, especially online purchases made through social media, e-commerce or live broadcasts. This research aims to determine purchasing decisions regarding types of skincare products at the TikTok Shop. The population in this study were skincare consumers from Jabodetabek aged 25-35 years. The sample size was 275 respondents who filled out the questionnaire. The questionnaire's independent elements are listed in the 4Ps marketing mix (Price, Product, Promotion and Place). Meanwhile, the dependent factor measured is the purchasing decision when seeing sales of viral skincare products on the TikTok Shop. This research uses a regression method to find relationships between variables with the SmartPLS application. This research shows that promotion and price are the most significant factors influencing consumers when purchasing skincare products at the TikTok Shop.

Keywords: *Tiktok Shop, Cosmetics Industry, Promotions, Prices, Purchasing Decision.*

INTRODUCTION

The post-Covid-19 pandemic has given rise to a shift in consumer spending patterns on health products and cosmetics. Based on the results of a survey conducted by Katadata Insight Center (KIC) together with Sirclo in 2021, it was found that there was a shift in the product categories most preferred by consumers when shopping online, namely health and beauty products. There was an increase in the number of transactions of 40.1% for health and beauty products during the Covid-19 pandemic. This figure is a significant increase compared to the number of sales in 2019, which only reached 29.1% (Katadata & Siclo, 2021).

The high number of sales transactions for health and beauty products by the public is due to people spending more time at home and becoming more aware of their health during the pandemic. Apart from that, the flood of imported beauty products that dominate the Indonesian market is starting to be recognized by domestic industry players and is seen as a significant opportunity to develop beauty care products because it reflects the high e-commerce sales data at the beginning of 2021 of 46.8%, with a transaction value in the skincare category it reached IDR 40 billion (Khairani et al., 2021).

Based on data from the Central Statistics Agency (BPS) in 2021, it is noted that the cosmetics industry, which includes the pharmaceutical, chemical, and traditional medicine industries, continues to grow by 9.61%. BPOM revealed an increase in the number of local cosmetic industry companies of up to 20.6% from 2021 to July 2022. SMEs dominated the rise in the number of industries from 819 to 913 at 83% (Badan Pusat Statistika, 2021).

As one of the national priority industrial sectors, the cosmetics industry continues to have its growth encouraged by the Ministry of Industry. The development of the cosmetics industry is predicted to proliferate at around 7.5% in 2021-2027 based on data from the French Indonesian Chamber of Commerce and Industry (CAGR) and is expected to become the top five cosmetics market in the world in the next 5-10 years (Ferdinand & Ciptono, 2022).

The growth of the cosmetics industry is driven by growing consumer awareness of health and well-being and increasing people's disposable income (Amberg & Fogarassy, 2019). The biggest target market for cosmetics in Indonesia is the

middle-class segment. According to a survey conducted by Deloitte (2020), at least 70% of the market buys mid-range cosmetics. 30% of the market buys lower middle-class products priced between IDR 50,000 – IDR 100,000, 38% of the market buys more inferior middle-class products between IDR 100,000 – IDR 200,000, and 12% of the market buys upper middle-class products between IDR 200,000 – IDR 500,000.

In the current digital era, the use of social media is essential for marketing industrial products, including the cosmetics industry. One of the techniques used to make people aware of the existence of a product is usually a viral marketing strategy. Viral marketing is a word-of-mouth marketing technique used about brands, products, or similar services, similar to the spread of viruses through social networks on electronic media (Akyol, 2013).

One social media platform currently on the rise and loved by young people is TikTok. Since its introduction in 2016, the number of active TikTok users has reached more than 1.46 billion worldwide. Indonesia is the second TikTok user in the world, with the number of users going 99.07 million in April 2022, one rank below the United States, which has 136.42 million users (Katadata & Siclo, 2021).

