


Purchase Decisions For Beauty Products In Indonesia: The Role Of Word Of Mouth, Satisfaction, Trust, And Price

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Article Info	ABSTRACT
<p>Keywords: Beauty Products, Customer Satisfaction, Purchasing Decisions, Trust, Word of Mouth.</p>	<p>This study investigates the factors that affect purchasing decisions for beauty products in Indonesia, utilising data collected from questionnaires administered to 102 respondents through Google Forms. By employing purposive sampling, the research ensures the relevance and reliability of the data, followed by rigorous validation and analysis using Structural Equation Modeling (SEM) with SmartPLS 4. The results suggest that traditional factors such as price and trust do not significantly impact customer satisfaction or purchasing behaviour. In contrast, while trust positively influences customer satisfaction, it does not directly lead to purchase decisions, and the mediating role played by customer satisfaction is minimal. Notably, the analysis reveals a significant moderating effect of word of mouth combined with price, suggesting that positive recommendations can enhance customer satisfaction even at higher price points. Based on these insights, beauty brands in Indonesia should prioritise improving product quality and implementing effective marketing strategies that emphasise perceived value. Building strong consumer trust and leveraging positive word-of-mouth through influencer partnerships can strengthen customer relationships in this competitive market.</p>
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INTRODUCTION

This study examines purchasing decisions regarding beauty products in Indonesia, a market experiencing significant growth alongside increasing public awareness of appearance (Anugrah et al., 2024; Sulistyowati et al., 2024). The cosmetics industry in Indonesia is rapidly evolving, evidenced by the rise in the number of companies from 913 in 2022 to 1,010 by mid-2023 (Waluyo, 2024). Furthermore, the export value of cosmetic products reached an impressive USD 770.8 million from January to November 2023 (Kementerian Koordinator Bidang Perekonomian, 2024).

Simultaneously, personal care and cosmetic product sales continue to surge, particularly within the e-commerce sector, where transaction values soared to IDR 13,287.4 trillion, and transaction volume reached 145.44 million from 2018 to 2022 (Kementerian Koordinator Bidang Perekonomian, 2024). While previous studies have explored the impact of word of mouth (WOM), customer satisfaction, and price on purchasing decisions, a significant gap remains in understanding the dynamic interactions among these factors within Indonesia's

highly competitive and digitally-driven beauty market. Specifically, most existing research has focused on the effects of these variables in isolation rather than examining their interrelationships and cumulative influence on consumer behaviour.

With intensifying competition in the beauty sector, this research, titled “Purchase Decisions for Beauty Products in Indonesia: The Role of Word of Mouth, Satisfaction, Trust, and Price,” aims to bridge this gap by providing deeper insights into how WOM, customer satisfaction, trust, and price interact to influence consumer purchasing decisions. By investigating these relationships, the study seeks to enhance understanding of consumer behaviour in the beauty industry and offer practical recommendations for industry stakeholders to navigate this vibrant market effectively. This exploration will contribute to academic literature and equip businesses with actionable insights to improve their strategies in an increasingly complex marketplace.

The Impact Effect of Price on Customer Satisfaction

Price is a critical determinant of customer satisfaction (Ahmed et al., 2023). Research indicates that when consumers perceive a product's price as fair and reflect its quality, their satisfaction levels increase (Jimenez Mori, 2021). Price affects the perceived value of a product and influences customers' expectations (Cunningham & De Meyer-Heydenrych, 2021). When the price aligns with the perceived quality, it leads to positive experiences, thus enhancing customer satisfaction (Kotler et al., 2023). This relationship highlights the importance of strategic pricing in fostering satisfied customers (Ahmed et al., 2023).

The Impact Trust on Customer Satisfaction

Trust is vital to customer satisfaction (Muharram et al., 2021). When consumers trust a brand or seller, they are more likely to feel secure in their purchasing decisions, leading to enhanced satisfaction (Adwan et al., 2020). Trust is built through consistent quality, reliability, and positive interactions with the brand (K & Rani, 2024). Studies show that higher trust correlates with greater customer satisfaction, as consumers feel more confident that their expectations will be met (Leninkumar, 2017).

