

## **A Study on Influence of YouTube on the Purchase Decision of Cosmetic Products**

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### **Abstract**

The exploration intends to look at the effect of social media influencers, electronic word of mouth, and perceived quality on the buy choice of corrective items. This study utilized a quantitative strategy with the survey method. Data was gathered utilizing a survey circulated to 273 respondents. The respondents had made deliberate conclusions. To test the hypothesis & the data reliability and validity structural equation modeling (SEM) is applied. There is a positive relationship between identified factors and the Purchase Decision of Cosmetic Products shown by the result.

### **Keywords**

Social Media Influencer, Electronic Word Of Mouth, Perceived Quality, Purchase Decision, and Cosmetic Products.

### **Introduction**

In Today's World, social media is considered the top most promotional approach. without paying any type of fees cosmetic businesses branding their products and it is a great opportunity for them. In today's times, YouTube becomes one of the best popular social media, brands who want to show their products are used social media for their branding. since 2005, one of the popular video-sharing platforms is YouTube. Nowadays, to show their products brands are using social media and it is an important platform for them. after a year in 2006, an effective marketing strategy, therefore YouTube firstly opened the opportunities for companies to use these platforms. with the help of search engines, YouTube collects information and data. on YouTube, there are so many beauty product reviews from various YouTubers when someone searches for beauty-related content.

To promote their brand companies are teaming up with YouTubers with large subscribers apart from using celebrities. youtube has changed the way brands market and consumers shop to set the trend for creating products. therefore, reaching a wide range of consumers around the world and generating buzz has the potential of youtube. Nowadays, the demand for cosmetic products is widely increasing. For attracting the growing population in the market many cosmetic brands are invested in them. for cosmetic users, the cosmetic brand their brand, value, and relationship equity have been influenced by social media. Social telecasters are viewed as important on the grounds that, the situation with YouTubers goes from amateur to professional, and they will impact other virtual entertainment clients. Customers frequently get more messages about social media influencers.

An electronic verbal (EWOM) is an Internet message about an association's item, administration, or association. WOM incorporates remarks about items, administration quality, trust, and cycles starting with one individual and then onto the next. A 'sender' is considered a source of information with personal experience of a particular organization's products or services that is purely intended for the 'receiver'. the distribution can be positive, negative, or complete provided the information. ownership, winning, and willingness to help Despite the product are the most important factors for promoting electronic word of mouth and when the quality of the product is being promoted consumers also consider it. the benefits of the product or service are an overall assessment of the user of a product or service with perceived quality. The consumer always searches the information about beauty products, the consumers are aware

of it and that's why there is a need for perceived quality. the customer is very impressive in determining the purchase intention by the perceived quality.

At the point when the apparent quality in client ownership is great, there is a chance to produce interest in the buy as well as the other way around. In this manner, saw quality assumes a significant part in improving the motivation behind acquirement. The job of online entertainment (YouTube) is unavoidable and significant. In this manner, forces to be reckoned with, e-WOM, and quality assist with advancing the magnificence result of the brand to settle on purchasing choices and increment deals.

