

DOI: <https://doi.org/10.31933/dijemss.v5i4>

Received: 3 April 2024, Revised: 5 Mei 2024, Publish: 11 Mei 2024

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Customer Loyalty Is Influenced By Brand Ambassadors And Co-Creation With Moderating Currency (Study On Ms. Glow Users In Bekasi Regency Area)

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Abstract: Along with developments in this modern era, women are required to be able to take care of themselves. Ms Glow is one of the lines under the auspices of PT. Cosmetika Cantik Indonesia was founded in 2013. Based on existing data, the Ms Glow facial care product is in third place but has won the Indonesian Best Brand Award (IBBA) in 2020 in the facial care category which is sold exclusively. This Ms Glow product has various kinds of skincare products with thousands of resellers in various cities in Indonesia. This research aims to test how much influence brand ambassadorship, co-creation has on customer loyalty which is moderated by currency in Ms Glow beauty products. This research was conducted within the boundaries of Bekasi Regency, the method used was a quantitative method with a sample size of 108 people, the technique used in sampling was nonprobability sampling with a purposive sampling method. This research tests correlation and regression with the help of the SMSRTPLS 3.0 program which is used to test validity and reliability, goodness of fit models and hypotheses. This research shows the results that: 1). brand ambassadors have an insignificant positive effect on customer loyalty, 2). co-creation has a significant positive effect on customer loyalty, 3). brand ambassador which is moderated by currency has a positive but not significant effect, 4). co-creation moderated by currency has no effect on customer loyalty.

Keywords: Brand Ambassador, Co-Creation, Currency, Customer Loyalty.

INTRODUCTION

Along with the times in this modern era, women are required to be able to take care of themselves. There are many facial skin problems that often arise among teenagers such as acne, blackheads and excess oil production. (Florenica, 2019). Skincare is a way to help maintain healthy facial skin, Skincare also has an important role to provide basic care to the skin layer. Skincare products or Skincare at this time have decorated many online stores and offline stores with various brands and advantages offered. (Sylke, 2019). One of them is Skincare with the Somethinc brand, Somethinc was launched in 2019 this product focuses on skincare inspired by millennial women who want to use halal-certified products for a modern

lifestyle, this product has managed to grow rapidly and reach the Top share of the Indonesian market in E-Commerce. (Gifari, 2022). In addition to Somethinc Skincare with the Scarlett Whitening brand being the 2nd place of Indonesia's market share in E-Commerce, Scarlett is a local beauty care product (Skincare) founded by Felicya Angelista in 2017. This product has been registered with BPOM and claims that Scarlett products are safe for pregnant women and mothers. (Jessica, 2022). Scarlett does not use substances that are harmful to the skin such as mercury and hydroquinone so it is safe to use for pregnant women and mothers.

Ms. Glow also does not want to be less competitive than the two products, although this facial care product is in third place, it has won the Indonesian Best Brand Award (IBBA) in 2020 in the category of facial care sold exclusively. (Afif & Aswati, 2022). Ms glow is one of the lines under PT Kosmetika Cantik Indonesia which was established in 2013. This facial care product has a wide range of skincare products with thousands of resellers in various cities in Indonesia. (Virdita, 2022). This beauty product has many variants with different benefits besides that this product contains niacinamide which is vitamin b3 and nicotinamide which is soluble in water, this content is believed to be able to brighten dull skin to several levels, overcome the problem of striped skin, treat skin from acne and so on. (Dewi, 2023). It is known in the data of the top best-selling skincare brands in E-commerce in 2022 that somethinc products occupy the first position, achieving total sales of Rp.53.2M, Scarlett Whitening occupies the second position of the best-selling sales in E-commerce with total sales of Rp. 40.9M. Furthermore, Ms glow is in third place in the top selling brand data with total sales of Rp. 29.4M. (Kompas, 2022). Although ms glow has not been able to rival somethinc and scarlett products, ms glow always innovates by promoting using Brand Ambassadors, this will be one of the marketing strategies so that the product sells well in all circles and has a wide market share. (Ningsi & Ekowati, 2021). The impact of this consistency is so great that it can increase consumer loyalty to these beauty products.