Customer Satisfaction Influences Purchasing Decisions

Customer satisfaction significantly influences purchasing decisions (De et al., 2020; Sulistyowati & Husda, 2024b). Satisfied customers are more inclined to repeat purchases and recommend products to others, impacting overall sales (Shokouhyar et al., 2020). Positive experiences lead to higher brand loyalty, which can be crucial in competitive markets (Mostafa & Kasamani, 2020). Research indicates a direct relationship exists where improved customer satisfaction results in a higher likelihood of purchase (Sharma & Singh, 2023).

The Impact of Price on Purchasing Decisions

The impact of price on purchasing decisions is well-documented (De et al., 2020). Price is a crucial factor consumers consider when deciding whether to buy a product (Nekmahmud & Fekete-Farkas, 2020). A higher price may deter some customers, while others may perceive it as an indicator of quality (Kotler et al., 2023). The perceived value derived from the price influences consumers' final purchasing choices (Zhang et al., 2021).

The Impact of Trust on Purchasing Decisions

Trust also significantly affects purchasing decisions (Hanaysha, 2022; Sulistyowati & Husda, 2023). Consumers are more likely to buy when they have confidence in a brand (O'Rourke et al., 2022). Trust can mitigate perceived risks of buying products, particularly in uncertain markets (Faqih, 2022). Studies indicate that brands that cultivate trust can significantly enhance their conversion rates (Samarah et al., 2022).

The Impact of Price on Purchasing Decisions with Customer Satisfaction as a Mediator

Customer satisfaction mediates the relationship between price and purchasing decisions (Sulistyowati & Husda, 2024b; Zhao et al., 2021). Research suggests that the impact of price on purchasing decisions is more substantial when customer satisfaction is considered (Saleh, 2023). Customers satisfied with previous purchases are more likely to respond positively to pricing strategies, leading to increased purchasing intent.

The Impact of Trust on Purchasing Decisions with Customer Satisfaction as a Mediator

Similarly, customer satisfaction mediates the effect of trust on purchasing decisions. Trust fosters customer satisfaction, influencing purchasing behaviour (Hidayat & Ginting, 2020; Sulistyowati & Husda, 2024a). When consumers trust a brand and feel satisfied with their experiences, they are more inclined to purchase and remain loyal. This highlights the interconnectedness of these variables in shaping consumer behaviour.

The Moderating Effect of Word of Mouth on the Relationship Between Customer Satisfaction and Purchasing Decisions

Word of mouth (WOM) is a significant moderating factor in the relationship between customer satisfaction and purchasing decisions (Sadiyah & Hidayatul Lailiyah, 2022). Positive WOM can amplify the effects of customer satisfaction, leading to a higher likelihood of purchase. Conversely, negative WOM can diminish the impact of customer satisfaction, potentially deterring prospective buyers. Thus, WOM is critical in influencing how satisfied customers share their experiences and how those experiences impact purchasing decisions.

This study employs established theories and conceptual frameworks to enhance the understanding of the research topic. The formulated hypotheses are explained as follows:

H1: The impact of price on customer satisfaction is significant.

H2: The impact of trust on customer satisfaction is substantial.

H3: Purchasing decisions are significantly influenced by customer satisfaction.

H4: The effect of price on purchasing decisions is significant.

H5: The impact of trust on buying decisions is substantial.

H6: The impact of price on buying decisions is significant, with customer satisfaction as a mediator.

H7: The impact of trust on buying decisions is substantial, with customer satisfaction as a mediator.

H8: The moderating effect of word of mouth is significant in the relationship between customer satisfaction and purchasing decisions.

