KEY FACTORS INFLUENCING GENERATION Z CONSUMER SATISFACTION AND PURCHASE DECISION FOR LOCAL MOISTURIZERS

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ARTICLE INFO	ABSTRACT

The Indonesian skincare market, valued at USD 586.4 million and projected to reach USD 2.8 billion by 2028, has grown rapidly, especially among Generation Z, who prioritize product quality, affordability, and effectiveness. This study examines the key factors influencing consumer satisfaction and purchase decisions for local moisturizers among Generation Z in Indonesia. Using a quantitative approach, data was collected from 2,045 respondents aged 12-27 who have tried local moisturizer products through online surveys on Instagram and TikTok. Data analysis used PLS-SEM, focusing on the impact of product quality, price, promotion, and brand image on consumer satisfaction and purchase decisions. The results indicate that product quality and brand image are the main factors influencing consumer satisfaction, which in turn affects purchase decisions. Although competitive pricing and effective promotions also contribute, they are secondary. These findings provide insights for local skincare brands to enhance market strategies, meet the needs and preferences of Generation Z, and drive sustainable growth. By understanding these dynamics, local brands can enhance customer loyalty, encourage repeat purchases, and foster word-of-mouth promotion in the competitive skincare industry. This research emphasizes the importance of aligning product offerings with consumer expectations and leveraging brand reputation to gain a competitive edge.

INTRODUCTION

Cosmetics is a fundamental need as it is essential for maintaining the health and appearance of the skin, the body's largest organ and primary defense against the sun's harmful UV rays (Lukić et al., 2021; Kahraman et al., 2019; Brignone et al., 2019). Cosmetics have a very important role in increasing self-confidence, so it is not surprising that cosmetics are now classified as primary need (Sudirjo et al., 2023; Korichi et al.,2008). According to Desmond Morris (1967), flawless skin is a universally desired feature that reflects health, well being and fertility. Effective daily skincare routines which consist of protection, prevention, cleansing and moisturizing, help preserve the skin outermost layer by protecting against dryness and damage while retaining moisture (Hoang et al.,2021). Consumers are constantly seeking the best products, often relying on recommendations from friends, physicians, or beauty influencers. They seek for instant and lasting results, with also a preference for health-conscious and eco-friendly options, underscores the importance of a comprehensive approach to skincare (Mintel, 2024).

The cosmetics industry is one of the world's leading multi-billion dollar businesses which consists a wide range of products, such as cleansers, toners, serums, moisturizers, foundations, compact powders, lipsticks, eyeliners, eyeshadows, blusher and mascara (Chin and Harizan, 2017). Statista Market Insights (2023) further reported that, the skincare market globally was estimated at USD 181.20 billion and will continue to grow positively with a compound annual growth rate (CAGR) of 3.06% between 2023 and 2028. In line with the global skincare market growth, Indonesia is also experiencing significant growth in recent years. According to Statista research department (2023), The 'Skin Care' segment of the beauty and personal care market in Indonesia is expected to show consistent growth from 2023 to 2028 as seen in Figure 1.1, with a cumulative increase of 586.4 million U.S. dollars, representing a growth rate of approximately 25.92 percent. After eight consecutive years of growth, it is anticipated that the market will reach a new peak in 2028, with an estimated value of 2.8 billion U.S. dollars.
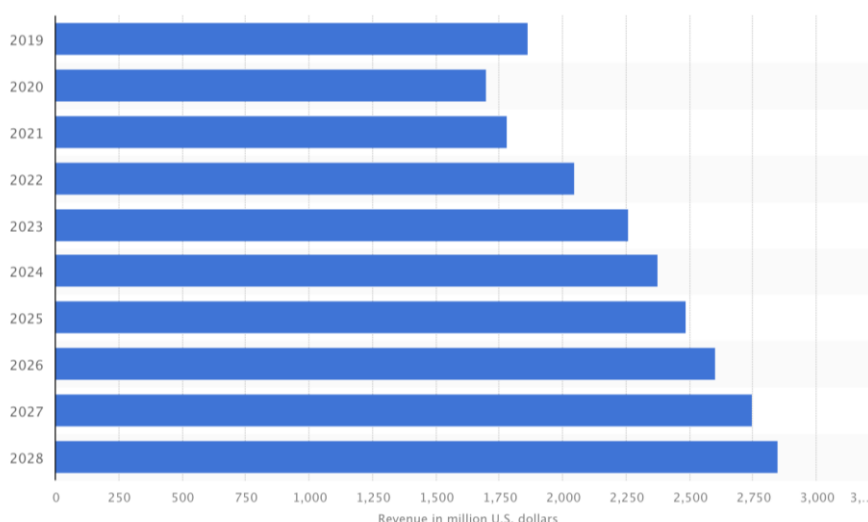

Figure 1. Revenue of Skincare Market in Indonesia from 2019-2028
Source: Statista Research Department, 2023

The growth of the skincare industry in Indonesia is driven by several factors including increasing numbers of middle-class consumers, increased purchasing power, and a cultural shift that prioritizes personal appearance and wellness (YCP Solidiance, 2023; Oxford Business Group, 2019; Bain & Company, 2019). In addition, increasing awareness over skin health, the harmful effects from UV Radiation, and the importance of skincare have resulted in the increased demand in Indonesia.

