

# THE INFLUENCE OF PRODUCT INNOVATION, PRICE, AND BRAND AMBASSADOR ON PURCHASE DECISIONS OF SCARLETT WHITENING IN SANGASANGA DISTRICT

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## Abstract

This study aims to analyze the influence of product innovation, price, and brand ambassador on the purchase decision of Scarlett Whitening in Sangasanga District. Using a quantitative approach with a descriptive method and purposive sampling technique, data were collected from 100 respondents who are active users of Scarlett Whitening products. The results of multiple linear regression analysis indicate that the three independent variables product innovation, price, and brand ambassador have a significant simultaneous effect on purchase decisions with brand ambassador being the most dominant variable. The coefficient of determination, which stands at 50.5%, reflects a fairly strong predictive power of the model. These findings confirm that purchase decisions in the beauty industry are influenced not only by functional aspects such as product quality and pricing, but also by emotional and symbolic factors associated with brand ambassadors. Theoretically, this research reinforces concepts within marketing mix theory and consumer behavior, particularly the role of symbolic communication in shaping buying intentions. Practically, local cosmetic companies are advised to develop continuous product innovations, apply competitive yet value-aligned pricing strategies, and select brand ambassadors with high credibility and strong social resonance among their target market, especially young consumers influenced by popular cultural trends such as the Korean Wave.

**Keywords:** Product Innovation, Price, Brand Ambassador, Purchase Decision

## INTRODUCTION

The beauty industry is one of the sectors that has experienced rapid growth over the past few decades, driven by technological advancements, globalization, and shifting social values related to aesthetics and appearance. According to a report by McKinsey & Company (2021), the global beauty industry was valued at over USD 500 billion and continues to show an upward trend each year. In Indonesia, this sector is expanding significantly, in line with the growing awareness—particularly among women—of the importance of skincare and physical appearance. Cosmetics and skincare products are no longer considered secondary

needs but have become an integral part of daily lifestyle and even a symbol of social status (Anita et al., 2023; ZAP Survey, 2020).

This phenomenon presents major challenges for local beauty industry players to compete not only with imported products but also with increasingly aggressive domestic brands that are constantly innovating and adapting to consumer trends. Product innovation is one of the key factors for success in capturing market share. Innovation in this context is not limited to technology and product formulation but also includes packaging design, product variants, brand message delivery, and digital marketing and distribution methods (Kotler & Keller, 2021; Handriani, 2021). Ongoing innovation allows consumers to experience new values and satisfaction from the products they use.

In addition to innovation, pricing plays a crucial role in consumer purchase decisions. Price serves as an indicator of perceived quality and product value. An appropriate pricing strategy can attract more consumers and build loyalty, especially when aligned with consumers' purchasing power and value perceptions (Martono, 2014; Ramadhani, 2017). Consumers tend to make rational evaluations of price before purchasing, and the alignment between price and quality becomes a determining factor.

In modern marketing, emotional and symbolic aspects also play an important role—one of which is the use of brand ambassadors. The role of a brand ambassador, especially from among celebrities, is highly significant in building brand image and creating a psychological connection with consumers. Popular and trusted public figures can enhance brand credibility and influence consumers' desire to purchase the products they endorse (Sadrabadi et al., 2018; Sterie & Massie, 2019). This has become even more relevant in the digital and social media era, where celebrity influence on public opinion is increasingly strong.

Scarlett Whitening is a prominent example of a successful Indonesian local brand that effectively integrates these three factors—product innovation, pricing strategy, and brand ambassador—to strengthen its market position. Founded by actress Felicya Angelista in late 2017, Scarlett Whitening focuses on providing skincare, body care, and hair care products that are certified by the Indonesian Food and Drug Authority (BPOM) and proven safe to use. Scarlett's strategy combines local values with global influence, such as appointing South Korean actor Song Joong Ki as its brand ambassador, showcasing its success in reaching consumers across different age segments and regions (Putri & Istiyanto, 2021).

Scarlett Whitening's commercial performance has also been notably positive. In May 2021 alone, the brand recorded sales transactions amounting to IDR 2.6 billion (Kumparan,

2021). It ranked second among the top ten best-selling local beauty products on Indonesian e-commerce platforms, indicating high market acceptance. While most previous studies have focused on urban areas, there remains a gap in the literature regarding how these factors influence purchasing decisions in regions with different sociodemographic characteristics, such as coastal and non-metropolitan areas.

