The Effect of Product Innovation and Brand Image on Purchase Intention of Citra Hand and Body Products in Surabaya

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ARTICLE INFO	ABSTRACT
	The skincare industry is one of the world's fastest expanding sectors, including in Indonesia. Skin care has become an integral part of the modern lifestyle, not only as an effort to maintain healthy skin, but also as a self-expression and confidence booster. Product innovation and brand image on Citra hand and body that is positive will build consumer confidence in the product or company. The intention of this study is to identify and analyze the impact of product innovation and brand image on purchasing interest in hand and body image items in Surabaya. This study makes use of primary data derived from questionnaire responses. The population of this study are people who live in Surabaya who know and know Citra hand and body products. The sample used was 84 respondents with purposive sampling technique. The results showed that product innovation and brand image have a significant positive effect on buying interest in Citra hand and body products in Surabaya.

Keywords: Brand Image, Hand and Body Citra, Product Innovation, Purchase Intention. |

INTRODUCTION

The skincare industry has become one of the fastest expanding industries globally., including in Indonesia. This growth is fuelled by various factors, including increased awareness of skin health, lifestyle changes, and increased purchasing power. Skincare has become an integral part of the modern lifestyle, not only as an effort to maintain healthy skin, but also as a self-expression and confidence booster. The changing mindset and habits of customers about skincare have resulted in the development of dynamic and new trends in the beauty business.

One of the most noticeable trends in skincare is the increased awareness of the importance of regular skincare. People are increasingly recognising that skincare is not just about physical appearance, but also a long-term investment in skin health. Women are more likely to invest heavily in quality skincare products than sports or haircare products. (Sumber: Driveresearch, 2023)

Being beautiful is something that all women aspire to. Moreover, the definition of beautiful according to Indonesian women is very diverse, they have various ethnicities, races and cultural backgrounds. Every woman has her own view of what makes them feel beautiful and the desire of Indonesian women who care about the health of their skin and ambition to change their skin to become brighter makes an opportunity for companies in the beauty sector. (Sumber: ZAP Beauty Index, 2023) This is reflected in the increasing demand for skincare products that not only deliver cosmetic results, but also provide effective skin nourishment and protection. This phenomenon is not only happening on a global level, but also permeates local markets such as Indonesia. Over the past few years, the demand for skincare products in Indonesia has continued to increase, both from the male and female consumer segments. Indonesians are increasingly realising the importance of skincare as part of their beauty and health routine. This is reflected in the increasing sales of skincare products across various distribution channels, from traditional stores to e-commerce.

Unilever is one example of a leading multinational company that operates in various consumer product sectors, including personal care, and household care and has grown to become one of the global leaders in the consumer industry. Unilever is known for its broad and diverse brand portfolio, including well-known brands such as Dove, Sunsilk, Citra and many more. The company has a strong presence around the world, with operations in more than 190 countries. Citra is a beauty brand with natural ingredients from the strong heritage of Indonesian culture cultivated across the country for more than 20 years. The brand was originally known as Hand & Body Lotion and is now expanding into other segments such as Liquid Soap, Body Scrub, Facial Cleanser and Facial Moisturiser. Citra's target consumers are women between 15 to 35 years old. The following table shows the Top Brand Index of Citra Hand and body in the skincare category in 2020 – 2023 :

Table 1 Top Brand Index Category Skincare

2020		2021		2022		2023	
Brand	TBI (%)	Brand	TBI (%)	Brand	TBI (%)	Brand	TBI (%)
Citra	40.30 %	Citra	30.40 %	Citra	34.40 %	Citra	29.80 %
Marina	20.40 %	Marina	17.10 %	Marina	18.50 %	Marina	18.90 %
Nivea	22.90 %	Nivea	26.70 %	Nivea	24.80 %	Nivea	26.80 %
Vaseline	6.30 %	Vaseline	2.60 %	Vaseline	4.00 %	Vaseline	2.70 %
Body Shop	-	Body Shop	11.90 %	Body Shop	9.60 %	Body Shop	10.00 %

