

#### PRICE PERCEPTION, PRODUCT QUALITY, BRAND AMBASSADORS, AND CONSUMER LOYALTY: THE MEDIATION OF CONSUMER SATISFACTION IN SCARLETT COSMETICS

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Article Info	Abstract
Received:	Fulfillment of consumer desires and expectations will create
November 12, 2022	satisfaction in consumers so that consumers become loyal. The purpose
Revised:	of this study was to determine 1) the effect of price perceptions on
November 18, 2022	consumer loyalty, 2) the effect of product quality on consumer loyalty,
Published:	<i>3) the effect of brand ambassadors on consumer loyalty, 4) the effect of</i>
November 30, 2022	_ price perceptions on consumer loyalty mediated by consumer
Keywords:	satisfaction, 5) the effect of product quality on consumer loyalty by
Price Perception,	mediating consumer satisfaction, 6) the influence of brand ambassadors
Product Quality,	on consumer loyalty by mediating consumer satisfaction. The
Brand Ambassador,	population of this study were all female consumers of Scarlett cosmetics
Consumer Loyalty,	in the Special Region of Yogyakarta. The sample of this research is a
Consumer Satisfaction	portion of Scarlett female consumers in the Special Region of Yogyakarta with criteria aged 16-31 years who have purchased and used Scarlett products at least 2 times for as many as 100 respondents. This study used a sampling technique, namely purposive sampling. Data collection techniques using online questionnaires. This study uses data analysis techniques, namely partial least squares. This study shows the results 1) price perceptions have a significant effect on consumer loyalty 2) product quality has a significant effect on consumer loyalty, 3) brand ambassadors have a significant effect on consumer loyalty, 4) price perceptions have an effect on consumer loyalty partially mediated by customer satisfaction, 5) quality product has no effect on consumer loyalty mediated by consumer satisfaction, and 6) brand ambassadors have an effect on consumer loyalty

#### INTRODUCTION

Women's primary needs, apart from clothing, food, and shelter, beauty is one of the primary needs of women today. Murniati (2004), said that beauty is one of the requirements for someone to get a job. Supporting women's self-confidence, they will try to look beautiful is essential for women. Women do various ways to look beautiful, one of the ways is by using cosmetics. The development of cosmetics is currently speedy, almost everyone uses them, especially women, and it is a challenge for manufacturers today to create cosmetics that meet the needs of everyone,

especially women. Cosmetic companies in Indonesia are very much in creating various products that can attract buyers, which will cause competition in the cosmetic industry.

Table 1 Growth of the Cosmetics Industry in Indonesia		
Year	Growth	
2018	7.3%	
2019	9%	
2020	9.39%	
2021	10%	

Table 1 shows that the growth of the cosmetics industry from 2019 to 2021 continues to experience a significant increase every year. Cosmetic companies in Indonesia are creating various products that attract buyers and will lead to competition in the cosmetic industry. Scarlett is a local beauty care brand owned by an artist named Felicya Angelista, which was founded in 2017. Scarlett that produced by PT. Scarlett is a new local brand, but the sales increase is very high compared to brands such as the Emina brand, which was produced first. Sinar Alfa and Omega Scarlett rank second with total sales of around Rp. 17.5 billion shows that Scarlett is no less competitive with *local* brands and continues to maintain its presence in the beauty world, showing that many people use Scarlett products.

Consumers are increasingly difficult to serve and aware of many demands that must be met. This is a challenge for companies to get satisfied customers and more than satisfied customers so that consumers become loyal. Satisfaction embedded in consumers will make consumers not hesitate to make repeated purchases. Consumer loyalty is an important thing that companies must pay attention to and observe the things that affect consumer loyalty. Consumer loyalty is an attitude seen by a person without any outside influence. Companies need to pay attention to things in marketing their products in order to continue to satisfy consumers and set strategies that are focused on customer satisfaction so that it has an impact on consumer loyalty. Consumers decide to use a product for the first time. Consumers will affect consumers in forming loyalty. Product quality will be formed in the minds of consumers, which will later be shown through positive perceptions that help maintain consumers with satisfaction that grows through product quality that is felt following what is expected so that it has an impact on consumer loyalty. The company's next step will be to expand its market share. Brand ambassadors can bring the products offered to consumers closer and become a battering ram in sales promotion.

Based on the background explanation, the researcher wants to do another research on these variables with a different study with the title "Price Perception, Product Quality, Brand Ambassadors, and Consumer Loyalty: The Mediation of Consumer Satisfaction in Scarlett Cosmetics".

#### LITERATURE REVIEW AND HYPOTHESIS

#### **Price Perception**

Kohsuwan & Thanabordeekij (2019:43) describe price perception as the process that customers go through in assessing the value of prices and attributes of goods and services that are the desires of consumers. The following are indicators of price variable (Retnowulan, 2017).