Table 1. Sales Volume of Best-Selling Skincare in E-Commerce in 2022

Brand	Sales Volume
Somethinc	IDR 53.2 M
Scarlett Whitening	IDR 40.9 M
Ms. Glow	Rp. 29.4 M

Source: Kompas.com

Consumer *loyalty* (*Customer Loyalty*) is a commitment inherent in consumers to make purchases or support a brand of products or services that are most attractive in the future. (Kotler et al., 2022) This brand loyalty will later result in repurchase intentions (Wijaksono & Ali, 2019). When brand *loyalty* grows, this will have an impact on consumers to repurchase in the future. repurchase intention or *customer loyalty*, namely behavior that arises in response to objects that support all inputs in the form of information, at this stage someone will be interested in the product and show a desire to make repeat purchases. (Kotler & Keller, 2016 in Purwati & Cahyanti, 2022). This skincare product is not suddenly recognized by the Indonesian people, therefore this product cannot be separated from the role of promotion as campaigning for the products offered to the public. In skincare promotional activities somethinc, scarlett and ms glow. The three skincare are equally active in conducting promotions, one of the techniques used by ms glow to influence consumer loyalty is the promotion method through artists as Brand Ambassadors.

Brand Ambassador is a tool used by companies to communicate and connect with the public so that it can have an impact on increasing sales. (Greenwood, 2012) in (Tinneke M et al., 2023). This Brand Ambassador aims to influence, invite consumers to use the products it promotes, the use of brand ambassadors usually uses well-known celebrities. (Tinneke M et al., 2023). The indicators that can measure Brand Ambassadors are transference, congruence, credibility, attraction and power. Brand Ambassadors will help create a stronger emotional

bond between a brand / company and consumers so that it will indirectly build a product image that has an impact on product use and repurchase interest or loyalty to customers. (Siskhawati & Maulana, 2021). Therefore, brand ambassadors greatly influence the high level of consumer loyalty, this is in line with research conducted by (Amiroh et al., 2023) & (Nadila & Windasari, 2022) said that Brand Ambassador has a positive effect in creating high *customer loyalty*. Meanwhile, research conducted by (PANGARIBUAN et al., 2020) & (Nofrizal et al., 2023) which says that Brand Ambassador has no effect in creating high loyalty in consumers (*Customer loyalty*).

The number of skincare variants that have various benefits is a success factor in beauty products, where something skincare has eight variants, scarlett has ten types of variants and ms glow has the most variants, namely twelve variants. Because consumers do not have just one skin problem so ms glow needs to pay attention to product variations with variants of the benefits needed by consumers. If the consumer feels a match when using skincare, the consumer will become loyal to the brand and will make repeat purchases. Product variety is a brand or product line that can be distinguished by size, price, appearance or certain characteristics (Lestari & Novitaningtyas, 2021). This product variant is redefined by (Kotler et al., 2017) in (Mega farisha et al., 2022) into *Co-Creation* which means determining a strategy in developing a new product that will involve customers in ideas that can improve product development, so that customers can make adjustments according to their wishes in choosing a product. With a good product variety or *Co-Creation*, the company can create consumers who are loyal to these beauty products, this is in line with research conducted by (Anjani, 2021) & (Thiruvattal, 2019) said that *Co-creation* can have a positive and significant effect on *Customer loyalty*. Meanwhile, research conducted by (Cossío-Silva et al., 2019) & (Firdaus et al., 2020) said that product variations have no effect on *customer loyalty*.

The description above shows that there is a research gap that shows that there is an influence or role of other variables outside of the *Co-creation* and Brand Ambassador variables on Customer loyalty, namely *Communal activation*, Product quality and *Currency*. That not only *Co-creation* and Brand Ambassador can affect consumer loyalty or *customer loyalty*, the reality shows that the quality of ms glow products that have provided the benefits of each product issued so as to cause loyalty in consumers. This can be seen from every ingredient in ms glow skincare which is very appropriate for facial skin problems, especially for faces that have acne problems. The presence of niacinamide content with a concentration of 4 to 5% in Ms Glow cream will help calm inflamed acne. In addition, the skin will also get strong protection so that it looks healthier and free from acne. (Farrah, 2023). There are many factors that influence consumers in making purchasing decisions, one of which is place, ms.glow products are very easy to find on various platforms and also offline stores. Place is redefined by (Kotler, P., Kartajaya, H., & Setiawan, 2017a) in (Mega farisha et al., 2022) as *Communal Activation* which means that products that are distributed or sold can be found offline or online so that the presence of a product can provide convenience to consumers, which in turn consumers will become loyal to the brand. In addition, price is also a factor that can make consumers loyal and make return visits because the price will be a reference for consumers before making a purchase.