One such area of interest is Sangasanga District in Kutai Kartanegara Regency, East Kalimantan. This region has a long history as a center of oil production and is now undergoing lifestyle changes influenced by global trends, including beauty trends. With a population of around 17,500 people—mostly women of productive age—Sangasanga represents a promising location to explore consumer behavior toward local skincare products.

Based on the aforementioned background, this study aims to analyze the influence of product innovation, pricing, and brand ambassador on the purchasing decisions of Scarlett Whitening products in Sangasanga District. Specifically, the study seeks to answer the following research questions: (a) Does product innovation significantly influence purchasing decisions? (b) Does pricing affect consumer purchasing behavior? (c) Does the brand ambassador play a significant role in driving purchase decisions? and (d) Among these three factors, which has the most dominant influence?

Through this study, it is expected that a more comprehensive understanding can be obtained regarding consumer behavior in selecting local beauty products, particularly in regions with geographic and cultural characteristics different from Indonesia's primary consumer centers. The findings from this research are also anticipated to provide theoretical contributions to the field of marketing and serve as practical guidelines for cosmetic industry players in designing more effective and contextually relevant strategies.

## **METHODOLOGY**

This study employs a quantitative approach using a descriptive-associative research design, aiming to analyze the influence of product innovation, price, and brand ambassador on the purchase decision of Scarlett Whitening products in Sangasanga District. A quantitative approach was chosen because it allows the researcher to test theories and hypotheses through the systematic, measurable, and objective collection and analysis of numerical data (Creswell, 2019). The focus of this research is to identify the relationships and influence among variables using standardized statistical tools. The theoretical framework

supporting this study includes the concept of product innovation by Kotler and Armstrong (2021), price theory by Stanton (2018), and the concept of brand ambassador by Lea-Greenwood (2022), all of which guided the development of indicators and research instruments.

The population of this study consists of all users of Scarlett Whitening products in Sangasanga District, East Kalimantan. However, due to the undefined and dynamic nature of this population, a non-probability sampling technique was employed, specifically purposive sampling. This method enables the selection of respondents based on specific criteria deliberately set by the researcher to ensure the relevance of the data to the research objectives. The main criterion for respondents is that they must be female consumers who have used Scarlett Whitening products at least once within the past six months. The sample size was determined using the Lemeshow formula, which is commonly used for populations of unknown size. With a confidence level of 95% and a margin of error of 10%, the minimum sample size was calculated to be 96 respondents. For practicality and ease of data processing, this number was rounded up to 100 respondents.

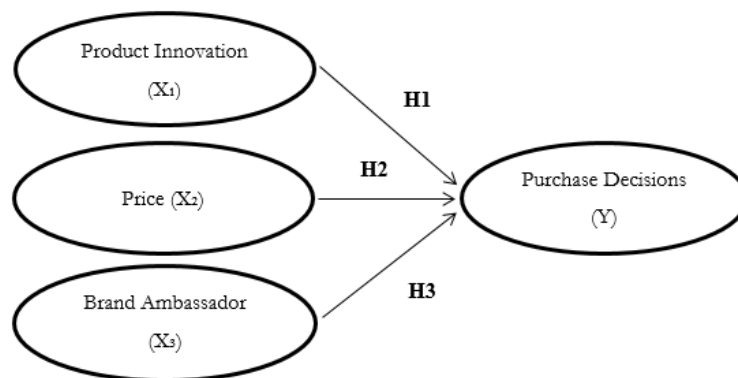
Data collection was conducted using two main methods: observation and questionnaires. Observation was used to examine consumer behavior and marketing strategies in the field and served as supporting material for interpreting the results. Meanwhile, the questionnaire served as the primary instrument for collecting primary data. The questionnaire was designed using closed-ended statements based on theoretical indicators for each variable. Distribution of the questionnaire was carried out both directly and online using digital media to reach respondents across various villages in the Sangasanga District. Responses were measured using a five-point Likert scale ranging from “Strongly Disagree” (1) to “Strongly Agree” (5). This scale is considered most appropriate for quantitatively measuring consumer perceptions and attitudes (Sugiyono, 2020).