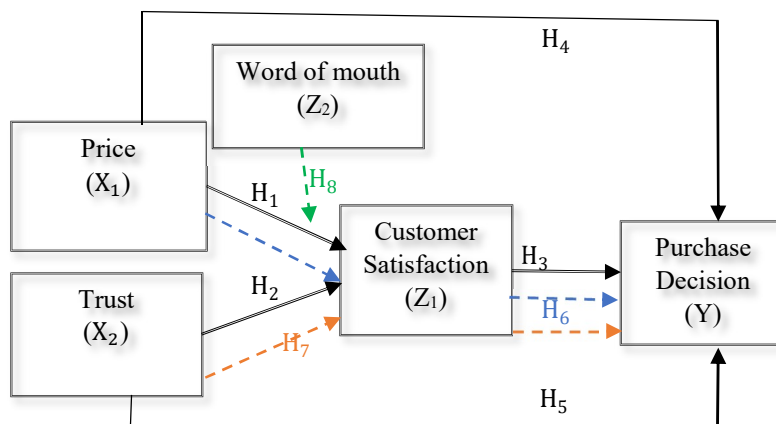


Figure 1. Conceptual Framework
Source: Own elaboration

METHODS

This research utilised a quantitative approach, collecting data through Google Forms from 102 Indonesian residents with experience purchasing beauty products, using a purposive sampling method to enhance relevance and reliability, conducted from August to October 2024. The measurement phase focused on evaluating the validity and reliability of constructs using a reflective measurement model, establishing critical thresholds for indicator loadings, Average Variance Extracted (AVE), Cronbach's Alpha, and Composite Reliability. Structural Equation Modeling (SEM) with SmartPLS 4 was used for data analysis, adhering to established validity and reliability thresholds and employing the Fornell-Larcker Criterion and the Heterotrait-Monotrait Ratio (HTMT) for discriminant validity. This thorough approach guaranteed robust findings and offered valuable insights into consumer behaviour and the decision-making processes in Indonesia's beauty market.

RESULTS AND DISCUSSION

Measurement Model

The outer loadings represent the correlation between each observed variable (indicator) and its respective latent construct, indicating how well each indicator measures the underlying concept (Hair et al., 2019, 2021, 2022). In this study, the outer loadings for the indicators associated with Price (X₁) range from 0.749 to 0.814, suggesting a significant connection between these indicators and the Price construct, as values above 0.7 are typically acceptable. Similarly, the outer loadings for Trust (X₂) indicate a robust connection, with values ranging from 0.741 to 0.882, especially highlighted by the highest loading of 0.882, suggesting that these indicators effectively capture the essence of trust. The indicators for Purchase Decision (Y) show even more substantial loadings, with the highest being 0.907, indicating that they are highly representative of the purchase decision construct. Customer Satisfaction (Z₁) indicators also demonstrate significant loadings, ranging from 0.803 to 0.886, reflecting their effectiveness in measuring customer satisfaction. The outer loading for

Word of Mouth (Z2) and Price (X1) interaction terms is set at 1.000, indicating a direct relationship. However, this is expected since it is derived from the multiplication of the two constructs. Overall, the outer loadings indicate that all constructs are well-defined by their respective indicators, supporting the validity of the measurement model.