- 1) Price affordability is when consumers can reach the price given by the company for a product.
- 2) Price compatibility with product quality means a match between the quality offered by the company and the price charged.
- 3) Price competitiveness is showing how the price given by a company compares with competing companies.

## **Product Quality**

The quality of products the company provides is closely related to consumer satisfaction. According to Kotler & Armstrong (2012:13), product quality is a tool used in positioning in marketing because it directly impacts product performance. According to Tjiptono & Diana (2016:80), there are several dimensions in measuring the quality of a product as follows:

- 1) Performance, shows the performance and characteristics of the products offered by the company to consumers.
- 2) Feature, shows the characteristics given by the company to the products offered to consumers.
- 3) Durability, durability shown how long the product is used. In relation to how long consumers use the product.

### **Brand Ambassadors**

According to Shim (2003:455), advertising advocates, known as brand ambassadors, support the product marketing process. According to Nugroho & Magnadi (2018:4), a brand ambassador is someone who is trusted to inform certain products. According to Rossiter & Percy 1997 (in Murti & Ngatno, 2020:4), there are four characteristics of brand ambassadors:

- 1) Popularity is the popularity attached to celebrities representing products from particular companies.
- 2) Credibility is the expertise and trust that the brand ambassador gives.
- 3) Attractiveness consists of three things in the brand ambassador: similarity, familiarity, and liking.
- 4) Strength is the power or strength that brand ambassadors possess.

### **Consumer Satisfaction**

According to Tjiptono & Diana (2016:55), consumer satisfaction is an emotional assessment of consumers after using products where expectations and needs are met. According to Fornell 1992 (in Liu, 2016: 31), which are indicators of consumer satisfaction, namely:

- 1) Perceived quality, meaning that consumers feel the quality and performance perceived by consumers are the main determinants of consumer satisfaction.
- 2) Perceived value, meaning the benefits that consumers can feel against the price issued in the form of value.
- 3) Consumer expectations, meaning that consumers will have expectations before consumers feel the quality and value provided by the company.

## **Consumer Loyalty**

According to Fatihudin (2019:10), consumer loyalty is where consumers make judgments and formulate about a product, service, brand relationship, or related to repeated purchases by consumers of the company. According to Kotler & Keller (2012: 57) put forward three indicators of consumer loyalty, namely:

- 1) Repeat, when consumers need a product or service and make a purchase of the product or service at the same company.
- 2) Retention, consumers do not switch to other companies that offer the same product or service.
- 3) Referrals, consumers will notify other parties if the product can satisfy.

## Hypothesis

According to Kotler & Keller (2012: 196) price perception is formed when the company understands well what consumers want and expect. Price value occurs when there is a match between price and benefits with the performance received. According to Tjiptono & Diana (2016:60) suggesting prices that are in accordance with the needs or benefits obtained by consumers to appreciate and retain loyal customers. This is in line with research conducted by Ghina & Anne (2021) showing that price perception has a significant effect on consumer loyalty. the description, the hypothesis is formulated as follows:

# H<sub>1</sub>: Price perception has a significant effect on consumer loyalty to Scarlett Cosmetics consumers in the Special Region of Yogyakarta.

According to Kotler & Keller (2012:12) suggests product quality is the ability of a brand to demonstrate its functions. Consumers will judge the suitability between expectations and the results desired by consumers based on the results offered by the company if there is a suitability will have an impact on consumer loyalty or consumers will make repeated purchases if the quality offered is in accordance with the expected results (Tanuwijaya, Rahmawati & Yuniarto, 2022). In line with research conducted by Dennisa & Santoso (2016), product quality has a significant effect on loyalty. Based on the description, the hypothesis is formulated as follows:

# H<sub>2</sub>: Product quality has a significant effect on consumer loyalty to Scarlett Cosmetics consumers in the Special Region of Yogyakarta.

The use of brand ambassadors aims to influence consumers to make purchases. Brand ambassador serves to influence and become a trendsetter for the products the company offers. The hope is that the presence of a brand ambassador can increase consumer purchases and consumer loyalty. When consumers remember a well-known brand, they are more likely to make repeat purchases, especially since the product is already well-known and information is easier to obtain. in line with research conducted by Ghina & Anne (2021) shows that the characteristics of brand ambassadors have a significant effect on loyalty. Based on this description, the following hypothesis is formulated:

H<sub>3</sub>: Brand ambassadors have a significant effect on consumer loyalty in Scarlett Cosmetics consumer in the Special Region of Yogyakarta.