Source: Top Brand Award

According to Top Brand Index data for the skincare category above, it can be seen that in 2020 Citra hand and body products ranked the top with a percentage of 40.30%. In 2021, Citra hand and body products still rank at the top but have decreased by 9.9% to 30.40%. Where in 2021 all countries in the world including Indonesia must face the Covid-19 pandemic so that sales of Citra hand and body products are also affected by this event. Furthermore, in 2022, Citra hand and body products experienced an increase but only by 4% to 34.40%. However, in 2023, Citra hand and body products experienced a decline of 4.6% back to 29.80%, this happened because of the increasing number of competitors who were increasingly aggressive in marketing their products. Along with the times and technology, other brands of hand and body products are also improving in innovating products according to the needs of the community, so that it can cause consumers to switch to other products. The number of competitors that have emerged makes Citra hand and body products have to be even harder in building product innovations so that they can increase their sales in the Indonesian market. However, Citra hand and body products still have many

enthusiasts and are the leading hand and body products in the skin care category, this can be seen from Citra hand and body which ranks top in the Top Brand Index data.
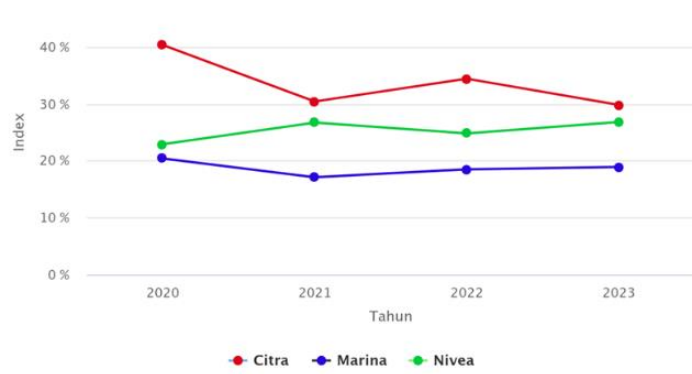

Figure 1 Graphic Top Brand Index Citra, Marina, dan Nivea
Source : Top Brand Award

From the graph above, it can be seen that Citra hand and body products occupy the first position in the Top Brand Index even though it has not increased significantly, this happens because Citra hand and body products experience success in instilling brand image into the minds of consumers. A positive Citra hand and body brand image builds consumer confidence in the product or company. With the right brand image, companies can attract desired market segments and influence consumers' perceptions of their products or services. A strong brand image opens the door for a company to expand into new markets or expand its product line more easily.

In addition, technological developments and innovations in skincare product formulations have also played an important role in expanding the market. Skincare companies are also constantly innovating by coming up with products that are more effective, safe, and suited to the needs of modern consumers. In addition, the trend of using natural and organic ingredients is also gaining popularity among consumers who are more concerned about health and the environment. Such is the case with Citra's Hand and Body products that help brighten the skin. Starting from the most traditional way to sophisticated with the latest technology. Nonetheless, the growth of the skincare industry in Indonesia is also faced with several challenges, including intensified competition between local and international brands, government regulations related to product counterfeiting, and the level of consumer awareness that still needs to be improved regarding the selection of the right products for their skin type.
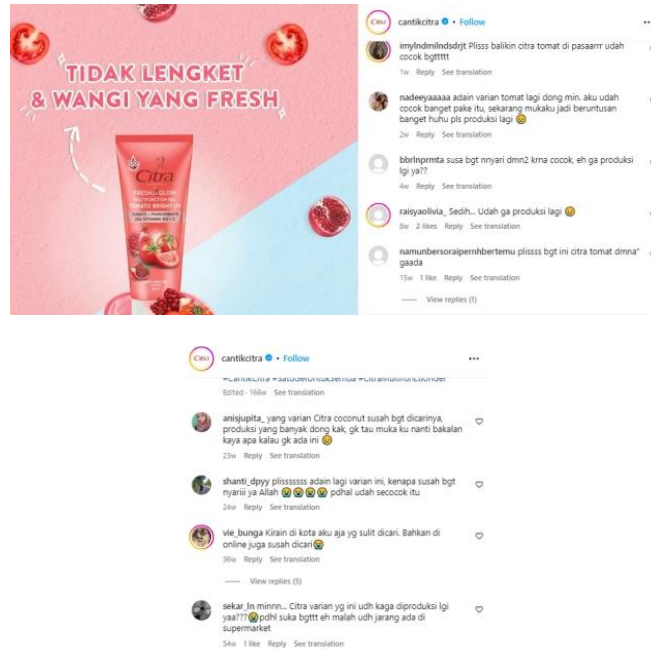
Figure 2 Comment Section Instagram Citra
Source : Instagram Account @cantikcitra