According to a research by Globaldata (2022), the primary segments within the skincare industry in Indonesia include body care, depilatories, facial care, hand care, and make-up remover. Among these, facial care emerged as the dominant category in 2021, leading the highest per capita consumption rates within the Indonesian skincare market. In Asia-Pacific, which encompasses Indonesia, is experiencing rapid growth in the moisturizer market. This growth is driven by increasing disposable incomes and evolving consumer tastes, which are influenced by skincare routines popularized by K-beauty and J-beauty trends.

According to Mckinsey (2014), there is a notable trend in Indonesia where consumers strongly trust and prefer local brands. The majority of Indonesian consumers exhibit loyalty to brand that they are familiar with and trust. This preference can be attributed to several factors. Firstly, local brands are often more affordable compared to international brands, making them accessible to consumers with limited budgets. Also, the distribution channels for local products are broader and more accessible, especially through local stores and traditional markets.

Moreover, local skincare products are tailored to suit the skin conditions of Indonesian people based on the climate. Brands understand the struggle faced by Indonesian skin, such as high humidity and a high UV index, and formulate their products accordingly. Supporting this trend, a survey conducted by Statista in June 2022 found that local brands like Wardah are significant contributors to the moisturizer market. Other local brands such as Sariayu Martha Tilaar, Mustika Ratu, Emina, and Viva also offer effective moisturizers, further solidifying the dominance of local brands in the skincare market.

Consumer expectations are shaped by multiple factors. According to Statista (2023) seen in Figure 1.2, 78% female skincare consumers in Indonesia expect in achieving clean, flawless, and healthy skin, free from pimples and other skin problems when using skincare products on a daily basis. A survey conducted by beauty index in Indonesia (2022) revealed that 77,4% among Gen Z women respondents are seeking skincare products with a brightening effect outcome in 2023. The aspiration for attractive skin can be interpreted within the context of not just seeking favorable opportunities but also signify a longing to escape scrutiny and achieve a sense of invisibility or, at the very least, neutrality (Synnott,1993).
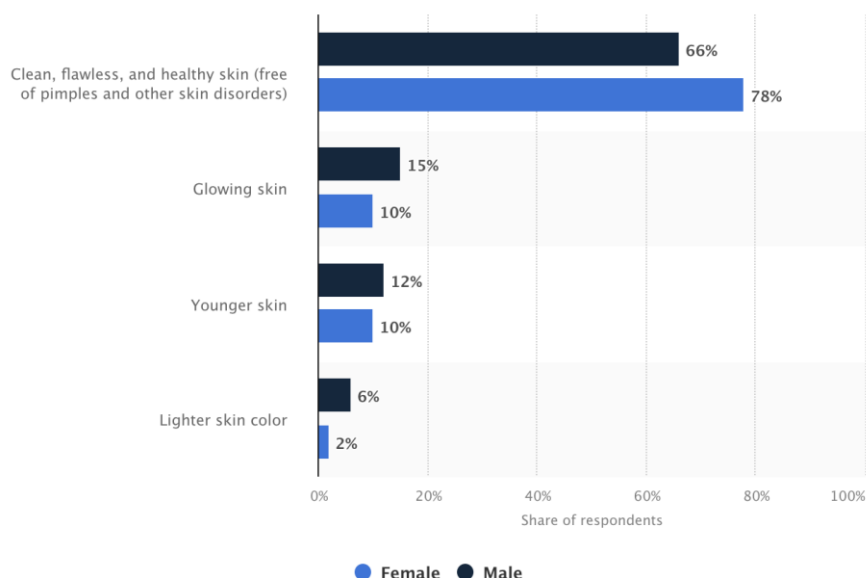
Figure 2. Expectations of Indonesian Consumers from Using Skincare on A Daily Basis, By Gender
Source: Statista, 2023

When skincare consumers look for a certain product, only identifying the brand based on the packaging is not enough. They tend to purchase a product based on their expectations, which are influenced by a combination of factors. Consumers tend to be critical in choosing a product they want to buy which indicates a persistent desire for high quality products based on their cognitive factors (Kartikasari & Albari, 2019; Mhlongo & Mason, 2020). Purchase decisions are a process that consumers do in purchasing products based on what they need and want (Potluri & Johnson, 2020). It is also influenced by some factors like the consumers' trust, the value they get from purchasing, and also the producer's revealed information of the products (Alvarez & Fournier, 2016). Purchase decisions making is also a process that made of five stages. The stages are consumers' recognition, information search, alternative evaluation, purchase decision, and post-purchase evaluation (Kotler & Keller, 2011).