## Review of Literature

- 1) **Thanh Vi LE<sup>1</sup>, Tho ALANG<sup>2</sup>, Quang Tri TRAN<sup>3</sup> (2021)**, The primary discoveries of this study not just encourage experts on the most proficient method to pick the right item backing and publicizing stages yet additionally offer new experiences. Aesthetic effectiveness was positively related to credibility, competence, attractiveness, and homogeneity. It also found that heuristics can help to model and develop consumer buying and intention behavior. Arguably, these dimensions influence the effectiveness and persuasiveness of messages on YouTube channels.
- 2) **Carsten Schwemmer<sup>1</sup> and Sandra Ziewiecki<sup>2</sup> (2018)**, Force to be reckoned with content adaptation has been displayed to assume a developing part via virtual entertainment stages, particularly in the magnificence and design local area. To begin with, it is progressively challenging for watchers to recognize business and non-business content on stages like YouTube. Furthermore, these outcomes propose that the extent of items advanced through references and verbal exchange in YouTube recordings is especially normal in networks with a greater part of young ladies who have grown up utilizing virtual entertainment routinely nowadays.
- 3) **Nadia Annisa ROSARA<sup>1</sup>, Amia LUTHFIA<sup>2</sup> (2020)**, The results show that social media influencers, electronic word of mouth, and perceived quality simultaneously have a significant influence on purchase intention. Perceived quality and social media influencers can be the best strategies to increase customers while promoting through an influencer's YouTube channel using customers. E-WOM can be influential on other social media platforms rather than the YouTube platform. Therefore, digital marketers must use multiple social media platforms to increase customer purchase intent.
- 4) **Mita Elvira, and Dwi Septi Haryani (2022)**, find out that YouTube beauty vloggers play an important role in connecting brands with their audience through engaging product review videos. It is more effective than marketing through traditional media. Therefore, the company may consider implementing an integrated marketing strategy with the YouTube platform. The results also showed that the majority of the study respondents' interest in purchasing halal cosmetic products was influenced by YouTube beauty vloggers' videos and recommendations.
- 5) **Milad Dehghani, et.al, (2016)**, Found that the paper identified four dimensions of YouTube advertising (i.e., entertainment, informativeness, customization, and irritation) that can influence advertising value as well as brand awareness and, accordingly, consumer purchase intentions. Results show that entertainment, informativeness, and customization are the strongest positive drivers, while irritation is negatively associated with YouTube advertising. On the other hand, the value of advertising through YouTube affects brand awareness and accordingly consumer purchase intention.
- 6) **Khusboo Janak Binwani<sup>1</sup> and Jessica Sze Yin Ho<sup>2</sup>, (2019)**, Find out that, YouTube has become an increasingly important platform for brands to showcase their products.

YouTube videos can reach a wide range of potential customers worldwide and generate buzz, especially in the cosmetics industry. This study extends Kim and Ko's (2012) research by specifically examining the role of social media marketing activities in enhancing brand equity, value equity, and relationship equity among cosmetic users. This study also finds the differential role of relationship equity and value equity in building brand equity and influencing cosmetic consumers' future purchase intentions.

- 7) **LA MANI, et.al., (2022)** Virtual communities, consumer experiences, and brand ambassadors influence the purchasing decisions of cosmetic products on YouTube is the main objective of this study. both internal and external factors influence the purchase of cosmetics products by consumers illustrating the results of this study. The influence of virtual communities, consumer experiences, and brand ambassadors of X cosmetics products on purchase decisions on YouTube is examined. The YouTube platform's virtual community variables, customer experience, and empowered brand ambassadors increase the purchase of cosmetic products. As this study examines only cosmetic products, this study has several limitations. Future research should examine other products with more complex variables to draw better conclusions.

**Objective: -**

To study the factors of purchase decisions on cosmetic products.

To study the impact of identified factors on the purchase decision of Cosmetic Products.

## Research Methodology

**Meaning: -** A research methodology is a contour of how a given area of research is accomplished/ executed. It refers to the systematic plan of research work. It indicates details about the research work.

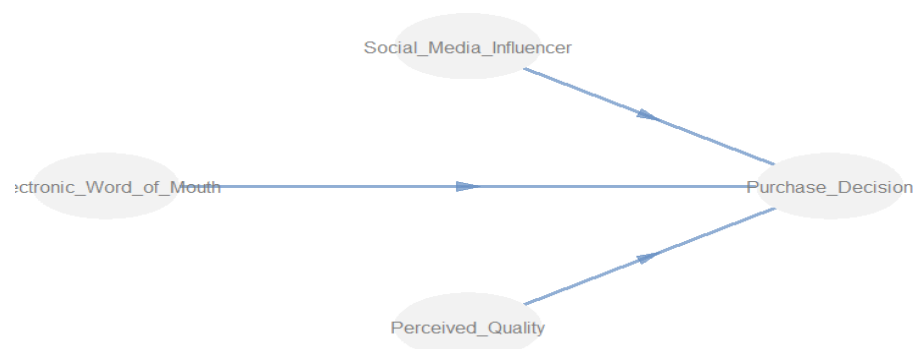
## Data Collection Techniques:

Data collection is the most important technique to collect relevant information. There are two sources of data collection. The first one is primary data and another one is secondary data. Primary data refers to new or fresh data, which is collected by the researcher's efforts.

