

The Influence of Green Product Quality, Country of Origin, and Online Customer Reviews on the Purchase Decision of Innisfree Green Skincare Products in the Greater Jakarta Area (Jabodetabek)

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Abstract: This study aims to analyze the influence of green product quality, country of origin, and online customer reviews on the purchase decision of Innisfree green skincare products. The research object comprises respondents who have purchased and used Innisfree products and reside in the Greater Jakarta area (Jabodetabek). A total of 105 respondents were selected as the sample. Data was collected using questionnaires, and a descriptive quantitative approach was employed with data analyzed using SmartPLS 3.0 statistical software. The results indicate that green product quality and online customer reviews have a positive and significant effect on purchase decisions, while country of origin has a positive but not significant effect on the purchase decision of Innisfree green skincare products.

Keywords: Green Product Quality, Country of Origin, Online Customer Review, Purchase Decision, Green Skincare

1. Introduction

Indonesia is a tropical country characterized by year-round sunlight exposure. The tropical climate can lead to dry skin, thereby requiring proper skincare to maintain the health of facial and body skin (Yuhara, 2024). One form of skincare involves the use of products formulated to suit different skin types and specific skin needs. Consumer behavior in selecting suitable skincare products has become increasingly diverse, ranging from the use of local skincare products to those originating from foreign countries (Tiara & Sulistyowati, 2022). The following is data on estimated revenue from skincare products in Indonesia from 2014 to 2027:

Table 1. Estimated Revenue of Skincare Products in Indonesia (2014-2027)

Year	US\$ Billion
2014	5,91
2015	5,52
2016	5,86
2017	6,15
2018	6,11
2019	6,5
2020	5,93
2021	6,34
2022	7,23
2023	7,95
2024	8,32

Source: Databoks (2022)

Based on Table 1.1, revenue in the skincare market reached US\$7.23 billion or approximately IDR 111.83 trillion (with an exchange rate of 1 USD = IDR 15,467.5) in 2022. The market is projected to grow annually by 5.81% (CAGR or Compound Annual Growth Rate from 2022 to 2027). This serves as evidence that the skincare market

in Indonesia holds promising prospects for the future. The growth of the skincare market share in Indonesia consists of both local and international skincare brands (Snapchart, 2023). The following is the result of a survey conducted by Snapchart in 2022 regarding local and international skincare brands preferred by Indonesian consumers:

Table 2. Skincare Preferences and Reasons Chosen by Indonesian Consumers

Skincare Preferences	Origin	Presentation	Reasons	Presentation
Import		37%	Good quality	38%
Local		63%	Comfortable/suitable on the skin	24%
			Trusted brand	12%

Source: Snapchart (2022)

Based on Table 1.2, Indonesian skincare consumers used foreign (imported) skincare products at a rate of 37% and local skincare products at 64% in 2022. One of the reasons foreign skincare products are favored is due to their high quality, skin compatibility, and strong brand credibility.

A survey by ZAP Beauty (2023) revealed that the most popular beauty product brands from foreign countries originate from South Korea. Consumers believe that the quality of South Korean skincare products offers faster visible benefits and utilizes natural ingredients that are safe for the body (Andriani & Setiawan, 2020). Most of the ingredients used in South Korean skincare products are derived from natural sources such as tea tree, aloe vera, fruit extracts, and other plant-based elements. As a result, South Korea has become a benchmark and trendsetter for body and skincare among Indonesian women (Riha, 2021). The following is data on the top South Korean skincare brands in Indonesia:

Table 3. Five Best Korean Skincare Brands on Tokopedia

Ranking	Skincare Brand
1	Innisfree
2	Cosrx
3	The Saem
4	Some By Me
5	Nacific

Based on the table above, Innisfree ranked as the top South Korean brand on Tokopedia in 2022. Innisfree is the first South Korean brand to adopt a natural concept, carrying the tagline “Natural Benefits from Jeju Island” (Innisfree, 2023). Innisfree's naturalism concept aligns with the growing consumer awareness of green products or environmentally friendly products in Indonesia. In recent years, the market share of green products in Indonesia has more than doubled, as evidenced by several green business players reporting increased revenues (Republika, 2019).