Consumers tend to favor brands that have established a positive reputation over time because they associate these brands with higher quality and safety (Veloutsou, 2017). Consumers also carefully examine the product ingredients list before making a purchase to ensure alignment with their specific skincare goals and skin type (Sharma & Foropon, 2019). Positive reviews from experts and fellow consumers also have a significant impact in influencing skincare consumers purchasing choices. According to a BrightLocal survey, 82% of consumers read online reviews for products they are interested in before making a purchase decision. Price also become a key factor in most purchases, consumers will assess whether the values, benefits and quality of the product are worth the price. Attractive packaging also persuades skincare consumers to make a purchase. Marketing campaign activities using experts and celebrity endorsers are intended to capture consumers' interest; as a result, consumers are expected to be attracted in the marketed products (Peter & Olson, 2010). People are also more inclined to make a purchase when the product is easily accessible to buy through various offline stores and online platforms.

Consumer purchase intention arises after getting a stimulus from the product they see. Subsequently, consumers will feel an interest in trying the product until finally the desire to buy it arises so that consumers can have it (Kotler & Keller, 2009).

Consumer satisfaction refers to the condition in which consumer are satisfied, whether on the quality and effectiveness of the products or overall interaction they encounter throughout their consumer experience (W. H. Kim, Cho, & Kim, 2019). In the context of Indonesia's growing skincare market, overall consumer satisfaction is crucial in shaping the industry landscape. With the growing awareness of skincare as an integral component of personal well-being, Indonesian consumers are increasingly discerning, seeking products that not only align with their skin needs but also provide a positive and satisfactory overall interaction. Understanding the nuances of consumers satisfaction in the realm of skincare is essential for industry stakeholders as it directly influences consumer loyalty, repurchase behavior, and the positive word-of-mouth crucial for brand success. In addition, satisfied consumers often become brand advocates, sharing their positive experiences within their social circles, thus contributing to the brand's reputation and market presence. As Indonesia's skincare industry continues to evolve, understanding the intricate dynamics of consumer satisfaction becomes not only a competitive advantage for businesses but also a driver for sustained growth.

Generation Z represents the largest and fastest-growing demographic segment in Indonesia, making them a critical focus for research on consumer satisfaction and purchase decisions, particularly in the skincare market. According to data from Indonesia's Central Statistics Agency (BPS), Generation Z comprises approximately 27.94% of the country's population, indicating their significant presence and influence. This generation's spending power is considerable, with estimates from McKinsey & Company (2020) showing that Indonesian Gen Z consumers allocate a substantial portion of their disposable income to beauty and personal care products. Specifically, Nielsen (2019) reports that skincare is one of the top categories where Indonesian Gen Z spends their money, with 78% of them purchasing skincare products regularly. This high level of expenditure on skincare underscores the importance of understanding the factors that drive their satisfaction and purchase decisions in the local moisturizer market, as they not only represent a significant consumer segment but also have the potential to drive market trends and influence the broader beauty industry in Indonesia.

From this, it can be concluded that there is a significant growth in Indonesia skincare market, with a focus on Generation Z consumer satisfaction and purchase decision for local moisturizers. This demographic is driven by the need for quality, affordable, and effective skincare products that cater to their unique needs and preferences. The rise of local brands, tailored to the Indonesian climate and consumer preferences, has seen significant growth due to their affordability, accessibility, and alignment with Gen Z's values. The comprehensive understanding of these factors provides insights into developing strategies for local moisturizer brands to enhance market presence and achieve sustainable growth in the competitive skincare industry. This background sets the stage for a detailed exploration of the key factors influencing Gen Z's satisfaction and purchase decisions, offering valuable insights for stakeholders aiming to capitalize on this market segment.

The objectives of this research is to analyze the influence of key factors that influence consumer satisfaction and purchase decision among Generation Z. The research issues are: (1) Which factor (Product quality, price, promotion, or brand image) has the greatest impact on consumer satisfaction among Gen Z for local moisturizers, and (2) what is the impact of consumer satisfaction on the purchase decision among Gen Z for local moisturizers.

A study done by Laksana et al., (2022) stated that Promotion and Product Quality significantly impacts consumer satisfaction and purchase decisions. While, Putra & Shihab (2023) found out that besides Product Quality and Promotion, Price and Brand Image also affects consumer satisfaction and purchase decision. The combination of these two frameworks is necessary because using only one would not provide a comprehensive understanding of all the factors influencing consumer satisfaction and purchase decisions. The two frameworks complement each other by covering a broader range of variables, thus offering a more complete picture of the research.