In Asia, Indonesia has one of the most significant market shares for the TikTok application, with the second highest number of active users in the world, with more than 22 million monthly active users. There are various categories of video content available on the Tiktok application, where beauty/skincare is one of the most watched categories, so cosmetic product industry entrepreneurs exploit this opportunity to market through the Tiktok application (Azizah et al., 2021).

TikTok is not an ordinary social media platform; it provides various new features to continue to innovate, one of which is TikTok Shop, which makes it easier for users to shop. TikTok Shop is convenient for consumers, and industry players who want to sell directly can also easily use TikTok, such as by doing live streaming or including product links in a video (Sa'adah et al., 2022)

Consumer purchasing decisions for a product can be interpreted as a consumer's decision to buy a product based on their intention to purchase with an awareness of fulfilling their needs and desires. The consumer decision process is based on recognizing a problem or condition, which is realized as a difference between the actual and desired states. Consumers will then look for alternative solutions and then evaluate these alternatives. When consumers have decided, there will be a temporary purchase, post-purchase use and re-evaluation of the chosen option (Subianto, 2007)

Various factors influencing consumer purchasing decisions regarding cosmetic products are Cultural, Social, Psychological and Personal (Claudia et al., 2020). Social media and e-commerce development have become a new culture for consumers in shopping for products. Many people have used viral products, and prices that align with the budget allocated by consumers influence consumer purchasing decisions for cosmetic products. The marketing strategy in selling skincare products through the TikTok Shop is also a consideration in consumer purchasing decisions. Sales made via live streaming and the social media platforms used can influence the prices related to the sale of skincare products at the TikTok Shop.

The marketing mix strategy has become a marketing strategy commonly used by every company to create value for customers and achieve profitable relationships (Kotler et al., 2008). There are four elements in the marketing mix, including product strategy, price strategy, distribution strategy, and promotion strategy.

Based on the background described above, researchers want to know whether the 4Ps marketing mix significantly affects consumers' decisions to buy skincare products at the TikTok Shop. Apart from that, researchers want to know what factors are the most significant and influential in consumers' decisions to purchase skincare products at the TikTok Shop.

Hypotesis

H^1 = There is a positive influence on Place on Purchasing Decisions for viral skincare products at the Tiktok Shop

H^2 = There is a positive influence on price on purchasing decisions for viral skincare products at the Tiktok Shop

H^3 = There is a positive influence on the product on purchasing decisions for viral skincare products at the Tiktok Shop

H^4 = There is a positive influence on promotion on purchasing decisions for viral skincare products at the Tiktok Shop

H^5 = There is a positive influence on the Marketing Mix 4Ps on purchasing decisions for viral skincare products on the TikTok Shop

RESEARCH METHODS

The method used in this research is a quantitative method, with a questionnaire research instrument containing questions and regression (connectedness). This instrument was carried out to determine the relationship between the 4Ps of Price, Place, Product and Promotion marketing mix on customer decisions regarding purchasing skincare products at the Tiktok Shop.

The questionnaire distributed uses a Likert scale as a measurement tool for each decision chosen. This scale is used to measure respondents' opinions or perceptions regarding social phenomena. Questionnaires were distributed to the population of female consumers in the Special Capital Region of Jakarta aged 25 - 35 years who had purchased skincare online, especially on the Tiktok Shop application. In taking samples for this research, the researcher used a non-random sampling technique with a purposive sampling method. The researcher will examine female consumers in DKI Jakarta considering their age, educational background, use of social media, and skincare purchasing decisions.

There are two variables that influence this research, namely the dependent and independent variables. The dependent independent variable (independent variable) in this research is the 4Ps elements Price, Place, Product and Promotion. Meanwhile, the dependent variable (dependent variable) in this research is the customer's decision to purchase the skincare products being sold.

The data collection technique in this research used survey techniques with a total of 275 respondents covering the Jabodetabek area. This research uses the operationalization of the 4Ps marketing mix concept of Price, Place, Product, and Promotion and Purchasing Decisions to create a questionnaire using a Likert scale.