Consumers feel satisfaction when consumers get satisfaction with the price set by a brand so that it has an impact on the loyalty of these consumers. According to Firatmadi (2017:109) states that obtaining loyalty from consumers, companies must pay attention to things that affect customer satisfaction which ultimately consumers will be loyal. Price is one of the variables that affect consumer satisfaction which has an impact on consumer loyalty. Consumers who have a good price perception will make the consumer feel satisfied, if the price offered is in accordance with the performance obtained so that consumers do not hesitate to make repeated purchases. In line with research conducted by Resti & Soesanto (2016), it shows that consumer satisfaction mediates the effect of price perception on consumer loyalty. The explanation above can be concluded that consumers will experience what is called loyalty when consumers feel satisfaction from the price that sets a brand. Based on this description, the following hypothesis is formulated:

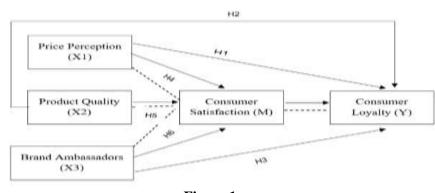
# H<sub>4</sub>: Consumer satisfaction mediates the effect of price perception on consumer loyalty for Scarlett Cosmetics in the Special Region of Yogyakarta.

According to Tjiptono & Diana (2016:231), product quality is the suitability of what is offered to consumers to meet the needs or desires of consumers which then feel satisfied. The product offered if it has good quality will lead to satisfaction, even on the contrary if the quality of the product is less it will lead to consumer dissatisfaction (Putra & Rahmawati, 2022). Consumer satisfaction with quality will make consumers loyal to certain brands and not easily switch to other brands. In line with research conducted by Dennisa & Santoso (2016) shows that consumer satisfaction mediates the effect of product quality on consumer loyalty and significantly affects consumer loyalty through consumer satisfaction. Based on this description, the hypothesis is formulated as follows:

# H<sub>5</sub>: Consumer satisfaction mediates the effect of product quality on consumer loyalty for Scarlett Cosmetics in the Special Region of Yogyakarta.

According to Lonsway (2013:179), brand ambassadors are extras appointed by the company to promote products through their daily activities. The use of brand ambassadors such as artists who are favored by consumers will cause consumers to buy products communicated by the brand ambassadors, from these purchases consumers will evaluate these products, there will be a sense of self-satisfaction if the products used are the products used. also by fans who are brand ambassadors for the product. The use of brand ambassadors will make consumers loyal when they feel their own satisfaction from brand ambassadors appointed by certain brands. This is in line with the research conducted by Putri (2021) which shows the results that brand ambassadors have a significant effect on loyalty which is mediated by consumer satisfaction. Based on this, the hypothesis is formulated as follows:

## H<sub>6</sub>: Consumer satisfaction mediates the influence of brand ambassadors on Scarlett Cosmetics consumer loyalty in the Special Region of Yogyakarta.



The conceptual framework of this research is as follows:

Figure 1. Research Conceptual Framework

#### **RESEARCH METHOD**

This research uses a type of research that is quantitative research. The population in this study were all female consumers of Scarlett cosmetics in the Special Region of Yogyakarta. The sample of this research is some women who have purchased and used Scarlett products at least 2 times. The population of this study is unknown, so to determine the number of samples using the Slovin formula as follows:



Based on the above calculation, the result is 96.04. In this study, researchers used a sample of 100 respondents. The sampling technique used in this study uses non-probability sampling. The technique used is purposive sampling with the research sample criteria being consumers of female Scarlett cosmetics in the Yogyakarta Special Region aged 16-31 years who have purchased and used Scarlett products at least 2 times.

This study uses independent variables, namely price perception (X1), product quality (X2) and brand ambassadors (X3) and the dependent variable is consumer loyalty (Y). In addition, this study also uses consumer satisfaction (Z) as a mediating variable. This study uses primary data obtained from distributing questionnaires to women in the Special Region of Yogyakarta who have purchased and used Scarlett products to date at least 2 times. In addition, this study also uses secondary data obtained from Bisnis.com to obtain information about the growth of the cosmetics industry and uses the website from Scarlett to find out information held by Scarlett. The data collection technique of this research used the questionnaire method, namely by distributing

questionnaires to respondents online and filled in via google form by female consumers in the Special Region of Yogyakarta who bought and used Scarlett products at least 2 times. The instrument testing technique uses validity test analysis and reliability test. Data analysis technique using PLS (Partial Least Square).