METHODOLOGY

In this research, various local moisturizer brands' product quality, price, promotion and brand image impact on consumer satisfaction and purchase decision.
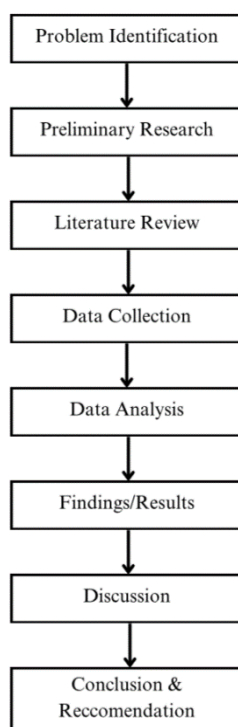
Figure 3. Research Design Flowchart

According to Creswell (2015), a research approach is a collection of plans and procedures for conducting research that includes ranging from general assumptions to detailed data gathering, analysis, and interpretation techniques. They contain both broad strategies and specific techniques for conducting research. This study employs a quantitative approach since it is more suited to answering the research question and determining the correlations between each variable. The quantitative approach is described as follows:

As stated by (Saunders, Lewis, & Thomhill, 2003, as cited in Alyaningtyas, 2019), a quantitative approach is described as the use of scientific or mathematical facts to answer questions or solve problems.

As stated in Chapter 1, this research focused on Gen-Z who live in Indonesia, specifically Java Island aged 12-27 years old, that have previously or currently used local moisturizer products. Respondents are from: personal networks and social media. However, since the population of that particular population is undetermined, therefore a minimum sample size of 200 is advised for marketing test studies, including this research that is based on Malhotra et al. (2016).

This research utilizes a method of non-probability sampling, which Malhotra (2010) describes there are four techniques. However, purposive sampling was selected because according to Malhotra (2010), Purposive sampling is particularly effective when the researcher needs to obtain insights from specific individuals who have the experience or knowledge necessary to contribute to the research questions.

The research utilizes questionnaires to gather primary data. Respondents are given a questionnaire to fill out in order to assess which key factors (Product Quality, Price, Promotion and Brand Image) influence Gen Z's Consumer Satisfaction and Purchase Decision for Local Moisturizers.

The questionnaire was written in Bahasa Indonesia to ease the respondents in understanding and answering the questionnaire. All questions related to the variables are close-ended. In this study, The closed-ended questions are developed using the 5 point Likert Scale, namely: 1) Strongly Disagree; 2) Disagree; 3) Neutral; 4) Agree; 5) Strongly Agree to measure and evaluate the level of agreement for each question. The researcher also included questions about the respondents' socio-demographics and behaviors in this questionnaire. To provide context for the local moisturizer brands, the author first asks the respondents about the local moisturizer brand they now use as the main subject of the questions.

RESULT AND DISCUSSION

Partial Least Square (PLS-SEM) Analysis Result

To assess the model's robustness, the analytical method includes analyzing internal consistency reliability, indicator reliability, convergent validity, and discriminant validity. These processes are critical for accurately translating data and drawing relevant conclusions.
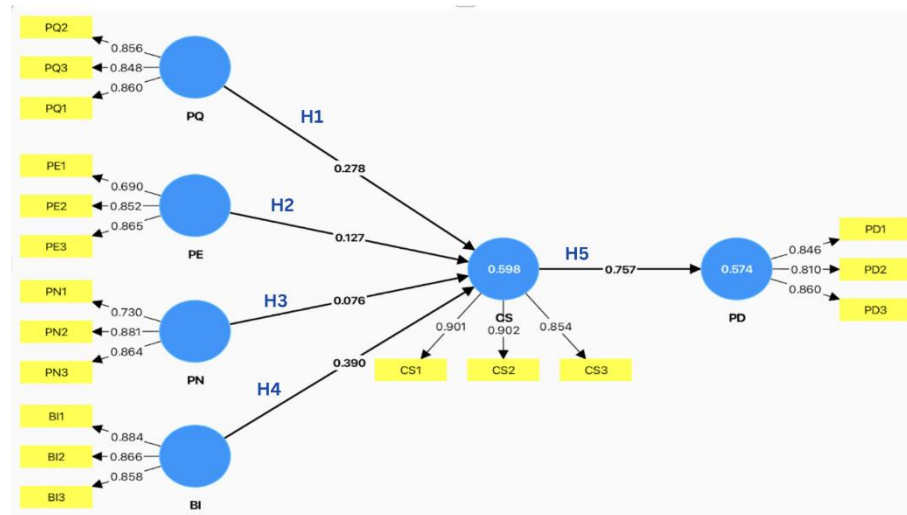
Figure 4. PLS-SEM Model Result

Construct Reliability Test

This research involves two types of reliability assessments. The initial test, known as the indicator reliability test, evaluates the reliability of individual indicators. The second test, the internal consistency reliability test, examines the composite reliability of the constructs. These tests are essential for ensuring the consistency and stability of the measurements. Additionally, these assessments help confirm that the indicators are accurately measuring the intended constructs.

1. Indicator Reliability Test

   This reliability is frequently tested using measures such as factor loadings, with values more than 0.7 suggesting a high level of reliability (Hair, Black, Babin, and Anderson, 2019).