In accordance with the basis discussed in the previous chapters, the variables of this research can be identified as follows: independent variable X Marketing Mix 4Ps and dependent variable Y, namely consumer purchasing decisions. To reduce the emergence of problems in filling out the questionnaire, validity and reliability tests were carried out. The validity test is used to test whether each statement item in the questionnaire questions can truly accurately reveal the variables studied. The validity test is determined by the loading factor formula and Average Variance Extracted (AVE) using the SmartPLS Test. Meanwhile, reliability measurement is used to see the consistency of the questionnaire, which is an indicator of construct variables after repeated measurements. The reliability testing criteria is that the composite reliability value is greater than 0.7. Data Hypothesis testing was carried out using the SmartPLS Test by looking at the Path Coefficients and R-Square on the variables being tested.

RESULT AND DISCUSSION
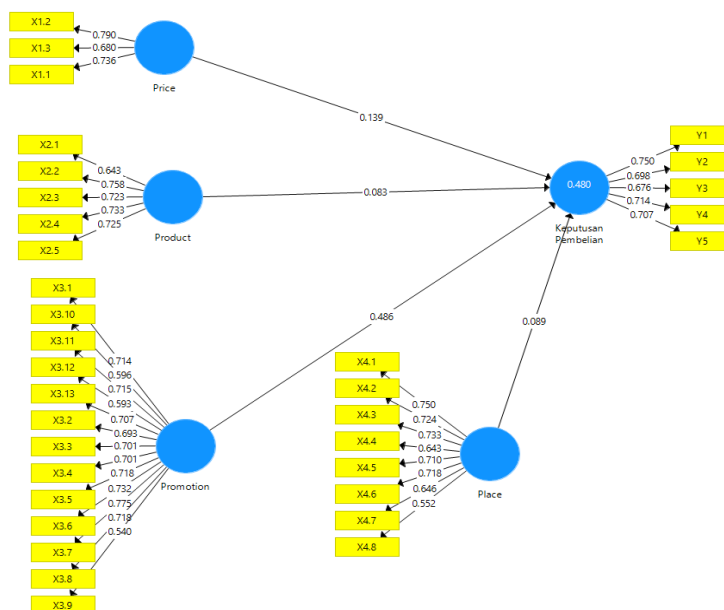### Outer Model Evaluation

Figure 1. Outer Model

The Outer Model is an outcome that checks validity consisting of convergent validity and discriminant validity, as well as the reliability of the indicators. Concurrent validity assesses how much an indicator can explain a variable. Measurements are carried out using loading factor and Average Variance Extracted (AVE) values. When using a loading factor, the minimum value required is 0.7, while when using AVE, the minimum value is 0.5. Figure 1 shows that there are still loading factors whose values are below 0.7, so this indicator was deleted because it was invalid. After deletion, the results are shown in Figure 2.
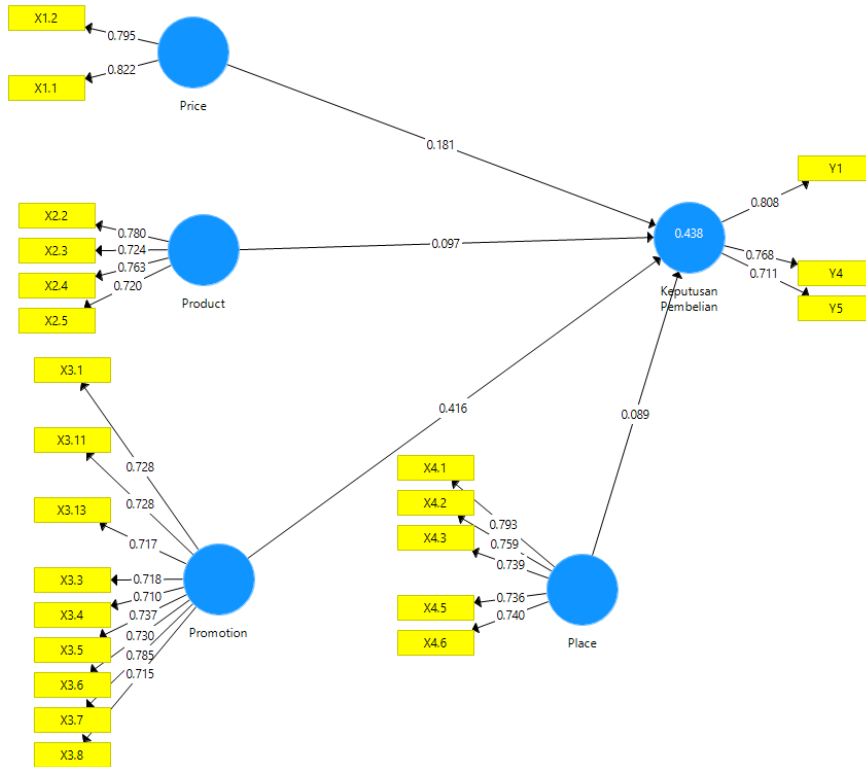