Consumers are very sensitive to price, therefore ms glow provides a fairly cheap price with good benefits from other brand products such as something and scarlett. The price of ms glow ranges from sixty-five thousand while scarlett sets the price starting from seven hundred and five thousand, for consumers the price that rises slightly will affect their repurchase interest in a product. Price is the amount of money spent on a product or service or the amount of money that can be exchanged by consumers for profit. (Singh & Alok, 2022) & (Wantara & Tambrin, 2019) said that price can create high customer loyalty. Meanwhile, according to (Bintarti et al., 2020) stated that price cannot create high customer loyalty. Price

is redefined by (Kotler et al., 2017) in (Mega farisha et al., 2022) into *Currency* which means that dynamic pricing will ensure more optimal profits by charging consumers different costs according to the number of purchases, distance to store locations and other customer aspect profiles. When consumers feel suitable for the price offered by the company, consumers will tend to become loyal to the product brand. (Mega farisha et al., 2022).

Based on the description of the background explanation above, it is possible that the price variable appears as moderation between the product variant variable and the Brand Ambassador. So it can be concluded that the objectives in this study regarding the theme "**The Effect of Co-creation and Brand Ambassadors Moderated by Currency on Customer loyalty**"

METHOD

This study uses a quantitative method conducted with a regional limitation of the Bekasi Regency Community with a sample size of 108 respondents. The sampling method used is nonprobability sampling, namely the purposive sampling method. This study tests correlation and regression with the help of the SmartPLS 3.0 program which is used to test validity and reliability.

RESULTS AND DISCUSSION

Results

Brand Ambassador

Brand Ambassador is a tool used by companies to communicate and connect with the public about how they can really increase sales. This Brand Ambassador aims to influence, invite consumers to use the products it promotes, the use of brand ambassadors usually uses well-known celebrities. (Tinneke M et al. 2023). Therefore, brand ambassadors are very influential on high consumer loyalty (Amiroh, Sudarmiati, and Winarno 2023) & (Nadila and Windasari 2022) said that Brand Ambassador has a positive effect in creating high customer loyalty.

H1: Brand Ambassador affects customer loyalty

Co-Creation

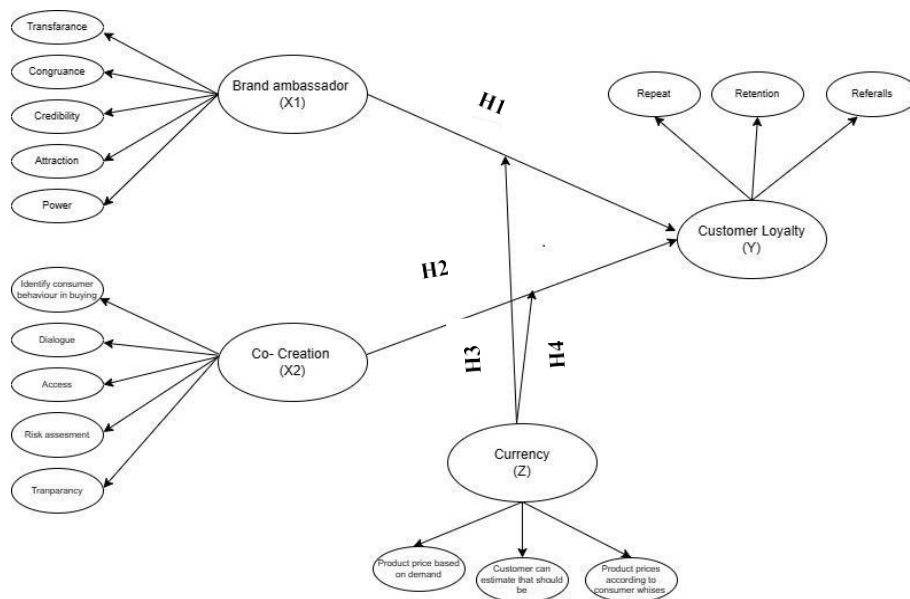
According to (Kotler et al., 2017) in (Mega farisha et al. 2022) Co-Creation means determining a strategy in developing a new product that will involve customers in ideas that can improve product development, so that customers can make adjustments according to their wishes in choosing a product. With a good product variety or Co-Creation, the company can create consumers who are loyal to these beauty products. (Anjani 2021) & (Thiruvattal, 2019) said that co-creation has a positive effect on increasing consumer loyalty.

H2 : Co-Creation has a positive effect on customer loyalty.