   In this research, as demonstrated in Table 1, all indicators are considered reliable with the exception of PE1, which falls slightly below the commonly accepted threshold of 0.7, exhibiting an outer loading of 0.692. Rather than discarding this indicator outright, further analysis was performed during the discriminant validity assessment to confirm its contribution to the construct's overall validity.

Table 1. Indicator Realibility Test Result

No.	Variable	Indicator	Outer Loadings	Reliability Result
1	Product Quality	PQ1	0.856	Reliable
		PQ2	0.848	Reliable
		PQ3	0.860	Reliable
2	Price	PE1	0.690	Unreliable
		PE2	0.852	Reliable
		PE3	0.865	Reliable
3	Promotion	PN1	0.730	Reliable
		PN2	0.881	Reliable
		PN3	0.864	Reliable
4	Brand Image	BI1	0.884	Reliable
		BI2	0.866	Reliable
		BI3	0.858	Reliable
5	Purchase Decision	PD1	0.846	Reliable
		PD2	0.810	Reliable
		PD3	0.860	Reliable
6	Consumer Satisfaction	CS1	0.901	Reliable
		CS2	0.902	Reliable
		CS3	0.854	Reliable

2. Internal Consistency Reliability Test

The reliability of consistency was evaluated by examining the composite reliability score. It is usually considered satisfactory if the score is greater than 0.7, indicating a good level of internal consistency among the indicators (Hair, Black, Babin, & Anderson, 2019). In this research, as shown in Table 2, all of the variables are considered reliable because their composite reliability is greater than 0.7. This demonstrates the internal consistency and reliability of the constructs being measured.

Table 2. Internal Consistency Test Results

Variable	Composite Reliability	Reliability Result
Product Quality	0.891	Reliable
Price	0.847	Reliable
Promotion	0.867	Reliable
Brand Image	0.903	Reliable
Purchase Decision	0.877	Reliable
Consumer Satisfaction	0.916	Reliable

C. Construct Validity Test

1. Convergent Validity

Convergent validity can be measured by assesing how well multiple indicators of the same construct agree or converse through the calculation of Average Variance Extracted (AVE). Furthermore an AVE value of 0.50 or higher indicates adequate convergent validity (Gefen, Straub, & Boudreau, 2000).

Table 3. Convergent Validity Result

Variable	Average Variance Extracted (AVE)	Validity Result
Product Quality	0.731	Valid
Price	0.650	Valid
Promotion	0.685	Valid
Brand Image	0.756	Valid
Purchase Decision	0.704	Valid
Consumer Satisfaction	0.784	Valid

From Table 3 it shows that the total AVE value for each variable surpasses 0.5, meaning that all variables in this research are valid.

2. Discriminant Validity

Discriminant validity is important for showing that constructs in a study are unique and not overlapping. Fornell and Larcker (1981) suggest checking this by comparing the Average Variance Extracted (AVE) of each construct to the squared correlations with other constructs. Hair et al. (2010) recommend looking at the Fornell-Larcker criterion and cross-loadings analysis, where an item should load higher on its own construct than on others. Simply put, if the AVE of a construct is greater than its squared correlations with other constructs, it confirms that the construct is distinct and shares more variance with its own indicators.

Table 4. Discriminant Validity Result

	BI	CS	PD	PE	PN	PQ
BI	**0.869**					
CS	0.722	**0.886**				
PD	0.722	0.757	**0.839**			
PE	0.644	0.613	0.600	**0.806**		
PN	0.701	0.610	0.654	0.618	**0.828**	
PQ	0.707	0.689	0.669	0.675	0.652	**0.855**

All of the square root values of AVE are greater than the correlation coefficients for all latent variables in each row and column. So, it can be assumed that all variables passed and meet the requirements for discriminant validity.

D. Collinearity Test

A collinearity test is examined by calculating the Variance Inflation Factor (VIF) as stated by Kutner et al. (2005). A VIF score should be less than 5 to show low collinearity, confirming the model's accuracy.

Table 5. Collinearity Test Results

Indicator	VIF	Collinearity Result
BI1	2.051	Passed
BI2	1.986	Passed
BI3	1.886	Passed
CS1	2.379	Passed
CS2	2.451	Passed
CS3	1.952	Passed
PD1	1.699	Passed
PD2	1.564	Passed
PD3	1.763	Passed
PE1	1.270	Passed
PE2	1.645	Passed
PE3	1.639	Passed
PN1	1.400	Passed
PN2	1.884	Passed

PN3	1.721	Passed
PQ1	1.877	Passed
PQ2	1.830	Passed
PQ3	1.721	Passed

In Table 5 each of the variable indicators passed the criteria of less than 5 VIF value. Thus, this indicates that all responses are free from potential bias, and there are no multicollinearity problems among the independent variables.