1. Evaluation of the Measurement Model (Outer Model)

According to Syahrir, Eni & Yusuf (2020:75) the outer model is a measurement to evaluate the test of the relationship between the construct variable (indicator) and the latent variable. Measurements were carried out through a validity and reliability test approach.

a. Validity Test

Valid data is data that has similarities with data reported by researchers and data that actually occurs. This study used Convergent Validity with a measurement scale for a loading factor value of 0.50 - 0.60 (the loading factor used in this study was > 0.50 and the AVE value was > 0.50).

b. Reliability Test

This study uses composite reliability and Cronbach's Apha values on indicators for internal consistency assessment. The rule of thumb value on composite reliability is 0.6-0.7 and Cronbach's Alpha expectations are > 0.7.

2. Structural Model Evaluation (Inner Model)

The coefficient of determination (R Square) is a method used to see the size of the exogenous construct. The expected value is between 0 and 1 with a value of = 0.75 (strong model), 0.50 (moderate model), 0.25 (weak model). The path coefficient aims to determine the significance and strength of the relationship on the hypothesis. The higher the value of R Square, the better the prediction model of the research model.

3. Hypothesis Making and Hypothesis Testing

Decision making based on P-values in the PLS model. The level of confidence or significance that is set is 0.05 with a possible error of 5%. the probability of a decision being taken is 95% with the basis taken in this study as follows: if the P-value 0.05 then  $H_0$  is rejected and ha is accepted and if the P-value is > 0.05 then  $H_0$  is accepted and ha is rejected.

4. Mediation Hypothesis Testing

The mediation hypothesis can be tested using three types of decision making namely (Sholihin & Ratmono, 2013: 5):

- a. The path coefficient that connects the independent variables in the form of price perception variables, product quality and brand ambassadors with the dependent variable in the form of consumer loyalty variables from direct influence to indirect influence from significant to insignificant, so that those that will be accepted H0 then those that are rejected Ha are rejected (not mediation).
- b. The path coefficient that connects the independent variables in the form of price perception variables, product quality and brand ambassadors with the dependent variable in the form of consumer loyalty variables from direct to indirect effects remains significant, so that H0 will be rejected and Ha will be accepted (partial mediation).
- c. The path coefficient that connects the independent variables in the form of price perception variables, product quality and brand ambassadors with the dependent variable in the form of consumer loyalty variables from direct influence to indirect influence from insignificant to significant, so that H0 is rejected and Ha will be accepted (full mediation).

### **RESULT AND DISSCUSION**

#### **Description of Respondents Characteristics**

Based on Table 2, it is known that respondents who live in Sleman Regency make the most purchases of Scarlett products with a total of 50 respondents. While the characteristics of respondents based on age, Scarlett products are mostly used by female consumers aged 20-23 years as many as 69 respondents. Characteristics of respondents based on occupation, the Scarlett product is widely used by students as many as 79 respondents. Meanwhile, the characteristics of

respondents based on income or pocket money of respondents who have an income of <IDR1.000.000 who often buy and use products from Scarlett are 50 respondents. Characteristics of respondents based on the frequency of purchase more than 2 times who bought scarlett products as many as 61 respondents.

#### Testing the measurement model (Outer Model)

- a. Validity Test
  - (1) Convergent Validity

No	Variable	Value AVE	Status
1	Price perception	0.637	Valid
2	Product quality	0.554	Valid
3	Brand Ambassador	0.558	Valid
4	Consumer Loyalty	0.715	Valid
5	Consumer Satisfaction	0.810	Valid

This study measures the convergent validity test using Average Variance Extracted (AVE). Table 3 above shows that all values in the Average Variance Extracted (AVE) are concluded to be valid because the AVE value is > 0.05.

#### (2) Discriminant Validity

Table 4. AVE Root Value and Latent Variable Correlation					
	PH	KP	DM	KK	LK
PH	(0.798)	0.715	0.464	0.700	0.681
KP	0.715	(0.744)	0.545	0.653	0.741
DM	0.464	0.545	(0.747)	0.645	0.579
LK	0.700	0.653	0.645	(0.846)	0.741
KK	0.681	0.741	0.579	0.741	(0.900)

If a model has a large enough discriminant validity value, where AVE has a correlation between other constructs in a smaller sample than the roots for each construct. Table 4 above shows that all the AVE root values and the latent variable correlations are concluded to be valid, this is because the latent variable correlation values are smaller than the AVE root values.

#### b. Reliability Test

Table 5 Value Cronbach's Alpha and Composite Reliability				
Variable	Cronbach's Alpha	Composite Reliability	Status	
Price perception	0.855	0.897	Refiable	
Product quality	0.838	0.881	Reliable	
Brand Ambassador	0.797	0.862	Reliable	
Consumer Loyalty	0.920	0.938	Reliable	
Consumer Satisfaction	0.922	0.945	Reliable	
Source: Processed prir	nary data (2022)			

Table 5 above shows the composite reliability and Cronbach's Alpha values are all reliable, this is due to the Composite Reliability value of 0.6 and Cronbach's Alpha of > 0.7. The variable that has the highest Cronbach's Alpha value is the consumer loyalty variable, while the lowest is the brand ambassador variable. In composite reliability, the variable that has the highest value is the consumer loyalty variable, while the lowest value is the product quality variable.