Data analysis was conducted using the Statistical Package for the Social Sciences (SPSS) version 25. The first stage was descriptive analysis, aimed at describing the demographic characteristics of the respondents and the distribution of responses for each questionnaire item. This was followed by validity and reliability testing to ensure the quality of the instrument. Validity was tested by assessing the correlation between individual items and the total variable score. An item is considered valid if the correlation coefficient ( $r$ -count) exceeds the critical value from the  $r$ -table at the 5% significance level. Reliability was tested using Cronbach’s Alpha coefficient, with a minimum threshold of 0.60 to indicate acceptable

reliability (Ghozali, 2016). Once validity and reliability were confirmed, classical assumption tests were conducted, including tests for normality, multicollinearity, heteroscedasticity, and autocorrelation. Normality was assessed using the Kolmogorov-Smirnov method, while multicollinearity was checked using the Variance Inflation Factor (VIF), with a VIF value below 10 indicating no multicollinearity. The heteroscedasticity test aimed to identify non-constant residual variance, and the autocorrelation test determined whether there was a correlation between residuals. Subsequently, multiple linear regression analysis was used to examine both simultaneous and partial influences of the three independent variables on the dependent variable. The regression equation used in this study is:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$$

Where **Y** represents the purchase decision, **X<sub>1</sub>** is product innovation, **X<sub>2</sub>** is price, **X<sub>3</sub>** is brand ambassador, **a** is the constant, **b<sub>1</sub>**, **b<sub>2</sub>**, **b<sub>3</sub>** are the regression coefficients for each variable, and **e** is the error term. The regression results were used to interpret the magnitude of the effect each independent variable had on the dependent variable. The t-test was used to assess the partial effect of each independent variable, with a significance threshold of  $p < 0.05$ . A p-value below this threshold indicates a statistically significant effect. The F-test was used to evaluate the simultaneous effect of all independent variables on the dependent variable. Additionally, a dominance test was conducted to determine which variable had the strongest influence, based on the highest regression coefficient. The coefficient of determination ( $R^2$ ) was used to measure the proportion of variance in the dependent variable explained by the regression model. A higher  $R^2$  value indicates a better explanatory power of the model regarding purchase decisions.



Sumber: Diolah oleh peneliti, 2025

The hypotheses tested in this study are as follows: (a) H1: Product innovation significantly influences purchase decisions. (b) H2: Price significantly influences purchase decisions. (c) H3: Brand ambassador significantly influences purchase decisions. (d) H4: Product

innovation, price, and brand ambassador simultaneously have a significant effect on purchase decisions. (e) H5: Among the three independent variables, one has the most dominant influence on purchase decisions.

All hypotheses were tested at a 5% significance level ( $\alpha = 0.05$ ). The results of these tests provide empirical evidence regarding the statistical significance and generalizability of the relationships among variables in the proposed model. Through this systematic methodology and rigorous analysis, this study aims to offer both academic and practical contributions, particularly for beauty industry stakeholders seeking to better understand the key factors that influence consumer purchasing behavior.

## RESULTS AND DISCUSSION

This study involved 100 respondents from the Sangasanga District who had used Scarlett Whitening products. The analysis was based on five main characteristics: gender, age, occupation, types of products purchased, and residential area.

Most respondents were female (72%), confirming that Scarlett Whitening is more popular among women—a pattern consistent with the general target market in the beauty industry. In terms of age, the majority (44%) were between 18–25 years old, followed by 30% aged 36–45, and 26% aged 26–35. These results indicate that Scarlett Whitening primarily attracts young adults in their productive years, who are more likely to follow beauty and skincare trends.

Respondents came from various occupational backgrounds. Students were the largest group (42%), followed by entrepreneurs (34%). The remaining respondents included housewives, business owners, civil servants (7% each), teachers (2%), and one unemployed individual. No respondents were high school students. This indicates that the product appeals mainly to working-age individuals with modern and independent lifestyles.

Regarding product preferences, body lotion was the most frequently purchased item (52 respondents), followed by body scrub (32), facial wash (31), facial mask (26), facial cream (23), essence toner (21), facial serum (19), shower scrub (16), and hair care (9). Respondents were allowed to choose more than one product, suggesting strong interest in the body care line—especially body lotion.

In terms of residence, 44% of respondents were from Kampung Jawa, followed by Muara (25%), Sanga-sanga Dalam (18%), and Sarijaya (13%). These findings show a broad

reach of the brand across the Sangasanga District, with the highest concentration in Kampung Jawa.

Descriptive statistics indicate that the variables generally fall into the “moderate” category. All variables scored above the midpoint of the Likert scale (score of 21), reflecting moderately positive consumer perceptions. Detailed results are shown in the following table

**Table 1. Descriptive Statistics of Research Variables**

Variable	N	Minimum	Maximum	Mean	Std. Dev.
Product Innovation (X <sub>1</sub> )	100	12	30	23.77	4.348
Price (X <sub>2</sub> )	100	11	30	23.25	4.852
Brand Ambassador (X <sub>3</sub> )	100	12	30	22.76	5.299
Purchase Decision (Y)	100	16	30	25.00	3.654

These results indicate that consumers generally have a fairly positive perception of Scarlett Whitening products, although not yet at an optimal level. All four variables scored above the midpoint of the Likert scale (midpoint = 21), suggesting that respondents tend to rate their experiences as moderately positive.