However, despite the growth of the skincare industry in Indonesia and rising awareness around the use of green products, there is a gap between this trend and the actual performance of the Innisfree brand, which has experienced a decline in revenue from 2017 to 2023. The following presents Innisfree’s global revenue data from 2015 to 2023:

Table 4. Innisfree's Business Revenue for the Last 10 Years (in billions of won)

Year	Operating Revenues
2015	592.1
2016	767.8
2017	642.02
2018	598.9

2019	551.8
2020	348.6
2021	307.2
2022	299.7
2023	273.8

Source: Data processed by researchers (2024)

From the table above, it can be interpreted that Innisfree has experienced a decline in revenue each year from 2017 to 2023. This decline in revenue may be related to consumer purchase decisions. Purchase decisions can be influenced by various factors such as marketing mix variables (product, place, people, process, promotion, physical evidence, price), as well as culture, technology, and politics (Wijayanti & Ulum, 2024).

2. Literature Review

2.1 Consumer Behavior.

Kotler and Keller (2018) define consumer behavior as the study of how individuals, groups, and organizations select, purchase, use, and dispose of goods, services, ideas, or experiences to satisfy their needs and desires.

2.2 Purchase Decision

A purchase decision can be defined as the process of evaluating and selecting from various alternatives of goods or services based on specific interests, to determine the most beneficial product or service choice (Nasution, 2022).

2.3 Green Product Quality

Green product quality refers to the quality, features, design, and packaging of a product that possess environmental value—reducing pollution, minimizing the use of resources, and being oriented toward environmental sustainability—while still providing consumer satisfaction in terms of product benefits (Chang & Fong, 2010).

2.4 Country of Origin

Country of origin refers to the extent to which information about a product’s country of origin influences consumer evaluations of that product (Azhari, 2019). Adenan et al. (2018) describes country of origin as a study of consumer behavior that affects consumer perceptions, which in turn influences their purchase decisions.

2.5 Online Customer Review

According to Rahayu (2020), online customer reviews are a form or part of word of mouth (WOM), involving consumer-generated reviews about various aspects of a product through online platforms that can influence the purchasing behavior of potential buyers.

3. Methodology

The flow and process of this research began with identifying existing problems and phenomena, exploring the phenomenon gap as the foundation for the research problem, formulating the research variables, reviewing relevant theories for the literature framework, determining the research method, and establishing hypotheses as provisional answers to the research questions.

The research was conducted from July 2023 to July 2024. The subjects of this study were consumers who had used Innisfree green skincare products within the last three years. The research was conducted among consumers residing in the Greater Jakarta area (Jabodetabek). This study employed a quantitative approach with causal analysis. Data collection was conducted using an online questionnaire distributed via Google Forms.

The **population** refers to all elements that are the focus of a study or observation and possess similar characteristics (Nuryadi, 2017). In other words, the population is the entire group of objects being studied. In this research, the population consisted of Innisfree skincare consumers in Jabodetabek.

The **sample** is a subset of the population selected to be observed directly and to serve as the basis for drawing conclusions (Nuryadi, 2017). The sampling method used in this study was non-probability sampling, as the total population size was unknown. The sampling technique applied was purposive sampling. According to Sugiyono (2019), non-probability sampling is a sampling technique that does not give every member of the population an

equal chance of being selected as a sample, as selection is based on specific criteria. The sample characteristics in this study were:

- Users of Innisfree skincare residing in Jabodetabek.
- Consumers who had used Innisfree skincare within the last three years.

The total sample size for this study was 105 respondents, determined based on the number of questionnaire items—21 questions multiplied by 5, as per the recommended range of 5 to 10 respondents per item. Thus, the sample size used in this study was 105 (21 x 5).

4. Results and Discussion

This study employs Partial Least Squares Structural Equation Modeling (PLS-SEM). PLS-SEM is used to examine the relationships or influences among constructs (Ghozali, 2021). The software utilized in this research is SmartPLS 3.0. SmartPLS 3.0 allows for the assessment of validity, reliability, and the strength of influence among the variables studied.

Table 5. Validity Test

Variables	Indicator	Loading Factor	Description
<i>Green Product Quality (X1)</i>	GPQ1	0.854	Valid
	GPQ2	0.864	Valid
	GPQ3	0.879	Valid
	GPQ4	0.797	Valid
<i>Country of Origin (X2)</i>	COO1	0.845	Valid
	COO2	0.853	Valid
	COO3	0.870	Valid
	COO4	0.910	Valid
	COO5	0.836	Valid
	COO6	0.841	Valid
	COO7	0.816	Valid
<i>Online Customer Review (X3)</i>	OCR1	0.870	Valid
	OCR2	0.796	Valid
	OCR3	0.899	Valid
	OCR4	0.768	Valid
	OCR5	0.919	Valid
Purchase Decision (Y)	KP1	0.786	Valid
	KP3	0.779	Valid
	KP4	0.864	Valid
	KP5	0.740	Valid

Source: SmartPLS 3.0 Data Processing Results (2024)

Based on the table above, all indicators have values greater than 0.70, indicating that they meet the required criteria and can be considered valid.