#### The Meaning of R<sup>2</sup> and Evaluation of the Structural Model (Inner Model)

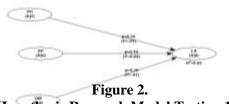
alue
$R^2$
0.630
0.674

The expected value is between 0 and 1 with a value of = 0.75 (strong model), 0.50 (moderate model), 0.25 (weak model). Based on Table 6 above, it is known that the construct of consumer satisfaction has a value of R<sup>2</sup> 0.630 which means that the variability and diversity of the constructs of the consumer satisfaction variable can be explained by the variable price perception, product quality and brand ambassadors by 63% while the rest can be explained by other variables outside the model. this study amounted to 37%. While the consumer loyalty variable construct has an R<sup>2</sup> value of 0.674, which means that the variability or diversity of the consumer loyalty construct can be explained by the price perception, product quality and brand ambassador variables of 67.4% while the rest can be explained by other variables outside this research model of 67.4%. 32.6%.

#### **Evaluation of the Structural Model (Inner Model)**

a. Hypothesis Testing 1-3

The first step in the research model is to estimate the direct effect between the independent variable and the dependent variable, the direct influence between the variables of price perception, product quality, and brand ambassadors on consumer loyalty. The results of the estimation of the direct effect are known in the form of the following image which is processed using WarpPLS 7.0:



Hypothesis Research Model Testing 1-3 Source: Processed primary data (2022)

The significance used in this study is 0.05, the probability of making a decision is 95% and the probability of error is 5% by using a probability (P) value, namely H0 is accepted if the P-value significance value 0.05 and Ha is accepted if the P-significance value is value < 0.05.

No	Hypothesis	Path Coefficient	P-Value	Description
1	PH-LK	0.386	< 0.001	Significant
2	KP-LK	0.189	0.025	Significant
3	DM-LK	0.351	< 0.001	Significant

Source: Processed primary data (2022)

Information:

- PH : Price Perception
- KP : Product Quality
- DM : Brand Ambassador
- LK : Consumer Loyalty

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Based on Table 7 above, the test results on hypothesis 1 show that the path coefficient value is 0.386 and P-value < 0.001, which means that price perception has a significant effect on consumer loyalty, proven P-value < 0.001 < 0.05. These results mean that the better the perception of consumer prices on Scarlett in terms of price affordability, price suitability and price competitiveness, it will create an attitude of loyalty to consumers with a 95% confidence level and 5% error.

While the test results on hypothesis 2 show that the path coefficient value is 0.189 and the P-value is 0.025, which means that product quality has a significant effect on consumer loyalty, it is proven that the P-value is 0.025 < 0.05. These results mean that the better the quality of the products provided by Scarlett through the performance, features and durability of each product, it will lead to loyalty from consumers. While the test results on hypothesis 3 show that the path coefficient value is 0.351 and P-value <0.001, which means that brand ambassadors have a significant effect on consumer loyalty, proven P-value <0.001 <0.05. These results mean that the better the level of consumer confidence in the brand ambassadors appointed by Scarlett will lead to an attitude of loyalty for consumers.

b. Hypothesis Testing 4-6 with mediating effect

The next step in this study is to estimate the indirect effect simultaneously between the independent and dependent variables by adding a mediating variable between these variables. The researcher added a mediating variable, namely consumer satisfaction in mediating the influence of price perception variables, product quality, and brand ambassadors on loyalty to estimate the indirect effect carried out by researchers. The estimation results of the indirect effect are known in the following figure:

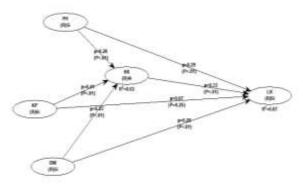


Figure 3. Hypothesis Research Model Testing 4-6 Source: Processed primary data (2022)

Table 8. Estimation Results Indirect Effect					
No	Hypothesis	Path Coefficient	P-Value	Description	
1	PH-KK-LK	0.289	0.001	Significant	
2	KP-KK-LK	0.056	0.254	Not Significant	
3	DM-KK-LK	0.277	0.002	Significant	

Source: Processed primary data (2022)

Information:

- PH : Price Perception
- KP : Product Quality
- DM : Brand Ambassador
- KK : Consumer Satisfaction
- LK : Consumer Loyalty

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Based on Table 8 above, the results of the research on hypothesis 4 show that consumer satisfaction partially mediates the effect of price perception on consumer loyalty. The path coefficient value of price perception on consumer loyalty before mediation is 0.386 with p-value < 0.001 (in Table 7 Direct Effect) and the path coefficient value of price perception on consumer loyalty after entering consumer satisfaction as a mediating variable is 0.289 and p-value is 0.001 (at Table 8 Indirect Effect) because the path coefficient value of the effect of price perception on consumer loyalty after including consumer satisfaction as a mediating variable decreased from 0.386 to 0.289 and the p-value remained significant, then H0 was rejected and Ha4 was accepted, which means that price perception affects loyalty. consumers by being mediated in part by consumer satisfaction.