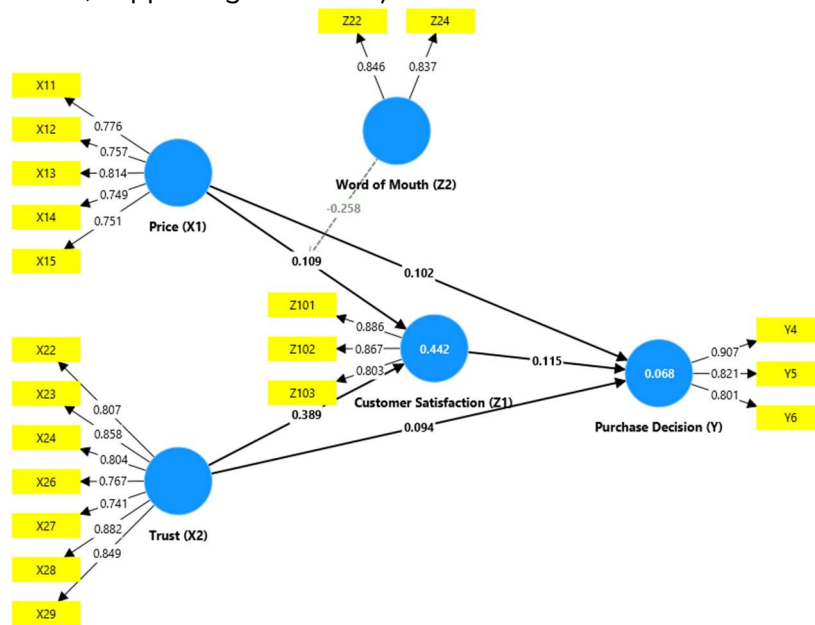


Figure 2. Measurement Model
 Source: Output of SmartPLS 4

Composite Reliability

Composite Reliability is a measure used to assess the reliability of a group of items designed to determine a single latent construct. It evaluates the internal consistency of these items. It often provides a more precise reflection of reliability than Cronbach's alpha, especially when the data does not follow a normal distribution, the composite reliability values exceed the threshold of 0.708 for all constructs—Customer Satisfaction, Price, Purchase Decision, Trust, and Word of Mouth—indicating good reliability. Additionally, the Average Variance Extracted (AVE) values are above 0.5, suggesting that these constructs explain a significant portion of the variance in the indicators. These results confirm that the instruments used are reliable and valid for assessing the respective constructs.

Table 1. The Composite Reliability

	Cronbach's alpha>0.7	Composite reliability >0.708	Average variance extracted (AVE)>0.5	
Customer Satisfaction (Z1)	0.813	0.889	0.727	Reliable
Price (X1)	0.830	0.879	0.593	Reliable
Purchase Decision (Y)	0.799	0.882	0.713	Reliable
Trust (X2)	0.917	0.933	0.667	Reliable
Word of Mouth (Z2)	0.587	0.829	0.708	Reliable

Source: Data Processed (2024)

Discriminant Validity

The Heterotrait-Monotrait Ratio (HTMT) is a criterion for discriminant validity in structural equation modelling. It evaluates the degree of correlation between theoretically distinct constructs (heterotrait) compared to theoretically similar constructs (monotrait). A recommended threshold for HTMT values is below 0.9, indicating acceptable discriminant validity. All HTMT values are well below this threshold, suggesting that the constructs—such as Price, Customer Satisfaction, Purchase Decision, Trust, and Word of Mouth—are distinct. For instance, the HTMT value between Price (X1) and Customer Satisfaction (Z1) is 0.547, indicating a moderate correlation without compromising discriminant validity. Similarly, other pairs, such as Trust (X2) and Price (X1) at 0.774, further reinforce that these constructs measure different concepts, affirming the measurement model's validity.

Table 2. The Heterotrait-Monotrait Ratio (HTMT)

	Heterotrait-monotrait ratio (HTMT)<0.9
Price (X1) <-> Customer Satisfaction (Z1)	0.547
Purchase Decision (Y) <-> Customer Satisfaction (Z1)	0.269
Purchase Decision (Y) <-> Price (X1)	0.254
Trust (X2) <-> Customer Satisfaction (Z1)	0.602
Trust (X2) <-> Price (X1)	0.774
Trust (X2) <-> Purchase Decision (Y)	0.240
Word of Mouth (Z2) <-> Customer Satisfaction (Z1)	0.511
Word of Mouth (Z2) <-> Price (X1)	0.391
Word of Mouth (Z2) <-> Purchase Decision (Y)	0.504
Word of Mouth (Z2) <-> Trust (X2)	0.324

Source: Data Processed (2024)

The Fornell-Larcker criterion is commonly utilised to evaluate discriminant validity in structural equation modelling. According to this criterion, each construct's Average Variance Extracted (AVE) square root should exceed the correlations between that construct and the other constructs in the model. The square roots of the AVEs for each construct—Customer Satisfaction (0.853), Price (0.770), Purchase Decision (0.845), Trust (0.817), and Word of Mouth (0.841)—are compared to the correlations among the constructs. For example, the correlation between Customer Satisfaction (Z1) and Price (X1) is 0.455, which is less than the square root of the AVE for Customer Satisfaction (0.853). This pattern holds for all other constructs, confirming that each construct is sufficiently distinct. Thus, the Fornell-Larcker criterion supports the validity of the measurement model by demonstrating that the constructs are measuring different underlying concepts.