E. Structural Path Significance

The statistical technique of PLS-SEM uses bootstrapping to ensure the reliability and validity of the model estimates are maintained. T-statistics must be examined to determine the estimated path coefficients are significant. According to Hair et al. (2019), t-statistics greater than 1.96 typically means significance at the 5% level, which is a critical standard for validating model estimates. As seen in Table 4.2, all of the t-statistics exceed the threshold of 1.96, verifying the significance of all path coefficients at the 5% significance level.
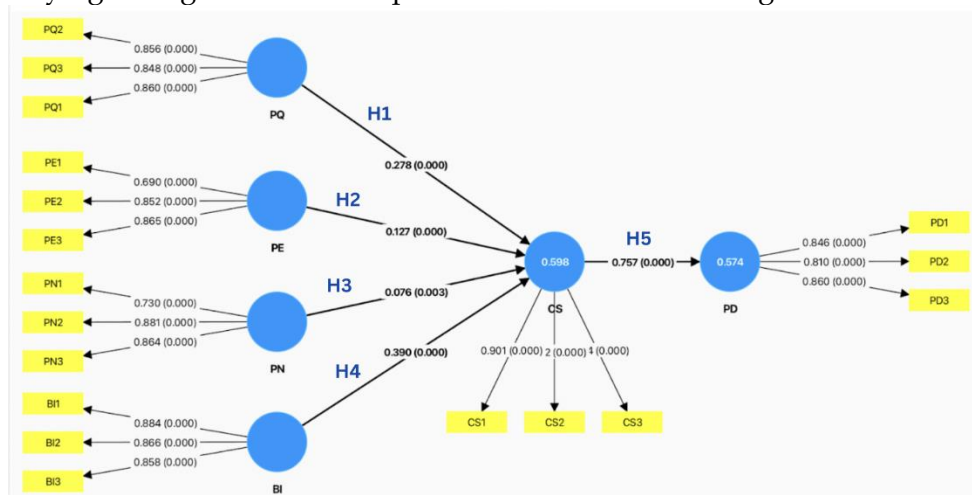

Figure 5. Bootstrapping Result

In addition, The coefficient of determination measures how well the independent variables explain the variation in the dependent variable. As stated by Hair et al. (2011), in the marketing research context R^2 values of 0.75, 0.50, and 0.25 can be labeled as substantial, moderate, and weak, respectively. Given this criteria, the R^2 values for both Consumer Satisfaction (0.598) and Purchase Decision (0.574) fall into the "moderate" category meaning around 59.8% of the variance in Consumer Satisfaction and 57.4% of the variance in Purchase Decision are explained by the independent variables.

Table 6. Coefficients of Determination and Stone-Geisser Result

	Original Sample (O)	T Statistics ($\mid$O/STDEV$\mid$)	Coefficient of Determination (R^2)	Cross Validated Redundancy (Q^2)
Product Quality → Consumer Satisfaction	0.278	9.543	0.598	0.595
Price → Consumer Satisfaction	0.127	5.150		
Promotion → Consumer Satisfaction	0.076	2.769		
Brand Image → Consumer Satisfaction	0.390	13.964		
Consumer Satisfaction → Purchase Decision	0.757	57.737	0.574	0.555

To complement R^2, Stone-Geisser's Q^2 value is also a critical measure in assessing the predictive relevance of the model. Hair et al. (2011) emphasize that Q^2 values greater than zero shows that the model has predictive relevance. Since all of the variables for the Q^2 value are > 0, it confirms that it has good predictive relevance, indicating that it can accurately predict consumer satisfaction and purchase decisions beyond the sample data.

Table 7. Goodness of Fit Result

	R^2	Q^2	GOF
Consumer Satisfaction	0.598	0.595	0.440
Purchase Decision	0.574	0.555	
Average	0.586	0.575	

To assess how well the proposed model fits the observed data, Goodness of Fit (GOF) is a metric used to ensure the measurement and structural aspects of the model (Tenenhaus et al., 2005). the GOF result of 0.440 means it overall has a strong goodness of fit as stated in the research by Wetzels et al. (2009) a GOF value above 0.36 is considered large.

F. Hypothesis Testing

Table 9. Hypothesis Testing Result

Hypothesis	Structural Path	T Value	P Value	Result
H1	Product Quality → Consumer Satisfaction	9.543	0.000	Accepted
H2	Price → Consumer Satisfaction	5.150	0.000	Accepted
H3	Promotion → Consumer Satisfaction	2.769	0.003	Accepted
H4	Brand Image → Consumer Satisfaction	13.964	0.000	Accepted
H5	Consumer Satisfaction → Purchase Decision	57.737	0.000	Accepted

Table 9 shows that all of the hypothesis have been accepted:

1. H1: Product Quality positively influences Consumer Satisfaction
   Hypothesis 1 assumed that Product Quality positively influences Consumer Satisfaction. This hypothesis is accepted as proved by the t-value of 9.543, which is well above the critical value of 1.96, indicating statistical significance at the 5% level ($p < 0.05$). The high t-value suggests a strong positive relationship between Product Quality and Consumer Satisfaction.

2. H2: Price positively influences Consumer Satisfaction
   Hypothesis 2 suggests that Price positively influences Consumer Satisfaction. The hypothesis is accepted with a t-value of 5.150 that indicates that fair and competitive pricing plays a crucial role in enhancing consumer satisfaction.