Reporting from Instagram @cantikcitra Citra fresh glow is one of the products that are sought after by the public, consumer comments on the feeds mention that the tomato variant of Citra fresh glow products is now difficult to find and some say that Citra fresh glow has stopped production. Many people regret this because the variant that is a consumer favourite because it suits and matches the consumer's skin must stop production..
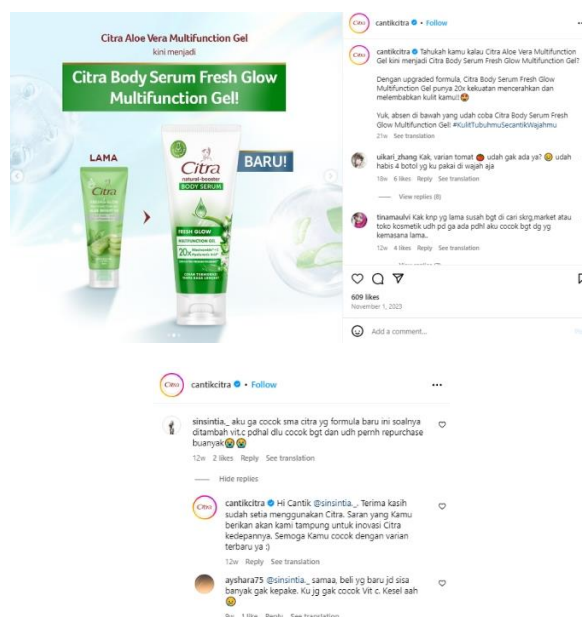

Figure 3 Comment Section Instagram Citra
Source : Instagram Account @cantikcitra

Also reported on Instagram @cantikcitra that Citra continues to do and inspire with their latest innovations in skincare products. One of the latest innovations they present is the new formulation of Citra body serum which is now making changes to the product packaging. In addition, Citra body serum also made changes to the formula which initially used natural aloe vera and vit b3 + E now changed to natural aloe vera and niacinamide + vit C. Citra continues to conduct market research and studies to understand the skin needs of consumers in various regions. Thus, they can develop products that suit local skin conditions, both in terms of climate, culture, and consumer preferences. However, this is still contradicted by the public's opinion that the formulation contains vit c, which causes some consumers to feel unsuitable so they do not repurchase and end up unused.

But Kotler and Keller in (Istiono & Kurniasih, 2022) confirmed that innovation is not limited to the development of new products or services. Innovated products are products that consumers perceive as new products or services. In summary, product innovation can be described as the relationship between new products and existing products.

Brand image is defined as the perception of the brand in the minds of consumers. Escalas and Bettman state that consumers incorporate different brands into their own identity and as part of themselves. Brand image develops or changes over time depending on people's interactions and experiences with the brand; the addition of brand associations leads to changes in brand image. (Mañosca et al., 2022). As with Citra products, although it is able to become a superior product, the top brand percentage value continues to decline.