These results can be interpreted that the price perception of consumers can affect directly and indirectly on consumer loyalty mediated by consumer satisfaction. Therefore, the more affordable consumers' perceptions of prices for Scarlett products will create loyalty for consumers both directly and indirectly through the role of consumer satisfaction as a mediation with a 95% confidence level and 5% error.

While the results of research on hypothesis 5 indicate that consumer satisfaction does not mediate the effect of product quality on consumer loyalty. The path coefficient value of product quality on consumer loyalty before mediation is 0.189 with a p-value of 0.025 (in Table 7 Direct Effect) and the path coefficient value of product quality on consumer loyalty after entering consumer satisfaction as a mediating variable is 0.056 and a p-value of 0.254 (in Table 8 Indirect Effect) because the path coefficient value of the influence of product quality on consumer loyalty after including consumer satisfaction as a mediating variable decreased from 0.386 to 0.289 and the p-value became insignificant, then H0 was accepted and Ha5 was rejected, which means consumer satisfaction does not mediate the effect of product quality. to consumer loyalty.

These results can be interpreted that the effect of product quality on consumer loyalty is mediated by consumer satisfaction, meaning that the product quality of Scarlett is not able to significantly affect loyalty without going through customer satisfaction. Research conducted by Septian (2020) suggests that offering high product quality will have an impact on consumer satisfaction which will ultimately create loyalty from consumers. Therefore, the better product quality from Scarlett will not significantly increase customer loyalty without going through customer satisfaction as a mediating variable with a 95% confidence level and 5% error. It is hoped that Scarlett needs to increase consumer satisfaction with product quality so as to create consumer loyalty.

While the results of the research on hypothesis 6 indicate that consumer satisfaction partially mediates the influence of brand ambassadors on consumer loyalty. The path coefficient value of brand ambassadors on consumer loyalty before mediation is 0.386 with p-value <0.001 (in Table 7 Direct Effects) and the value of brand ambassadors' path coefficient on consumer loyalty after entering consumer satisfaction as a mediating variable is 0.289 and p-value is 0.001 (at Table 8 Indirect Effect) because the path coefficient value of the influence of brand ambassadors on consumer loyalty after including consumer satisfaction as a mediating variable has decreased from 0.386 to 0.289 and the p-value remains significant, then Ho is rejected and Ha6 is accepted which means consumer satisfaction mediates the influence of brand ambassadors to consumer loyalty.

These results can be interpreted that consumer satisfaction mediates the influence of brand ambassadors on consumer loyalty, meaning that brand ambassadors can influence directly and indirectly on consumer loyalty mediated by consumer satisfaction. Therefore, the higher the level of consumer confidence in brand ambassadors will create loyalty for consumers both directly and indirectly through the role of consumer satisfaction as a mediation with a 95% confidence level and 5% error.

#### Discussion

## 1. Price perception has a significant effect on consumer loyalty to Scarlett Cosmetics consumers in the Special Region of Yogyakarta

The test results on Hypothesis 1 of this study indicate that price perception has a significant effect on consumer loyalty for Scarlett cosmetics in the Special Region of Yogyakarta. These results are supported by the path coefficient analysis of 0.386 and the P-value of price perception on consumer loyalty of <0.001 smaller than 0.05. This means that Hypothesis 1 is supported by data and the more affordable the price given will provide a good price perception by consumers towards Scarlett and will encourage an attitude of loyalty from within the consumer.

The results of this study are in line with research conducted by Retnowulan (2017) which shows the results of price perception have a significant effect on consumer loyalty. The results of descriptive analysis on price perception variables based on consumer assessments of Scarlett cosmetic products which have the lowest score, namely "The price of each Scarlett product is quite affordable compared to other brands" which is included in the affordable category with an average score of 3.13, meaning the price set by Scarlett, according to consumer assessments, it is still affordable with other cosmetic brands. The statement item that has the highest score is "The price offered by Scarlett is in accordance with the quality offered" with a score of 3.41 which is included in the very affordable category, meaning that consumers judge that the prices of the products offered are in accordance with those felt by Scarlett consumers. The total average score of 3.28, which means that in the very affordable category Scarlett is able to provide very affordable prices for consumers for each Scarlett product so that it can create an attitude of loyalty.