3. H3: Promotion positively influences Consumer Satisfaction
   Hypothesis 3 examines that Promotion positively influences Consumer Satisfaction. Although the t-value is lower compared to other hypotheses, the hypothesis is still accepted with a t-value of 2.769. It indicates a significant positive impact of promotional activities on consumer satisfaction.

4. H4: Brand Image positively influences Consumer Satisfaction
   Hypothesis 4 presumed that Brand Image positively influences Consumer Satisfaction. This hypothesis is strongly supported, with a t-value of 13.964, well above the 1.96 threshold and suggests a robust positive relationship between brand image and consumer satisfaction.

5. H5: Consumer Satisfaction positively influences Purchase Decision
   Hypothesis 5 assumed that Consumer Satisfaction positively influences Purchase Decision. This hypothesis is accepted with a very high t-value of 57.737, also far exceeding the critical value of 1.96 and this underlines the pivotal role of consumer satisfaction in driving purchase decisions.

G. F Square Effect Size

Table 10. F Square Effect Size Result

	Brand Image	Consumer Satisfaction	Purchase Decision	Price	Promotion	Product Quality
Brand Image		0.145				
Consumer Satisfaction			1.345			
Purchase Decision						
Price		0.019				
Promotion		0.006				
Product Quality		0.077				

The author then analyzes the F^2 effect size, which is critical for assessing the individual impact of exogenous constructs on endogenous constructs (Sarstedt et al., 2017). In accordance with Cohen (1988), the F^2 effect size can be interpreted as having a small, medium, or large effect size with values of 0.02, 0.15, and 0.35, respectively.

Brand Image on Consumer Satisfaction has an F^2 of 0.145, indicating a medium effect size, suggesting a moderate impact. Consumer Satisfaction on Purchase Decision has an F^2 of 1.345, showing a very large effect size, highlighting its critical influence. Price on Consumer Satisfaction, with an F^2 of 0.019, has a small effect size, indicating a minor impact. Promotion on Consumer Satisfaction shows an F^2 of 0.006, reflecting a negligible effect. Lastly, Product Quality on Consumer Satisfaction has an F^2 of 0.077, suggesting a small to medium effect size.

H. Total Indirect Effect and Total Effect

To determine the total indirect and total effects, bootstrapping procedures in Smart PLS are utilized in this research. This analysis evaluates the mediator's role in connecting the independent variable to the dependent variable.

Table 11. Total Effect Result

	Purchase Decision
Brand Image → Purchase Decision	0.296
Price → Purchase Decision	0.096
Promotion → Purchase Decision	0.058
Product Quality → Purchase Decision	0.211
Consumer Satisfaction → Purchase Decision	0.757

The result of the calculation can be seen on Table 4.11 that displays the percentage of effect given by independent and mediating variables on dependent variables. The following is a detailed interpretation:
1. Brand image affects purchase decision by 29.6%
2. Price affects purchase decision by 9.6%
3. Promotion affects purchase decision by 5.8%
4. Product Quality affects purchase decision by 21.1%
5. Consumer satisfaction affects purchase decision by 75.7%

I.   Mediating Result

Mediation analysis is crucial as it helps in understanding the process or mechanism by which an Independent variable affects the Dependent variable thus providing insights into the causal pathways in a model (Nitzl et al., 2016). Hair et al. (2017) define mediation analysis as a process that involves assessing whether the relationship between two variables can be described by a third variable, the mediator. The mediation itself there are 3 requirements according to Hair et al., (2017) :
1. Examine the effect of the independent variable on the dependent variable. The outcome must have a significant direct effect of the independent variable on the dependent variable (T-statistics is greater than 1.96 or the P-Value is lower than 0.05) .
2. Determine the effect of the independent variable on the mediating variable. The result of independent variables must significantly influence the mediator (T-statistics is greater than 1.96 or the P-Value is lower than 0.05).
3. Examine the Total Effect of the Independent, Mediating, and Dependent Variables.

J.   Mediation Test on Consumer Satisfaction

Table 12. Mediating Test on Consumer Satisfaction (Step 1)

Path	Path Coefficient	T Statistics	P Values	Result
Product Quality → Purchase Decision	0.100	3.951	0.000	**Significance**
Price → Purchase Decision	0.045	2.013	0.022	**Significance**
Promotion → Purchase Decision	0.163	7.052	0.000	**Significance**
Brand Image → Purchase Decision	0.390	7.452	0.000	**Significance**

The direct effect of Independent variables (Product quality, price, promotion, brand image) to Dependent Variable (Purchase decision). Based on the result, the T-Statistics values are all greater than 1.96, the significance value is lower than 0.05 and the path coefficients are positive. Which means that all of the independent variables had a significant outcome and passed the first requirement.