Apart from the product innovation factor, it turns out that brand image is also a factor that influences buying interest. Brand is also the most important thing, because the brand will carry the image of a company. The company must try to create a brand image in the community about its comfortable products in order to have a competitive advantage in its field. This association can be created due to the direct experience of consumers of goods and services or information that has been communicated by the company itself. Previous research that explains the variables to be studied, as well as a basic reference in this study is research conducted by (Istiono & Kurniasih, 2022) with the title "Pengaruh Inovasi Produk Dan Brand Image Terhadap Minat Beli (Studi Pada Konsumen Wild Original Di Kota Majalengka)". The results showed that Product Innovation and Brand Image had a positive and significant effect simultaneously on buying interest. In addition, previous research conducted in this basic reference was also conducted by (Sukma P et al., 2021) with the title "Pengaruh Green Marketing, Inovasi Produk, dan Brand Image Terhadap Minat Beli Studi Pada Mahasiswa Mahasiswi FE UST Konsumen KFC". Based on the results of the study, it shows that there is a positive influence of Green Marketing, Product Innovation, and Brand Image on Purchase Intention.

In the end, innovation product and brand image still plays an important role in people's buying interest. So from the above phenomena and data, the authors chose to conduct research with the title 'The Effect of Product Innovation and Brand Image on Interest in Buying Citra Hand and Body Products in the Surabaya Region' with the hypothesis in this study, wich is:
H1 : It is suspected that Product Innovation has a positive effect on buying interest in hand and body image products in Surabaya.
H2 : It is suspected that Brand Image has a positive effect on buying interest in hand and body products in Surabaya.

METHODS

Innovation is any good, service, or idea that is considered new by someone, no matter how long the history is, the spread of new ideas from the source of discovery or creation to the end user or adopter. Indicators of product innovation according to Setiadi (2019: 327) consist of: Relative

advantage (X1.1), Compatibility (X1.2), Complexity (X1.3), Triability (X1.4), Observability (X1.5). Brand Image is a perception or signal generated from brand user consumers. Indicators on Brand Image variables according to Aaker and Biel (2009) include: Corporate image (X2.1), Product image (X2.2), User image (X2.3). Interest in a brand is consumer behaviour that arises in response to an object that shows consumers' desire to make a purchase of a brand. Indicators on the purchase interest variable according to (Ferdinand, 2014) include: Transactional interest (Y.1), Referential interest (Y.2), and Preferential interest (Y.3)

This form of research employs quantitative techniques. The study's population consists of Surabaya residents who are familiar with Citra hand and body products. The sample technique employed in this study is non-probability sampling combined with purposive sampling, which means that the sampling is chosen depending on the desired features. This study's criteria include persons who live in Surabaya and are familiar with Citra hand and body products. Furthermore, sampling in this study is based on the Hair formula because the population size cannot be determined with confidence. According to Hair et al. (2020), the number of samples is calculated using a formula that multiplies the number of indicators by 5 to 10. The study's sample size was 84 respondents, calculated by multiplying 12 by 7. This study's data source is primary data in the form of respondents' responses gathered through the distribution of online questionnaires based on the variables Product Innovation (X1), Brand Image (X2), and Purchase Intention (Y). The variable measurement approach utilized in this study is an ordinal scale with Likert weighting of 1 to 5, where 1 represents strongly disagree and 5 represents strongly agree. The data analysis technique employs Partial Least Squares (PLS) version 4.0 analysis. PLS can be used to compare the dependent and independent variables.