Figure 2. Valid Outer Model

Figure 3. Construct Reliability dan Validity

It can be concluded from Figure 3 that the AVE value shows a figure of more than 0.5. This indicates that all variables have met the convergence requirements.

Validitas Diskriminan

Discriminant Validity is used to evaluate the relationship between indicators and their variable constructs. Basically, this refers to indicators more closely related to the variables they construct than other variables that are not built. The criteria for testing discriminant validity are determined by comparing the root value of AVE (Average Variance Extracted) with the correlation value between variable constructs. The Fornell-Larcker Criterion is used to determine whether the matter is appropriate.

Discriminant Validity

Fornell-Larcker Criterion	Cross Loadings	Heterotrait-Monotrait Ratio (HTMT)	Heterotrait-Monotr

	Keputusan Pe...	Place	Price	Product	Promotion
Keputusan Pe...	0.763				
Place	0.456	0.754			
Price	0.496	0.528	0.808		
Product	0.487	0.492	0.430	0.747	
Promotion	0.625	0.538	0.544	0.645	0.730

Figure 4. Discriminant Validity

The root value of AVE is observed on the main diagonal, for example, 0.763, 0.754, 0.808, etc. Meanwhile, the correlation value of the construct variables is below the main diagonal. It can be seen that the values on the main diagonal are more significant than the values situated below it. Thus, the discriminant validity criteria have been met.

Reliabilitas

Reliability serves as a measure to assess the consistency of a questionnaire or constructed variable indicators over multiple measurements. When evaluating reliability, the criteria typically demand a composite reliability value exceeding 0.7 to ensure the questionnaire's consistency. If the calculated composite reliability surpasses this threshold, it indicates that the questionnaire meets the assumptions of validity and reliability.

An essential aspect of reliability assessment involves examining how well the questionnaire's indicators consistently measure the intended constructs or variables. The reliability evaluation criterion, often set at a threshold of 0.7 or higher for composite reliability, aims to ensure that the measurements remain stable and consistent across multiple instances or observations. Achieving a composite reliability value greater than 0.7 validates the questionnaire's consistency in capturing and measuring the intended constructs or variables. This reliability criterion is pivotal in ensuring that the questionnaire's measurements are reliable and can be consistently replicated in various instances or settings.