Table 13. Mediating Test on Consumer Satisfaction (Step 2)

Path	Path Coefficient	T Statistics	P Values	Result
Product Quality → Consumer Satisfaction	0.278	9.543	0.000	**Significance**
Price → Consumer Satisfaction	0.127	5.150	0.000	**Significance**
Promotion → Consumer Satisfaction	0.076	2.769	0.003	**Significance**
Brand Image → Consumer Satisfaction	0.390	13.964	0.000	**Significance**

The T-Statistics are all greater than 1.96 and P values less than 0.05 which can be concluded that all independent variables (product quality, price, promotion, brand image) are significant to the mediating variable (Consumer satisfaction). Additionally, the path coefficient is also positive hence the Requirement 2 is also fulfilled.

Table 14. Mediating Test on Consumer Satisfaction (Step 3)

Path	Path Coefficient	T Statistics	P Values	Result
Product Quality → Consumer Satisfaction	0.278	9.543	0.000	**Significance**
Price → Consumer Satisfaction	0.127	5.150	0.000	**Significance**
Promotion → Consumer Satisfaction	0.076	2.769	0.003	**Significance**
Brand Image → Consumer Satisfaction	0.390	13.964	0.000	**Significance**
Product Quality → Purchase Decision	0.211	9.362	0.000	**Significance**
Price → Purchase Decision	0.096	5.163	0.000	**Significance**
Promotion → Purchase Decision	0.058	2.752	0.003	**Significance**
Brand Image → Purchase Decision	0.296	13.124	0.000	**Significance**
Consumer Satisfaction → Purchase Decision	0.757	57.737	0.000	**Significance**

Table 14 is to assess the total effect from independent variables (product quality, price, promotion, brand image) and mediating variable (consumer satisfaction) to dependent variable (purchase decision). The three independent variable indicators have proven to have significant T-Statistics and P-Values towards consumer satisfaction and purchase decisions. In addition, consumer satisfaction as the mediating variable also has a significant relationship with the dependent variable (purchase decision).

From this, it can be concluded that it is a partial mediation because the direct effects of the independent variables (Product Quality, Price, Promotion, and Brand Image) on the dependent variable (Purchase Decision) remain significant even when the mediator (Consumer Satisfaction) is included in the model. This indicates that these variables still directly influence Purchase Decision. Moreover, the indirect effects through the mediator (Consumer Satisfaction) are also significant, showing that the independent variables influence Purchase Decision not only directly but also indirectly through Consumer Satisfaction. Even if the direct effects remain significant, they are reduced in magnitude when the mediator is included, confirming the presence of partial mediation.

CONCLUSION

The primary objective of this research is to assess the impact of product quality, price, promotion, and brand image on purchase decisions, with consumer satisfaction serving as a mediating variable. To address the research questions, a quantitative approach was utilized, gathering data from 2,045 respondents. The collected data were analyzed using the PLS-SEM method. It is important to note that the purchase decisions examined in this research specifically refer to repeat purchase decisions, indicating that customers had previously bought the product and decided to purchase it again. The findings of this study reinforce previous research and literature, effectively answering the two research questions posed in the first chapter.

RQ1: Which factor (Product Quality, Price, Promotion, or Brand Image) has the greatest impact on Consumer Satisfaction among Gen Z for local moisturizers ?

According to the research findings, brand image has the greatest impact on consumer satisfaction among Gen Z for local moisturizers. This conclusion is based on the analysis of T-Statistics values and F Square effect sizes for each factor. Brand image exhibits the highest T-Statistics value of 13.964 and the largest F Square effect size of 0.145, indicating its strong influence on consumer satisfaction. This suggests that Gen Z consumers place significant importance on the reputation and perceived value of the brand, which greatly affects their overall satisfaction.

Product quality, while also important, has the second highest T-Statistics value of 9.543 and an F Square effect size of 0.077, showing a substantial but lesser impact compared to brand image. Price and promotion have lower T-Statistics values of 5.150 and 2.769, respectively, with corresponding F Square effect sizes of 0.019 and 0.006, indicating a relatively smaller influence on consumer satisfaction. These findings highlight the critical role of brand image in driving consumer satisfaction for local moisturizers among Gen Z, followed by product quality, price, and promotion.

RQ2: What is the impact of consumer satisfaction on the purchase decision among Gen Z for local moisturizers?

Based on the research findings, consumer satisfaction has a significant positive impact on purchase decisions among Gen Z for local moisturizers. This conclusion is supported by the fifth hypothesis with a T-Statistics value of 57.737, indicating a very strong impact, and an F Square effect size of 1.345, highlighting a high effect. When Gen Z consumers are satisfied with a product, they are more likely to make repeat purchases and recommend the product to others. High consumer satisfaction boosts their confidence in the product, leading to a higher likelihood of purchasing decisions. Satisfied customers are also more inclined to develop brand loyalty, which further drives their purchasing behavior. These findings underscore the importance of meeting and exceeding consumer expectations to foster satisfaction, as it directly translates into increased purchase intentions and decisions.

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