RESULTS AND DISCUSSION

Table 2. Outer Loading

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ($\lvert$O/STDEV$\rvert$)
X1.1 <- Inovasi Produk (X1)	0.813	0.800	0.084	9.637
X1.2 <- Inovasi Produk (X1)	0.799	0.798	0.079	10.053
X1.3 <- Inovasi Produk (X1)	0.704	0.672	0.125	5.651
X1.4 <- Inovasi Produk (X1)	0.712	0.658	0.160	4.447
X1.5 <- Inovasi Produk (X1)	0.625	0.606	0.144	4.353
X2.1 <- Brand Image (X2)	0.573	0.528	0.180	3.184
X2.2 <- Brand Image (X2)	0.809	0.819	0.064	12.725
X2.3 <- Brand Image (X2)	0.768	0.737	0.139	5.524
Y.1 <- Minat Beli (Y)	0.658	0.630	0.127	5.196
Y.2 <- Minat Beli (Y)	0.847	0.844	0.039	21.946
Y.3 <- Minat Beli (Y)	0.843	0.844	0.042	20.132
Y.4 <- Minat Beli (Y)	0.729	0.713	0.107	6.843

Source : Data diolah

According to outer loading table above, all reflective indicators on the Product Innovation (X1), Brand Image (X2), and Purchase Intention (Y) variables retrieved factor loading (original sample) greater than 0.5 and or significant (T-Statistic value is more than the Zα value of 0.05 (5%) 1.96), thus the estimation results of all indicators have met Convergent validity or good validity.

Table 3 Average Variance Extracted (AVE)

	AVE
X1. Inovasi Produk	0.538
X2. Brand Image	0.524
Y. Minat Beli	0.598

Source : Data diolah

The AVE test findings for the product innovation variable (X1) are 0.538; brand image (X2) is 0.524; and purchase intention (Y) is 0.598. So it may be read as all of these variables exhibit a value of > 0.5, so the variables in this study can be stated to have strong validity.

Table 4 Composite Reliability

	Composite Reliability
X1. Inovasi Produk	0.853
X2. Brand Image	0.764
Y. Minat Beli	0.855

Source : Data diolah

The composite reliability test findings suggest that the product innovation variable (X1) is 0.853, brand image (X2) is 0.764, and purchase intention (Y) is 0.855. All of these variables have a composite reliability value of more than 0.7, indicating that all variables in this research are trustworthy.

Table 5 Latent Variable Correlations

	X1. Inovasi Produk	X2. Brand Image	Y. Minat Beli
X1. Inovasi Produk	1000	0.454	0.656
X2. Brand Image	0.454	1000	0.571
Y. Minat Beli	0.656	0.571	1000

Source : Data diolah

From the latent variable correlations table above, it can be seen that the highest correlation is between the product innovation variable (X1) and purchase intention (Y) with a value of 0.656 This shows that in this research model, the relationship between product innovation (X1) and purchase intention (Y) is stronger than the relationship between other variables. This can be interpreted that in this research model, the level of purchase intention tends to be more influenced by product innovation variables than other variables.

Table 6 R-square

	R- Square
Y. Minat Beli	0.525

Source : Data diolah

In the table above, the R-Square value is 0.525, indicating that the model can explain 52.5% of the variation in Purchase Intention caused by the independent variables, namely product innovation (X1) and brand image (X2). The remaining 47.5% is explained by variables not considered in this study. Additionally, the path coefficient on the inner model can be observed.

Table 7 Pengujian Hipotesis

	Path Coeffision	Pengujian Hipotesis		
		T Statistics T-Tabel	P - Values	Hasil
Inovasi Produk (X1) → Minat Beli (Y)	0.344	2.156 > 1,96	0.031 < 0,5	Signifikan
Brand Image(X2) →				Signifikan

| Minat Beli (Y) | 0.500 | 3.243 > 1,96 | 0.001 < 0,5 | |

Source : Data diolah

Product Innovation (X1) has a positive influence on Purchase Intention (Y), with a path coefficients value of 0.344 and a T-statistic value of 2.156. This is greater than the T-table value (Zα value = 0.05 (5%)) = 1.96 with P-values 0.031 <0.05, indicating a significant (positive)