Table 3. The Fornell-Larcker Criterion

	Customer Satisfaction (Z1)	Price (X1)	Purchase Decision (Y)	Trust (X2)	Word of Mouth (Z2)
Customer Satisfaction (Z1)	0.853				
Price (X1)	0.455	0.770			

	Customer Satisfaction (Z1)	Price (X1)	Purchase Decision (Y)	Trust (X2)	Word of Mouth (Z2)
Purchase Decision (Y)	0.213	0.217	0.845		
Trust (X2)	0.540	0.670	0.225	0.817	
Word of Mouth (Z2)	0.359	0.285	0.340	0.247	0.841

Source: Data Processed (2024)

Coefficient of Determination (R^2)

The Coefficient of Determination (R^2) values are important indicators of how well a model explains the variance in its dependent variables. In this context, R^2 coefficients are categorised based on their magnitude: values between 0.02 and 0.12 are considered small, 0.13 to 0.25 are viewed as moderate, and values above 0.26 are regarded as significant (Cohen, 2013; Suleiman & Abdulkadir, 2022). Customer Satisfaction (Z1) has an R^2 of 0.442, indicating explanatory solid power and suggesting that the model accounts for a substantial portion of the variance in customer satisfaction. This implies that the predictors used in the analysis effectively capture critical factors influencing customer satisfaction. Conversely, the Purchase Decision (Y) has an R^2 of 0.068, which falls into the weak category, indicating that the model explains only minimal variance in purchase decisions. This suggests that additional factors not included in the model may significantly influence purchase behaviour, highlighting potential areas for further exploration. Overall, the R^2 values illustrate the varying effectiveness of the model in explaining different constructs.

Table 4. The Coefficient of Determination (R^2)

	R-square	
Customer Satisfaction (Z1)	0.442	Strong
Purchase Decision (Y)	0.068	Weak

Source: Data Processed (2024)

Effect Size (F^2)

Effect size (f^2) is a metric used to evaluate the strength of the relationship between exogenous and endogenous latent variables in a model. According to Cohen (2013), f^2 values of 0.02, 0.15, and 0.35 correspond to small, medium, and large effects, respectively, while values below 0.02 indicate no effect. In this analysis, several relationships demonstrate varying levels of effect size. For instance, the relationships between Customer Satisfaction (Z1) and Purchase Decision (Y), as well as Price (X1) with both Customer Satisfaction (Z1) and Purchase Decision (Y), all show f^2 values below 0.02, indicating no effect. Trust (X2) weakly affects Customer Satisfaction (Z1) with an f^2 of 0.149, suggesting a modest influence. Word of Mouth (Z2) also weakly affects Customer Satisfaction (Z1) with an f^2 of 0.077. Notably, the interaction between Word of Mouth (Z2) and Price (X1) about Customer Satisfaction (Z1) reveals a medium effect size of 0.159, indicating a more significant impact. These findings provide insight into how different factors contribute to customer satisfaction and purchase decisions, emphasising the varying degrees of influence among the constructs.