Construct Reliability and Validity

Matrix	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)

	Cronbach's Al...	rho_A	Composite Rel...	Average Varian...
Keputusan Pe...	0.644	0.656	0.807	0.583
Place	0.810	0.814	0.868	0.568
Price	0.469	0.471	0.790	0.653
Product	0.738	0.744	0.835	0.558
Promotion	0.891	0.893	0.911	0.533

Figure 5. Construct Reliability dan Validity

Inner Model Evaluation
1. Hypothesis Testing

Path Coefficients

	Mean, STDEV, T-Values, P-Values	Confidence Intervals	Confidence Intervals Bias Corrected	Sampl

	Original Sampl...	Sample Mean (...	Standard Devia...	T Statistics (|O/...	P Values
Place -> Keput...	0.089	0.093	0.067	1.317	0.188
Price -> Keput...	0.181	0.176	0.068	2.652	0.008
Product -> Kep...	0.097	0.102	0.067	1.444	0.149
Promotion -> ...	0.416	0.413	0.071	5.890	0.000

Figure 6. Path Coefficients

The Influence of Place on Decisions
Hypotesis:
H^0 : Place does not have a significant effect on the decision
H^1 : Place has a significant effect on decisions
Decision:
The probability value is 0.188 which is greater than 0.05 and the t statistics value is 1.317 which is less than 1.96. So H0 is accepted. This means that Place has no significant effect on the Decision.

The Influence of Price on Decisions
Hypotesis:
H^0 : Price does not have a significant effect on decisions
H^1 : Price has a significant influence on decisions
Decision:
The probability value is 0.008 which is smaller than 0.05 and the t statistics value is 2.652 which is greater than 1.96. So H0 is rejected and H1 is accepted. This means that price has a significant influence on decisions.

Product Influence on Decisions
Hypotesis:
H^0 : Product does not have a significant effect on decisions

H^1 : Product has a significant influence on decisions
Decision:
The probability value is 0.149 which is greater than 0.05 and the t statistics value is 1.444 which is smaller than 1.96. So H0 is accepted. This means that the product has no significant effect on the decision.

The Effect of Promotion on Decisions
Hypotesis:
H^0 : Promotion does not have a significant effect on decisions
H^1 : Promotion has a significant effect on decisions
Decision:
The probability value is 0.000 which is smaller than 0.05 and the t statistics value is 5.890 which is greater than 1.96. So H0 is rejected and H1 is accepted. This means that Promotion has a significant effect on Decisions.
R-Square
Used to see the goodness of a model that has been created. If the value is close to 1, it indicates that the model formed is good, but if the value is close to 0, then the model formed is not good.

R Square

	Matrix	R Square	R Square Adjusted	
		R Square	R Square Adjus...	
Keputusan Pe...		0.438	0.429	

Figure 7. R Square

The R-Square value for Decisions is 0.438, meaning that the 4P variables (Place, Price, Product, Promotion) can explain 43.8% of the Decision variable, while the remaining 56.2% is explained by other variables that were not studied.

Based on the hypothesis testing results above, price and promotion are the most significant factors in the Decision to purchase skincare at the TikTok Shop. This is related to the extensive discount policy provided to buyers and sellers by

TikTok Shop. TikTok Shop provides subsidies for expedition shipping costs and often carries out discount promotions on specific dates or when doing live shopping. This significant discount greatly influences consumer purchasing decisions because the prices offered are much cheaper than those of other e-commerce platforms, such as Tokopedia or Shopee, plus various deals and discounts.

Apart from price, significant and sustainable promotions also have a strong influence, especially on consumer behavior. Intensive promotion by TikTok Shop succeeded in influencing 113 million TikTok users in Indonesia, making Indonesia the country with the second largest number of TikTok users, almost equal to the number of users in the United States, which reached 116.5 million.

The combination of social media and e-commerce greatly influences the promotions carried out by TikTok Shop. Most of the content on TikTok is aimed at shopping at the TikTok Shop. TikTok Affiliate also makes many users become affiliates and create viral product review content to make a profit.

However, the power of TikTok Shop doesn't stop there. TikTok originates from China and has penetrated the Indonesian market, especially for consumer products such as skincare. It is starting to appear that there is a "Project S," which aims to dominate a country's market in terms of products. Chinese-made skincare such as Skintific and The Originote, which are very popular on TikTok Shop, have managed to dominate the Indonesian market quickly, mainly thanks to reviews from key opinion leaders (KOL) or influencers.