2. Product quality has a significant effect on consumer loyalty to Scarlett Cosmetics consumers in the Special Region of Yogyakarta

The test results in Hypothesis 2 in this study indicate that product quality has a significant effect on consumer loyalty for Scarlett cosmetics in the Special Region of Yogyakarta. These results are supported by the path coefficient analysis of 0.189 and the P-value of product quality on consumer loyalty of 0.025, which is smaller than 0.05. This means that Hypothesis 2 is supported by data and consumers feel the quality of each product received is in accordance with the promised price and quality so as to form a positive assessment from consumers so that it has an impact on loyalty attitudes.

The results of this study are in line with research conducted by Dennisa & Santoso (2016) in their research showing that product quality has a significant effect on consumer loyalty. The results of descriptive analysis on consumer quality variables based on consumer assessments of Scarlett cosmetic products which have the lowest score are "Scarlett provides maximum results as promised" with an average score of 3.11 which is in the good category, meaning that consumers rate Scarlett products still not delivering the promised results, so Scarlett needs to improve the quality of the product to match what is claimed in the product. The statement item that has the highest score is "Scarlett offers the product I need" with an average score of 3.44 is included in the very good category, meaning that consumers' assessments that Scarlett's products currently provide the products that consumers need to solve the problems faced by consumers are in accordance with with the function of each type of Scarlett product. The total average score overall for the product quality variable is 3.35 which is included in the very good, meaning that Scarlett strives to continuously improve product quality so that consumers become loyal to Scarlett products.

**3.** Brand ambassadors have a significant effect on consumer loyalty to Scarlett Cosmetics consumers in the Special Region of Yogyakarta

The test results on Hypothesis 3 of this study indicate that brand ambassadors have a significant effect on consumer loyalty to Scarlett cosmetics consumers in the Special Region of

Yogyakarta. These results are supported by the path coefficient analysis of 0.351 and the P-value of brand ambassadors on consumer loyalty of <0.001 which is smaller than 0.05. This means that Hypothesis 3 is supported by data, the more reliable the brand ambassador appointed by Scarlett will create a positive assessment of the Scarlett brand and by itself the sense of trust will lead to an attitude of loyalty from consumers.

The results of this study are in line with previous research conducted by Ghina & Anne (2021) whose research results show that the characteristics of brand ambassadors have a significant effect on consumer loyalty. The results of descriptive analysis on the brand ambassador variable based on consumer assessments of Scarlett's cosmetic products which have the lowest score, namely "the artist appointed by Scarlett is my idol" with an average score of 3.14 is included in the trusted category, meaning that Scarlett consumers consider that the artist who the use of Scarlett as a brand ambassador not all consumers idolize it. Scarlett became a South Korean artist, one of which was Song Joong Ki as a brand ambassador. Maybe Some consumers idolize but some don't, so Scarlett needs to update the idols that are liked by her consumers. The statement item that has the highest score "artist used by Scarlett as a popular brand ambassador among consumers" is included in the very trusted category with an average score of 3.66, meaning that consumers strongly believe in Scarlett's brand ambassador so that the attitude of trust shown creates an attitude of loyalty consumer.

#### 4. Consumer satisfaction mediates the effect of price perception on consumer loyalty for Scarlett Cosmetics in the Special Region of Yogyakarta

The results of Hypothesis 4 show that consumer satisfaction partially mediates the effect of price perception on consumer loyalty to Scarlett consumers. It can be seen from the results of the path coefficient from direct effect to indirect effect, namely the path coefficient value of 0.386 decreased to 0.289 and remains significant. These results can be interpreted that price perception has a significant effect on loyalty through consumer satisfaction as a mediation. The result H4 is accepted and supported by data with consumer satisfaction as a partial mediation which shows that the variable consumer satisfaction mediates the effect of the price perception variable on consumer loyalty.

This research is in line with previous research conducted by Firatmadi (2017) showing that price perception has a significant effect on consumer loyalty with consumer satisfaction as a mediation. The results of this study can be interpreted that the more affordable the pricing on Scarlett products and as desired by consumers will cause these consumers to feel very satisfied so that it has an impact on consumer loyalty, which means consumers will continue to purchase Scarlett products. The increase in Scarlett's consumer loyalty can be through the satisfaction felt by Scarlett consumers through the perception of prices set by consumers.