Table 5. The Effect Size (F^2)

	f-square	
Price (X1) -> Customer Satisfaction (Z1)	0.011	No effect
Trust (X2) -> Customer Satisfaction (Z1)	0.149	Medium
Customer Satisfaction (Z1) -> Purchase Decision (Y)	0.010	No effect
Price (X1) -> Purchase Decision (Y)	0.006	No effect
Trust (X2) -> Purchase Decision (Y)	0.005	No effect
Word of Mouth (Z2) x Price (X1) -> Customer Satisfaction (Z1)	0.159	Medium

Source: Data Processed (2024)

Goodness of Fit of the Model (GoF)

The goodness of fit is critical to structural equation modelling, assessing how well the proposed model represents the observed data. Key indicators include the Standardized Root Mean Square Residual (SRMR), ideally lower than 0.1 for an acceptable fit. The SRMR values for both the saturated model (0.090) and the estimated model (0.095) indicate acceptable fits, as they are below the threshold (Kock, 2020). Additionally, the discrepancy measures d_{ULS} (1.709 for the saturated model and 1.882 for the estimated model) and d_G (0.900 and 0.918, respectively) provide further insights into model fit, with lower values generally indicating better fit. The Chi-square values are similar for both models, suggesting a good match between the observed and expected covariance structures, although a lower value would be preferable. Lastly, the Normed Fit Index (NFI) values (0.625 for both models) indicate that the models have some fit but may benefit from further refinement, as values closer to 1 are typically desired. Overall, while the SRMR values are promising, other indices suggest that there may still be room for improvement in the model's fit.

Table 6. The Goodness of Fit of the Model (GoF)

	Saturated model	Estimated model	
SRMR	0.090	0.095	Fit
d_{ULS}	1.709	1.882	
d_G	0.900	0.918	
Chi-square	514.380	514.912	
NFI	0.625	0.624	

Source: Data Processed (2024)

Result

The results of the hypothesis testing reveal varying impacts of different factors on customer satisfaction and purchase decisions. Hypothesis 1 (H1) indicates no significant relationship between Price (X1) and Customer Satisfaction (Z1), with a P value of 0.408. Similarly, Hypotheses 3 (H3) and 4 (H4) show non-significant effects of Customer Satisfaction on Purchase Decision (Y) and Price on Purchase Decision, respectively, with P values of 0.540 and 0.676. In contrast, Hypothesis 2 (H2) demonstrates a significant positive relationship between Trust (X2) and Customer Satisfaction, supported by a P value of 0.002, highlighting trust as a crucial factor in enhancing customer satisfaction. Additionally, Hypothesis 8 (H8) reveals a significant interaction effect between Word of Mouth (Z2) and

Price (X1) on Customer Satisfaction, with a P value of 0.045. However, the mediating effects examined in Hypotheses 6 and 7 are not significant, suggesting that while trust and word of mouth are influential, the direct effects of price and customer satisfaction on purchase decisions warrant further investigation.

Table 7. The Result

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values <0.05	
H1: Price (X1) -> Customer Satisfaction (Z1)	0.109	0.127	0.132	0.828	0.408	Not significant
H2: Trust (X2) -> Customer Satisfaction (Z1)	0.389	0.402	0.128	3.033	0.002	Significant
H3: Customer Satisfaction (Z1) -> Purchase Decision (Y)	0.115	0.099	0.189	0.612	0.540	Not significant
H4: Price (X1) -> Purchase Decision (Y)	0.102	0.109	0.244	0.418	0.676	Not significant
H5: Trust (X2) -> Purchase Decision (Y)	0.094	0.130	0.297	0.316	0.752	Not significant
H6: Price (X1) -> Customer Satisfaction (Z1) -> Purchase Decision (Y)	0.013	0.009	0.037	0.341	0.733	Not significant
H7: Trust (X2) -> Customer Satisfaction (Z1) -> Purchase Decision (Y)	0.045	0.034	0.079	0.566	0.572	Not significant
H8: Word of Mouth (Z2) x Price (X1) -> Customer Satisfaction (Z1)	-0.258	-0.211	0.129	2.001	0.045	Significant

Source: Data Processed (2024)

The Effect of Price on Customer Satisfaction (H1)