Brand Image (X2) has a positive influence on Purchase Intention (Y), with a path coefficients value of 0.500 and a T-statistic value of 3.243. This is greater than the T-table value (Zα value = 0.05 (5%)) = 1.96 with P-values 0.001 <0.05, indicating a significant (positive).
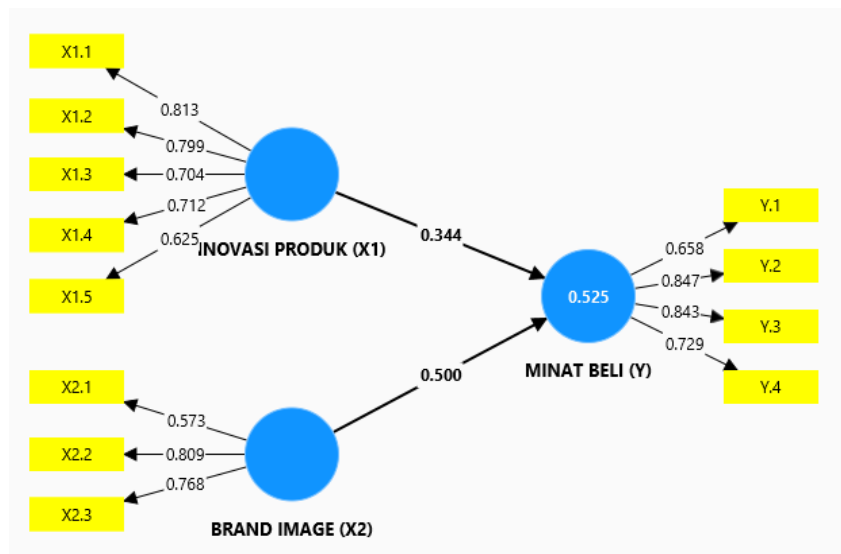

Figure 4. Diagram Jalur Hasil Output PLS
Source : Smart PLS 4

The research results revealed that Product Innovation has a favorable and significant effect on purchase intention. This study is substantiated by data from the Outer Loading Table, which demonstrates that product innovation has the greatest influence, with a factor loading (O) value of 0.813. This study illustrates why relative advantage is an important factor in evaluating product innovation. The results of this study are in line with research conducted by (Tanuwijaya et al., 2022) which shows a positive and significant effect of product innovation on purchase intention. This statement is also in accordance with research conducted by (Pebriani & Busyra, 2023) which also confirms the positive and significant effect of product innovation on consumer buying interest. In this study, it is also supported by research conducted by (Mulianingsih et al., 2022) which shows that product innovation has a significant positive effect partially on buying interest.

From the research results, it was found that brand image has a positive and significant effect on purchase intention. This research is supported by the data in the Outer Loading Table which shows that brand image is the dominant influence with the highest factor loading (O) value of 0.809. This study explains that product image is an important indicator in assessing Brand Image. The results of this study are in line with research conducted by (Harijanto, 2023) which shows a significant positive effect of brand image on purchase intention. This statement is also in line with (Pramesti & Wardhana, 2022) which also confirms the positive and significant influence between brand image on purchase intention. In this study, it is also supported by research conducted by (Lakan & Hartanto, 2024) which shows that there is an influence of brand image on buying interest.

CONCLUSION

Based on the results of the research conducted, it can be concluded that product innovation contributes to buying interest in Citra hand and body products in Surabaya. With this it can be concluded that the higher the level of product innovation carried out, the higher the buying interest made by the public in Citra hand and body products in Surabaya. In addition, the results also show that Brand Image contributes to the purchase intention of Citra hand and body products in Surabaya. With this it can be concluded that a good Brand Image will attract public buying interest in Citra hand and body products in Surabaya.

Product innovation and brand image have an influence on buying interest. For this reason, companies are expected to be able to continue to innovate in creating advantages in each Citra hand and body product so as to increase consumer buying interest in Citra hand and body products because product innovation is the key to creating added value, meeting consumer needs, and ensuring the company's long-term growth. In addition, the company is also expected to better meet the needs and desires of consumers. thus enabling the company to remain relevant and compete in an ever-changing market. By continuously coming up with new products or improving existing products, companies can maintain or even increase their market share.

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