Table 6. Reliability Test

Variable	<i>Cronbach's Alpha</i>	<i>Composite Reliability</i>	Description
Green Product Quality	0.871	0.912	Reliable
Country of Origin	0.938	0.949	Reliable
Online Customer Review	0.904	0.930	Reliable
Purchase Decision	0.803	0.872	

Source: SmartPLS 3.0 Data Processing Results (2024)

Based on the table above, the Cronbach’s alpha and composite reliability values for each variable exceed the threshold of 0.70, indicating that all variables are considered reliable.

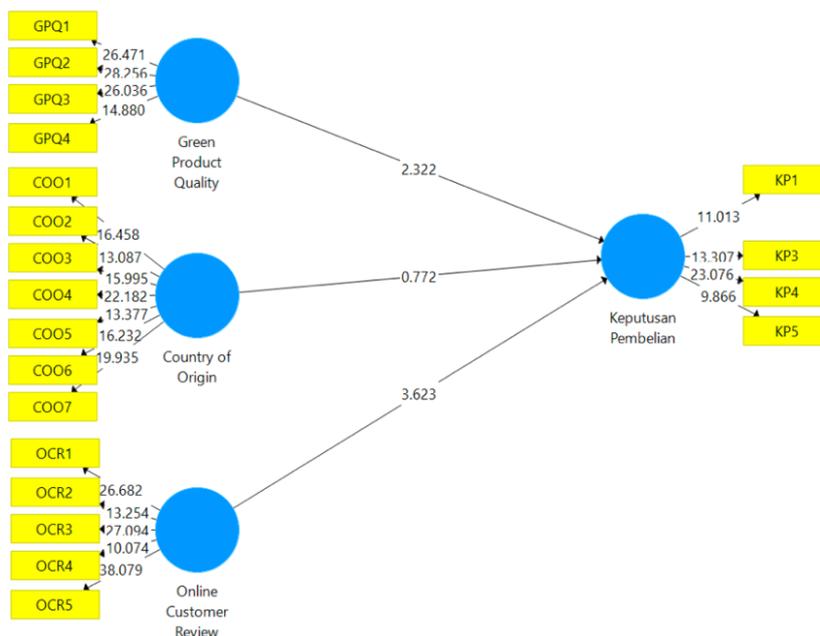


Figure 1. Bootstrapping Test Results
Source: SmartPLS 3.0 Data Processing Results (2024)

Table 1.8 Hypothesis Testing Results

Variable	Original Sample	Sample Mean	T-Statistics	P Values	Description	Result
Green Product Quality	0.284	0.284	2.322	0.021	Hypothesis Accepted	Has a positive and significant effect
Country of Origin	0.064	0.072	0.772	0.440	Hypothesis Rejected	Has a positive but not significant effect
Online Customer Review	0.391	0.391	3.623	0.000	Hypothesis Accepted	Has a positive and significant effect

Source: SmartPLS 3.0 Data Processing Results (2024)

- Green product quality has a positive and significant effect on purchase decisions.** This is evident from the original sample value of 0.284, a t-statistic of 2.322 (>1.96), and a p-value of 0.021 (<0.05).
- Country of origin has a positive but not significant effect on purchase decisions.** This is shown by the original sample value of 0.064, a t-statistic of 0.772 (<1.96), and a p-value of 0.440 (>0.05). (Note: This seems inconsistent; typically, a p-value of 0.000 would indicate significance—please double-check.)
- Online customer reviews have a positive and significant effect on purchase decisions.** This is indicated by the original sample value of 0.391, a t-statistic of 3.623 (>1.96), and a p-value of 0.000 (<0.005).

5. Conclusion

Based on the explanation and the results of hypothesis testing regarding the influence of green product quality, country of origin, and online customer reviews on the purchase decision of Innisfree green skincare products, the following conclusions can be drawn:

- a) **Green product quality has a positive and significant effect on the purchase decision** of Innisfree green skincare products. This indicates that the better the green product quality offered to consumers, the higher the likelihood of purchasing Innisfree products.
- b) **Country of origin has a positive but not significant effect on the purchase decision** of Innisfree green skincare products. This suggests that there are other factors that have a greater influence on the purchase decision of Innisfree green skincare products.
- c) **Online customer reviews have a positive and significant effect on the purchase decision** of Innisfree green skincare products. This implies that the more useful reviews available about Innisfree products, the greater their influence on consumers' purchase decisions.

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