To better understand the distribution of responses, each variable was categorized into three levels—high, moderate, and low—based on Azwar’s (2009) categorization formula. The classification results are presented in Table 2.

**Table 2. Category of Each Variable**

Variable	Category	Interval	Frequency	Percentage
Product Innovation	High	$X \geq 28.118$	18	18%
	Moderate	$19.421 \leq X < 28.118$	65	65%
	Low	$X < 19.421$	17	17%
Price	High	$X \geq 28.102$	12	12%
	Moderate	$18.397 \leq X < 28.102$	76	76%
	Low	$X < 18.397$	12	12%
Brand Ambassador	High	$X \geq 28.059$	14	14%
	Moderate	$17.460 \leq X < 28.059$	60	60%
	Low	$X < 17.460$	26	26%
Purchase Decision	High	$X \geq 28.654$	24	24%
	Moderate	$21.345 \leq X < 28.654$	58	58%
	Low	$X < 21.345$	18	18%

The categorization shows that most respondents rated product innovation, price, and brand ambassador at a moderate level. This suggests that there is significant room for improvement in marketing strategies to move consumer perceptions from “moderate” to “high”.

About 65% of respondents rated Scarlett Whitening's innovation as moderate, indicating that while the product offerings in terms of variety, packaging, and ingredients are acceptable, they are not yet distinct enough to stand out from competitors. Only 18% considered the innovation to be high, signaling the need for more frequent and creative updates such as new product variants, improved formulas, or enhanced product storytelling to attract greater consumer interest. The price variable received the highest percentage in the moderate category (76%), showing that respondents generally felt the product prices were fair and aligned with the quality provided. This reflects positively on Scarlett's understanding of local consumers' price sensitivity. However, promotional pricing strategies—such as bundling, discounts, or flash sales—could still be optimized to increase repeated purchases and boost customer engagement. Brand ambassadors also play a key role in shaping brand image, yet 26% of respondents rated this variable low. This suggests that the public figures currently used may not effectively connect with or represent the aspirations of the young target audience. To address this, Scarlett could benefit from adopting a micro-influencer strategy by collaborating with local personalities who are more relatable and credible within their communities. In terms of purchase decisions, most consumers (58%) fall into the moderate category, indicating that many are still in the consideration or trial phase rather than showing strong brand loyalty. While overall perceptions of the product are fairly positive, there remains an opportunity to build deeper emotional connections and habitual purchasing behavior through loyalty programs, personalized experiences, or consistent post-purchase engagement.

#### a. Validity and Reliability Tests

The validity test was conducted using Pearson's correlation, and all questionnaire items yielded correlation values above 0.3, confirming validity. Reliability was assessed using Cronbach's Alpha, with all variables exceeding the threshold of 0.7:

**Table: Reliability Test Results**

Variable	Cronbach's Alpha	Description
Product Innovation	0.806	Reliable
Price	0.772	Reliable
Brand Ambassador	0.834	Reliable
Purchase Decision	0.788	Reliable

#### b. Classical Assumption Test



The normality test using the Kolmogorov-Smirnov method resulted in a significance value greater than 0.05, indicating that the data is normally distributed. The multicollinearity test showed VIF values below 10 and Tolerance values above 0.1, meaning there is no indication of multicollinearity among the variables. The heteroscedasticity test using a scatterplot revealed a random distribution pattern, indicating the absence of heteroscedasticity.

### c. Multiple Linear Regression Test

Based on the results of the multiple linear regression analysis, the findings are as follows:

**Table: Linear Regression Test**

Variable	Beta Coefficient	Sig. Value
Product Innovation	0.114	0.272
Price	0.252	0.007
Brand Ambassador	0.541	0.000

(a) The Adjusted R Square value is 0.505, which means the model is able to explain 50.5% of the variation in purchase decisions. The remaining 49.5% is influenced by other factors outside the model. (b) The F-test result shows a significance value of 0.000 ( $< 0.05$ ), indicating that the three independent variables have a significant simultaneous effect on purchase decisions.

## CONCLUSION AND RECOMMENDATIONS

### Conclusion

This study examined the influence of product innovation, price, and brand ambassador on consumers' purchase decisions for Scarlett Whitening products in the Sangasanga District. Utilizing a quantitative associative approach and collecting responses from 100 participants through questionnaires, the data were analyzed using multiple linear regression. The findings reveal that all three independent variables—product innovation, price, and brand ambassador—simultaneously exert a significant and positive influence on purchase decisions.