Secondary data is collected from a secondary source of data collection and it is the second technique of data gathering. It is not fresh data. It is already available in the forms of articles, newspapers, books, a thesis, libraries, etc.

In this study, the researcher developed a systematic questionnaire and circulated it through google Forms to more than 350 respondents and 273 responses were recorded. For secondary data, previously published articles had considered.

## Hypothesis Testing



## Interpretation

To test various Hypotheses SEM (Structural Equation Modelling) was used.

Cronbach Alpha for the factor 'Social Media Influencer' was calculated to be 0.72. Cronbach Alpha for the factor 'Electronic Word of Mouth' was calculated to be 0.72. Cronbach Alpha for the factor 'Perceived Quality' was calculated to be 0.71. Cronbach Alpha for the factor 'Purchase Decision' was calculated to be 0.81.

Here all the items have Cronbach Alpha above 0.7; therefore, the acquired data have internal consistency. (separated mean deviation) is the size of the deviation caught by the construction corresponding to the level of contrast because of measurement error.

'Social Media Influencer' factors have an AVE of 0.648. The 'Electronic Word of Mouth' factor has an AVE of 0.646. The 'Perceived Quality' factor has an AVE of 0.641. 'Purchase Decision' has an AVE of 0.668. Here all the items have  $AVE > 0.5$ , hence it means these factors are valid.

The coefficient of the determinant ( $R^2$ ) explains how much percentage of variance does independent variable has contributed to the dependent variable. 'Social Media Influencer' has an  $R^2$  of 0.00 'Electronic Word of Mouth' has an  $R^2$  of 0.00 'Perceived Quality' has an  $R^2$  of 0.00 'Purchase Decision' has an  $R^2$  of 0.541, here 'Purchase Decision' is a dependent variable and remaining is the independent variable. The dependent variable is also called an Endogenous variable.  $R^2$  always lies between 0 to 1. In this study,  $R^2$  is moderate therefore it indicates a good model. Loading tells the percentage (%) amount a particular construct has contributed towards the variable. Loadings should be greater than 0.6/0.7 as stated by Dr. Richard Haier, here all the items have their loading value greater than 0.6

**Table No. 1**

Item	Constructs	Loading	Cronbach Alpha	AVE
Social Media Influencer	I frequently buy a product advertised on social media	0.862	0.727	0.648
	Social media ads alert me to products I haven't used before	0.872		
	Social media is my go-to when I'm looking for information about a particular brand	0.664		
Electronic Word of Mouth	I find the reviews on YouTube are easy to understand	0.788	0.726	0.646
	I find the reviews on YouTube are very helpful	0.817		
	I feel that reviews on YouTube have reasons that support my opinion	0.807		
Perceived Quality	Before I buy the initial 'quality' assessment of the product I'm interested in, I think about my own experiences with YouTubers	0.699	0.717	0.641
	I feel about YouTuber's decision about the overall excellence or superiority of the product	0.808		
	I consider the overall performance of a Product	0.885		
Purchase Decision	I rely on readers' comments and opinions about the product I'm advertising before making a purchase decision.	0.765	0.811	0.668
	Comments under posts help me before rating products in ads.	0.845		
	Watching video ads for a product I want to buy on YouTube directly affects my decision to buy it	0.712		

### Limitation

1. Secondary data might have some errors due to timeline mismatch.
2. This research is conducted by considering Amravati as a full-scale model.
3. This study is completed in a short period of time.