## 5. Consumer satisfaction does not mediate the effect of product quality on consumer loyalty for Scarlett Cosmetics in the Special Region of Yogyakarta

The results of hypothesis 5 show that consumer satisfaction does not mediate the effect of product quality on consumer loyalty to Scarlett consumers. It can be seen from the path coefficient results from direct effects to indirect effects, namely the path coefficient value of 0.189 decreased to 0.056 and the value is not significant. These results can be interpreted that product quality has a significant effect on loyalty without going through consumer satisfaction as a mediation. The result H5 is rejected and supported by data with no mediation of consumer satisfaction, the variable of consumer satisfaction does not mediate the effect of product quality on consumer loyalty.

This study is in line with research conducted by Murti & Ngatno (2020). which shows that the results of consumer satisfaction do not mediate the relationship between product quality and loyalty, while research conducted by Nugroho & Magnadi (2018) shows that consumer satisfaction mediates the relationship between product quality and customer loyalty. According to Tjiptono & Diana (2016:231), product quality is the suitability of what is offered to consumers to meet their needs which are then felt satisfaction so that consumers remain loyal and do not easily switch to other brands. The results of this study can be interpreted that

Scarlett needs to increase consumer satisfaction on the quality of its products so that consumers do not easily switch to other brands. The higher consumer satisfaction with product quality, the higher the attitude of consumer loyalty to Scarlett products.

6. Consumer satisfaction mediates the influence of brand ambassadors on consumer loyalty for Scarlett Cosmetics in the Special Region of Yogyakarta

The results of Hypothesis 6 show that consumer satisfaction partially mediates the effect of price perception on consumer loyalty to Scarlett consumers. It can be seen from the path coefficient results from direct effects to indirect effects, namely the path coefficient value of 0.351 decreased to 0.227 and remains significant. These results can be interpreted that brand ambassadors have a significant effect on loyalty through consumer satisfaction as a mediation. The result H6 is accepted and supported by data with consumer satisfaction as partial mediation which means that the independent variable (brand ambassador) is able to significantly influence the dependent variable (consumer loyalty) either directly or indirectly through the mediating variable (consumer satisfaction).

This research is in line with research conducted by Putri (2021) which shows the results that brand ambassadors have a significant effect on consumer loyalty through consumer satisfaction as a mediation. The results of this study can be interpreted that the higher Scarlett builds consumer trust through brand ambassadors, the higher consumer satisfaction will arise which will increase the loyalty attitude of Scarlett consumers. Brand ambassadors play an important role in having an impact on consumer loyalty, meaning that consumers have a satisfied assessment of the artist who is appointed as a brand ambassador with consumers themselves continuing to make purchases.

### CONCLUSION

This conclusion is seen from the results of the research and discussion described above as follows:

- 1. The first hypothesis shows that the price perception variable has a significant effect on consumer loyalty at Scarlett Cosmetics in the Special Region of Yogyakarta.
- 2. The second hypothesis shows the result that the product quality variable has a significant effect on consumer loyalty at Scarlett Cosmetics in the Special Region of Yogyakarta.
- 3. The third hypothesis shows that the brand ambassadors variable has a significant effect on consumer loyalty to Scarlett Cosmetics in the Special Region of Yogyakarta.
- 4. The fourth hypothesis shows the result that the price perception variable has a significant effect on consumer loyalty partially mediated by consumer satisfaction at Scarlett Cosmetics in the Special Region of Yogyakarta.
- 5. The fifth hypothesis shows the result that the product quality variable has no significant effect on consumer loyalty mediated by consumer satisfaction at Scarlett Cosmetics in the Special Region of Yogyakarta.
- 6. The sixth hypothesis shows the results that the brand ambassador variable has a significant effect on consumer loyalty mediated in part by consumer satisfaction at Scarlett Cosmetics in the Special Region of Yogyakarta.

#### Suggestion

If seen from the research results and conclusions that have been described above, the researcher suggests several things in this study. Related to price perception variable, Scarlett's product prices are pretty affordable compared to other brands. Scarlett needs to increase the product's benefits, namely the whitening that is always claimed for each product, so that it becomes hope for consumers for better quality. Scarlett cosmetics can do this by setting prices that match the quality offered. Scarlett also needs to pay attention to strategies in setting more varied prices according to their target consumers. As seen in the discussion of this study, most students use their products. Scarlett's products need to improve the quality of their products to match those offered to consumers so that consumers have an outstanding assessment of each use

of their products.

Regarding the artists appointed by Scarlett, they are consumers' idols with indicators of strength, so Scarlett needs to replace the newest idols that are currently popular with consumers so that they can attract consumers to continue using Scarlett's products. Scarlett's consumer satisfaction is more again paying attention to the benefits of each product so that it remains following what has been claimed for each type of product. If the overall benefit is for the brightening effect, Scarlett should be able to prove that what happens to the consumer's skin brightens.

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