Among these variables, brand ambassador emerged as the most dominant factor influencing consumer behavior. This indicates that consumers, particularly those aged 18–25 who are highly exposed to popular cultural trends such as the Korean Wave (Hallyu), are more influenced by the emotional and symbolic values conveyed by brand ambassadors. The selection of South Korean celebrity Song Joong Ki as Scarlett's brand ambassador has

evidently enhanced the brand's appeal, especially among young female consumers—the primary demographic group in this study.

The regression analysis produced a coefficient of determination ( $R^2$ ) of 0.505, meaning that 50.5% of the variation in purchase decisions can be explained by the three variables studied, while the remaining 49.5% may be attributed to other factors outside the model, such as brand loyalty, peer influence, social media marketing, or perceived trust.

Furthermore, the results show that price significantly affects purchase decisions. Respondents perceived Scarlett Whitening's pricing to be well aligned with the quality and benefits of the products, satisfying their expectations for affordability and value. Lastly, product innovation, though rated by most respondents as moderate, still plays a vital role—particularly in attracting and retaining consumer interest through product variety, appealing packaging, and sensory elements such as fragrance and texture.

These findings are consistent with prior studies by Ramadhani (2022), Mukarromah & Suyono (2021), and Febriani & Khairusy (2020), who emphasized the importance of the marketing mix and the psychological appeal of celebrity endorsements in shaping consumer purchasing behavior.

## **Recommendation**

Based on the findings, several practical and theoretical recommendations are proposed to enhance the effectiveness of marketing strategies in the beauty industry, especially for local cosmetic brands such as Scarlett Whitening.

### **a. Product Innovation Strategy**

Scarlett Whitening should adopt a consumer-centric innovation approach by actively collecting feedback and involving consumers in co-creating new product variants, scents, packaging formats, and skincare functions.

Emphasizing natural and halal-certified ingredients could appeal to health-conscious and religious consumers. Launching periodic innovation campaigns—such as limited editions or seasonal products—can create a sense of urgency and exclusivity, encouraging repeat purchases and word-of-mouth marketing.

### **b. Value-Driven Pricing Strategy**

The company should maintain a pricing strategy that balances affordability with perceived value. This involves not only offering competitive prices but also justifying them through effective storytelling, proven product performance, and premium packaging.

Offering bundle promotions or loyalty rewards (e.g., "buy 3, get 1 free") can encourage multi-product purchases and enhance customer retention.

#### **c. Optimized Brand Ambassador Selection**

Given that brand ambassador is the most influential factor, the selection process should ensure alignment with brand identity, audience preferences, credibility, and engagement reach. In addition to international figures, the company may collaborate with local influencers or micro-celebrities who resonate with specific market segments (e.g., Muslim influencers, skincare vloggers, dermatologists).

Active engagement between ambassadors and consumers—through live streaming, behind-the-scenes content, or testimonial videos—can deepen emotional connection and enhance authenticity.

#### **d. Leveraging Cultural Trends and Digital Platforms**

Scarlett should expand the integration of Korean Wave elements into marketing campaigns, packaging design, and brand storytelling to maintain relevance among trend-sensitive consumers. Short-form video content on platforms like TikTok and Instagram Reels featuring influencers using the products can significantly boost brand exposure and virality. Interactive campaigns such as giveaways, challenges, or “share your skincare routine” contests can increase consumer engagement and online visibility.

#### **e. Academic and Managerial Implications**

The findings provide empirical support for the marketing mix framework and consumer behavior theory, highlighting the importance of incorporating emotional and symbolic aspects into marketing strategies. Managers should view brand ambassadors not merely as promotional tools but as brand narrative agents who represent the brand's values and aspirational lifestyle. Scholars may replicate this study in other regions or demographics to test the generalizability of the results. Future studies incorporating qualitative methods may offer deeper insights into consumer psychology and motivation.

### **Future Research Suggestions**

This study has several limitations, particularly regarding geographical scope and variable selection. Future research is encouraged to:

- a. Expand the geographical coverage beyond the Sangasanga District to capture broader consumer behavior patterns across urban and rural areas.

- b. Introduce moderating variables such as social media usage, brand image, or consumer trust to enhance the explanatory power of the model.
- c. Employ mixed-method approaches combining quantitative surveys with qualitative interviews or focus group discussions to gain richer insights.
- d. Explore the long-term effects of brand ambassador campaigns on brand loyalty, perceived product quality, and repurchase intentions.

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