### Assessment of structural model (Inner model)

It is generally the situation where the coefficient of assurance ( $R^2$  esteem) is determined to test the underlying model. The prescient precision the not set in stone by this coefficient, which is handled as the squared relationship between the anticipated and genuine upsides of a specific endogenous development. The coefficient shows the total impact of the exogenous inert factors on the endogenous inactive variable. This coefficient can be utilized to decide how much difference there is between the endogenous developments covered by every one of the exogenous builds next to it, as it is the squared relationship between the anticipated and genuine scores of the factors. Values are not satisfactory when the gauge is under 0.19, powerless when they are between 0.19-0.33, direct when they are between 0.33-0.67, and high when they are more than 0.67. The outcomes show that the model has direct prescient power, supporting practically 54% of the difference of the endogenous variable 'Purchase Decision'.

**Table No. 2**

Construct	$R^2$	Results
Purchase Decision	0. 541	Moderate

**Table No. 3 Cross Loading Results**

	SMI	EWOM	PQ	PD
SMI1	0.862	0.585	0.438	0.354
SMI2	0.872	0.582	0.428	0.353
SMI3	0.664	0.471	0.370	0.229
EWOM1	0.575	0.788	0.498	0.457
EWOM2	0.576	0.817	0.479	0.457
EWOM3	0.493	0.807	0.584	0.488
PQ1	0.487	0.622	0.699	0.466
PQ2	0.365	0.444	0.808	0.609
PQ3	0.403	0.527	0.885	0.631
PD1	0.414	0.453	0.672	0.765
PD2	0.352	0.541	0.667	0.845
PD3	0.169	0.284	0.366	0.612
PD4	0.266	0.438	0.439	0.778
PD5	0.220	0.429	0.457	0.751

Here, SMI=Social Media Influencer, EWOM= Electronic Word of Mouth, PQ= Perceived Quality, PD=Purchase Decision.

### Research Model Hypothesis

**H0:** - Social Media Influencer has a negative impact on the purchase decision of cosmetic products.

**H1:** - Social Media Influencer has a positive impact on the purchase decision of cosmetic products.

If 0 lies between the upper percentage and Lower Percentage then the null hypothesis will be failed to reject. In hypothesis 1, the lower percentage is 0.193 and the higher percentage is 0.0538. 0 exists between higher and lower percentages. Therefore, the Null Hypothesis is rejected. This is proved that Social Media Influencer has a positive impact on the purchase decision of cosmetic products.

**H01:** - Electronic Word of Mouth has a negative impact on the purchase decision of cosmetic products.

**H11:** - Electronic Word of Mouth has a positive impact on the purchase decision of cosmetic products.

If 0 lies between the upper percentage and Lower Percentage then the null hypothesis will be failed to reject. In Hypothesis 2, the lower percentage is 0.119 and the higher percentage is 0.0538. 0 does not exist between higher and lower percentages. Therefore, the Null Hypothesis is rejected. This is proved that Electronic Word of Mouth has a negative impact on the purchase decision of cosmetic products.

**H02:** - Perceived Quality has a negative impact on the purchase decision of cosmetic products.

**H12:** - Perceived Quality has a positive impact on the purchase decision of cosmetic products.

If 0 lies between the upper percentage and Lower Percentage then the null hypothesis will be failed to reject. In hypothesis 3, the lower percentage is 0.448 and the higher percentage is 0.6982. 0 does not exist between higher and lower percentages. Therefore, the Null Hypothesis is rejected. This proved that Perceived Quality has a negative impact on the purchase decision of cosmetic products.

### Outer Model

In like manner, factor loadings were utilized, difference extricated, and reliability, including Cronbach's alpha as a pointer to gauge the general measure of concurrent legitimacy. The different proportions of the develop have inner consistency as unwavering quality coefficients for all construts are more than 0.7. Cronbach's alpha qualities surpass the satisfactory worth of 0.7. What's more, every one of the average variance removed (AVE) values somewhere in the range of 0.589 and 0.722 made sense of practically all of the change extricated inside the gathering of things that were critical for the idle develop, which is required.