Several unique market factors may contribute to the need for a significant effect of Price (X1) on Customer Satisfaction (Z1) in the context of beauty product purchase decisions in Indonesia. Indonesian consumers often prioritise perceived value over the actual price of products (Adirinekso et al., 2020). If they perceive a beauty product as high quality or well-suited to their needs, the cost becomes less critical in determining their satisfaction. This shift in focus suggests that consumers are more influenced by their overall experience with the product—such as its effectiveness, brand reputation, and personal relevance—rather than just the cost. Consequently, while price may impact satisfaction, it is likely not the most crucial factor in Indonesia's beauty market. This insight highlights the necessity for further investigation into the various elements that genuinely shape consumer behaviour in this context, such as product quality, marketing strategies, and social influences.

The Effect of Trust on Customer Satisfaction (H2)

Hypothesis 2 reveals a significant positive relationship between Trust and Customer Satisfaction in the context of beauty product purchase decisions in Indonesia, indicating vital

statistical significance. This finding underscores the importance of trust in the Indonesian beauty market, where consumers often seek reassurance about product quality and efficacy. Building trust can significantly enhance customer satisfaction in a landscape filled with numerous brands and options, as consumers are more likely to feel confident in their purchases and overall experiences. Trust in brands, driven by effective marketing, positive reviews, and brand reputation, is critical in influencing consumer perceptions in this competitive sector. Consequently, beauty brands aiming to improve customer satisfaction should prioritise strategies that foster trust, as it directly impacts consumers' emotional connections and loyalty in a market where personal care and beauty are highly valued.

Customer Satisfaction Influences Purchasing Decisions (H3)

Hypothesis 3 indicates that the relationship between Customer Satisfaction and Purchase Decisions is not significant in the context of beauty product purchase decisions in Indonesia. This finding suggests that, despite customers feeling satisfied with a beauty product, it does not necessarily lead to a higher likelihood of purchasing. Several factors may contribute to this disconnect, such as the influence of price sensitivity, brand loyalty to competing products, or cultural considerations that affect buying behaviour. In Indonesia's competitive beauty market, consumers may prioritise other factors, such as promotional offers or peer recommendations, over their satisfaction with a product. This highlights the need for brands to delve deeper into understanding what drives purchase decisions beyond customer satisfaction alone, ensuring they address the multifaceted influences that shape consumer behaviour in this vibrant sector.

The Effect of Price on Purchasing Decisions (H4)

Hypothesis 4 indicates that the relationship between Price (X1) and Purchase Decision (Y) is insignificant in the context of beauty product purchase decisions in Indonesia, suggesting that price plays a minor role in influencing consumers' purchasing behaviour. This finding may reflect the unique dynamics of the Indonesian beauty market, where consumers often prioritise factors such as product quality, brand reputation, and effective marketing over price alone. In a landscape filled with diverse beauty brands, consumers may develop loyalty to specific products based on their perceived effectiveness or the brand's image, diminishing the influence of price on their decisions. Additionally, cultural influences and social norms might lead consumers to favour products that align with their values or those recommended by peers, further complicating the price-purchase decision relationship. Consequently, beauty brands in Indonesia should focus on enhancing their value propositions through quality and brand engagement rather than relying solely on competitive pricing to drive purchases.

The Effect of Trust on Purchasing Decisions (H5)

Hypothesis 5 indicates that the relationship between Trust (X2) and Purchase Decision (Y) is insignificant in the context of beauty product purchase decisions in Indonesia, suggesting that trust alone does not strongly influence consumers' buying behaviour. This finding may reflect the complexities of the Indonesian beauty market, where factors such as product performance, brand visibility, and social influence often play more critical roles in driving purchase decisions. While trust is essential for establishing a positive brand image, Indonesian consumers may prioritise immediate product benefits or recommendations from

friends and family over their trust in a brand. Additionally, numerous brands and products may lead consumers to make decisions based on other criteria, such as marketing strategies or promotional offers, rather than their level of trust. Therefore, beauty brands in Indonesia should consider integrating trust-building strategies with compelling product demonstrations and community engagement to enhance their influence on purchase decisions.