Apart from that, the authenticity of the country of origin of imported beauty products also raises questions. For example, Scientific, which claims to come from Canada, is actually produced by the Chinese cosmetics industry. In Indonesia, PT May Sun Yuan, located in West Jakarta, imports this product.

There are allegations that TikTok Shop and its algorithm are used to collect data on products that are selling well in a country, then produced in China as part of "Project S." Therefore, price and promotional factors significantly impact purchasing decisions. The TikTok Shop market in Indonesia is dominated by active TikTok users, primarily young people and young adults. The goods sold follow popular trends and interests among the younger generation, such as fashion, beauty, accessories, and digital lifestyle.

From the R-Square results, the value for Decision is 0.438, which means the 4P variables (Place, Price, Product, Promotion) can explain 43.8% of the variation in the Decision variable. In contrast, the remainder, around 56.2%, is defined by other factors and not researched. Thus, the 4Ps marketing mix variables do not fully represent the factors that influence consumer purchasing decisions for skincare products at the TikTok Shop. However, although price and promotion variables have a significant impact, research also shows that other factors that are not researched can influence purchasing decisions. Around 56.2% of other factors have not been revealed in purchasing skincare products at the TikTok Shop. This indicates that apart from the factors studied, other variables still need to be considered in understanding consumer behavior on this e-commerce platform.

Research on TikTok Shop in Indonesia reveals various interesting aspects regarding purchasing behavior and e-commerce market dynamics. The study results highlight that price and promotional factors have a significant role in influencing consumer purchasing decisions. The extensive price discounts and intensive promotions carried out by the TikTok Shop greatly influence skincare purchasing decisions on the platform. Research also highlights that intensive advancements have influenced most TikTok users in Indonesia, making Indonesia the country with the second largest TikTok users globally, almost equal to the number of users in the United States.

The presence of the TikTok Shop in China and its promotional strategy has had a significant impact on the Indonesian market, especially regarding consumer products such as skincare. Products from China, such as Skintific and The Originote, have quickly dominated the Indonesian market through the TikTok Shop platform. However, the origin of the authenticity of these skincare products raises questions, especially because many products claimed to come from other countries are produced in China.

In addition, research highlights social media's influence in supporting TikTok Shop's penetration in the Indonesian e-commerce market. The combination of social media and e-commerce platforms has formed an aggressive promotional pattern, where most content published on TikTok is aimed at promoting TikTok Shop products. The TikTok Affiliate program also plays a vital role by making many users become affiliates to produce product review content that can influence consumer purchasing decisions.

CONCLUSION

As a national priority sector, the cosmetics industry has experienced significant development in line with increasing public awareness of health and beauty. Technological transformation has changed the consumer landscape, particularly in online shopping through social media and e-commerce platforms. This research focuses on exploring the purchasing behavior of skincare products at the TikTok Shop, focusing on the segment aged 25-35 in the Jabodetabek area.

Findings from the research highlight that factors such as promotions and price significantly influence consumer purchasing decisions. Through a strategy of deep discounts and continuous promotional campaigns, TikTok Shop has created a positive impact on consumer behavior. The attraction of price cuts, shipping cost subsidies, and various values are essential points of interest for consumers.

Furthermore, this research notes that the promotions carried out by TikTok Shop have reached many users in Indonesia. This reflects its positive impact on overall consumer behavior patterns. Thus, this research provides an in-depth understanding of the factors that influence consumer purchasing decisions at the TikTok Shop.

These findings provide valuable knowledge for the cosmetics industry and marketers to optimize their marketing strategies. Understanding the influence of price and promotions on consumer purchasing decisions on these platforms can help adjust marketing strategies to be more effective.

In conclusion, this research provides a more comprehensive picture of consumer behavior, especially when purchasing skincare products on the TikTok Shop. This can be a basis for the cosmetics industry to understand consumer preferences and needs better and develop more effective strategies to reach a broader market.

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