All AVE values that surpass the squared correlation between's constructs in the estimation model meet the measures for discriminant validoty, as per the table given. As a proposal, to some extent all measurement variance not entirely set in constructs by the develop in the event that the AVE score is more more than 0.5. Discriminant value is resolved utilizing Partial Least Squares (Smart PLS). Loadings and cross-loadings are in the table. In a careful evaluation of loadings and cross-loadings, measurement things utilize their idle develops for

stacking, as opposed to different constructs. correlations between's constructs are addressed by off-loading diagonal components.

## Discussion

First, this observation suggests that social media influence, electronic word of mouth, and perceived quality are undoubtedly associated with the Purchase decision of Cosmetic Products. it can be claimed that this factor influences the effectiveness and persuasiveness of the messages on the YouTube channel. We determined that social media influencers had the greatest effect on beauty product purchase decisions therefore, it can be argued that social media influencers drive more opinion change than other factors (i.e., word of mouth and perceived quality).

Besides, the speculation further shows that apparent quality influences the choice to buy restorative items whether or not it is an imported or a close by item, and consequently saw quality moreover became second in the impact of the three qualities on data handling. The Perceived Quality and best seemed to have a positive impact on Purchase decisions. A product recommended by an influencer is recognized as a useful product for customers/followers it should be used to add value to them.

At last, the individual electronic verbal word affects the choice to buy restorative items. The outcome likewise shows a more negative relationship between's electronic oral and buy choices. This is on the grounds that numerous clients like to see tributes from powerhouses on YouTube as opposed to audits from others in the remarks area. Electronic Word of Mouth is an enticing, modest, and compelling showcasing strategy

. Consequently, the investigation discovered that electronic verbal phrasing on the YouTube C2C remarks segment was less powerful, with purchasers liking to see content from powerhouses over watching the trading of data through the remarks area.

## Conclusion

Utilizing a primary condition demonstrating approach, the principal objective of this study is to evaluate the impact of YouTube clients on their buying choices. The investigation discovered that the YouTube stage impacted the buying choices of youthful clients. YouTube has been especially compelling in catching the consideration of advertisers and customers to reform advanced promotion during this period. Moreover, this concentration likewise featured the significance of the WOM age in forcing buyers to assess items to give criticism to organizations. Whether the items are suggested by YouTubers and the promotions are posted straightforwardly on YouTube by organizations or big names, the WOM made under these posts is exceptionally appealing in persuading buy choices. This study has a few restrictions as it didn't make sense of the effect of buyers' utilization of the YouTube stage on their buy choices. Moreover, the example size was restricted because of information inaccessibility and difficulties in acquiring tests.

Not only for Social Media Influencers' validity but there are also different variables to consider while picking a force to be reckoned with, remembering the pointers for this review. The source should seem powerful regarding validity pointers, be a specialist in the utilization of excellent items, be clear and definite in giving data, transfer recordings routinely, be honest in giving data, and look and be steady with the magnificence items utilized. Electronic word-of-mouth methodologies on YouTube may not be extremely successful, dissimilar to the impact of web-based entertainment in advancing excellent items. Purchasers incline toward the visual experience that influencers practice through the remarks segment on YouTube over intentional



audits from outsiders. Since numerous stages give space to clients to survey their experience utilizing the item. YouTube isn't the top decision for survey buyer audits, which might be the justification for the low effect of e-WOM on buy goals on YouTube. An electronic verbal exchange system utilized on other web-based entertainment stages can be compelling.

Excellence item organizations should make quality as per the client. Seen quality is the most compelling component in the buy goal. Seen quality will be made when customers begin getting data from YouTube. Data about what purchasers will see and what they will get is basic for organizations to work on the nature of their items and to be predictable with item greatness. For the client, this will be an or more point in making a buy goal. Thus, it is prescribed to be particular in picking powerhouses for advancement, and excellent brands ought to expand the nature of their magnificence items.

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