The Effect of Price on Purchasing Decisions with Customer Satisfaction as a Mediator (H6)

Hypothesis 6 suggests that the mediating effect of Customer Satisfaction (Z1) between Price (X1) and Purchase Decision (Y) is not significant in the context of beauty product purchase decisions in Indonesia. This finding indicates that even when customers are satisfied with a product, the price must effectively translate that satisfaction into a purchasing decision. Consumers may prioritise immediate factors such as product effectiveness, brand reputation, and peer recommendations over price and satisfaction in the Indonesian beauty market. Additionally, cultural attitudes toward beauty products may lead consumers to make decisions based on personal preferences or social influences rather than satisfaction from previous purchases. This underscores the importance for beauty brands in Indonesia to explore alternative strategies that enhance customer engagement and influence purchase decisions, suggesting that a more holistic approach, which incorporates elements like marketing communication and brand loyalty, may be necessary to drive consumer behaviour beyond the interplay of price and satisfaction.

The Effect of Trust on Purchasing Decisions with Customer Satisfaction as a Mediator (H7)

Hypothesis 7 indicates that the mediating effect of Customer Satisfaction (Z1) between Trust (X2) and Purchase Decision (Y) is not significant in the context of beauty product purchase decisions in Indonesia. This suggests that while trust may enhance customer satisfaction, it does not necessarily increase the likelihood of purchasing. In Indonesia's beauty market, consumers may emphasise immediate factors such as product quality, brand visibility, and social recommendations rather than relying solely on satisfaction derived from trust. Additionally, the highly competitive nature of the beauty industry may lead consumers to weigh other influences, like marketing campaigns or peer endorsements, more heavily in their purchasing decisions. As a result, beauty brands should consider developing comprehensive strategies that build trust and actively engage consumers through targeted marketing and community involvement to effectively influence purchase behaviour rather than depending solely on the satisfaction derived from the trust.

The Moderating Effect of Word of Mouth on the Relationship Between Customer Satisfaction and Purchasing Decisions (H8)

Hypothesis 8 reveals a significant interaction between Word of Mouth (Z2) and Price (X1) in influencing Customer Satisfaction (Z1) within beauty product purchase decisions in Indonesia. This finding indicates that consumers' satisfaction is notably affected by the price of a product and the recommendations received from others. In the Indonesian beauty market, it is suggested that positive word of mouth can enhance perceived value, leading to greater consumer satisfaction with a product, even at a higher price point. This implies that personal recommendations are crucial in shaping consumer perceptions, especially in a market where beauty products are often regarded as investments in personal appearance. Consequently, it

is recommended that beauty brands leverage word of mouth through influencer partnerships, customer testimonials, and community engagement to boost satisfaction levels, highlighting the importance of social validation alongside competitive pricing strategies. By effectively integrating these elements, it is believed that brands can enhance appeal and foster stronger customer relationships in a competitive landscape.

CONCLUSION

In conclusion, this study highlights the complex dynamics influencing beauty product purchase decisions in Indonesia, revealing that traditional factors like price and trust may not operate as primary drivers of customer satisfaction or purchasing behaviour. The findings suggest that Indonesian consumers prioritise perceived value, product quality, and brand reputation over price alone. While trust significantly enhances customer satisfaction, it does not directly translate into increased purchasing decisions. Additionally, the mediating roles of customer satisfaction between price and trust in purchasing decisions appear weak, indicating that other influences, such as social recommendations and immediate product benefits, play a more substantial role in this context. Based on these insights, beauty brands in Indonesia should focus on strategies that enhance perceived value through quality and effective marketing rather than relying solely on competitive pricing. Building strong brand loyalty through trust and positive word of mouth is essential, as these factors significantly impact consumer satisfaction. Brands should also engage with customers through community involvement and influencer partnerships to leverage social validation. Ultimately, a holistic approach that addresses the multifaceted influences on consumer behaviour will be crucial for success in Indonesia's vibrant beauty market.

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