Brand Ambassador, Co-Creation moderated by currency on customer loyalty

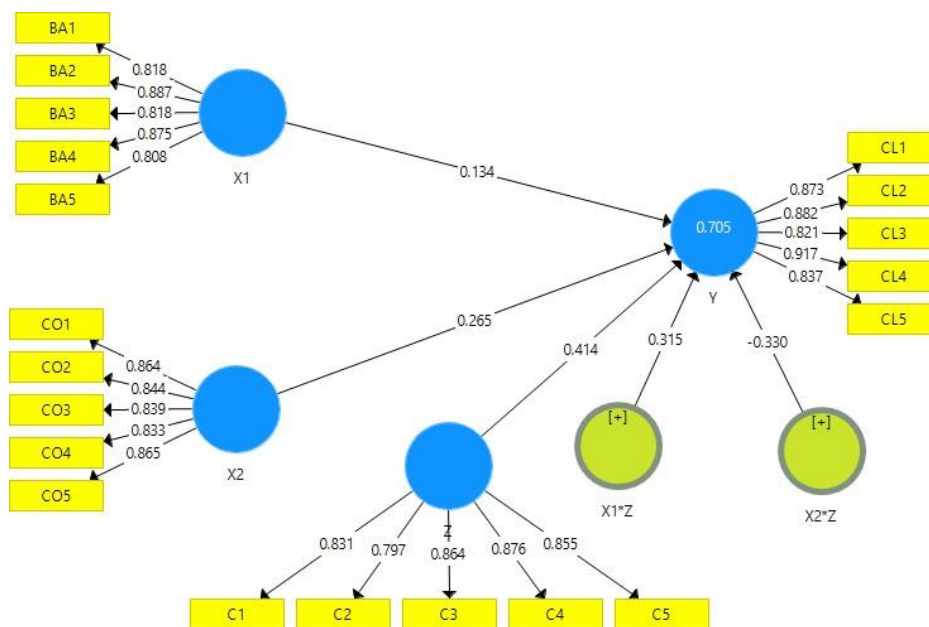
Price is redefined by (Kotler et al., 2017) in (Mega farisha et al. 2022) into *Currency* which means that dynamic pricing will ensure more optimal profits by charging different costs to consumers according to the number of purchases, distance to store locations and other customer aspect profiles. The price that is exchanged to consumers will create profits from ownership of the product, because the seller's price is the main income or source of profit. (Singh and Alok 2022) & (Wantara and Tambrin 2019) said that price can create high customer loyalty.

H3 & H4: Brand Ambassador, Co-creation moderated by Currency on customer loyalty have a positive effect.



Source: Primary Data Processing Result, 2023
Figure 1 : Research design

Data processing in this study using SEM (regression) analysis with partial least squares (PLS) software requires analysis of the goodness of fit of the research built and analysis between research variables. The results of the analysis with the partial least squares method in this study are as follows:



Source: Primary Data Processing Result, 2023
Figure 2. Path Coefficient

The following is the model after extensive testing using the bootstrapping method shown in Figure 2.

Validity Test

Tabel 2. Validity test results

	Average Variance Extracted (AVE)
X1 (Brand Ambassador)	0.709
X1*Z	1.000
X2 (Co-Creation)	0.721
X2*Z	1.000
Y (Customer Loyalty)	0.751
Z (Currency)	0.714

Source: Primary Data Processing Result, 2023

The data in table 2 assesses construct validity by looking at the AVE value, a model that can be said to be good at the AVE value where each construct has a value greater than 0.5, it can be concluded that all constructs in this study have good discriminant validity (Ghozali, 2021).

Reliability test

Tabel 3. Reliability test results

	Cronbach's Alpha	rho_A	Composite Reliability
BA (X1)	0.897	0.902	0.924
CO (X2)	0.903	0.905	0.928
CL (Y)	0.917	0.922	0.938
C (Z)	0.900	0.905	0.926

Source: Primary Data Processing Result, 2023

Furthermore, the table above is a reliability test which is useful for testing the accuracy, consistency and suitability of the instrument to measure a construct. In PLSem, SmartPLS can be used to measure the reliability of a construct. In table 2 above, it can be seen that all variable values in the reliability test using Cronsbach's alpha or composite reliability. The value is above > 0.70 so it can be concluded that the variables tested are valid.

Tabel 4. Path Coefficeine hypotesis test results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
X1 -> Y	0.134	0.137	0.118	1.139	0.129
X1*Z -> Y	0.315	0.403	0.245	1.284	0.101
X2 -> Y	0.265	0.276	0.154	1.719	0.044
X2*Z -> Y	-0.330	-0.409	0.240	1.374	0.086
Z -> Y	0.414	0.416	0.145	2.860	0.003

Source: Primary Data Processing Result, 2023

Discussion

The influence of Brand Ambassasdor on cutomer loyalty

The table above shows the results of data processing where brand ambassadors have a positive and insignificant effect on customer loyalty. Judging from the results of analyzing the Path coefficient and P-Value values. Which is in line with research conducted by Amiroh et al., 2023 & Nadila 2022 which says that brand ambassadors have a strong influence on high consumer loyalty.

The influence of co-creation on customer loyalty

The table above shows the results of data processing which can be concluded that co-creation has a significant positive effect on customer loyalty. This is in line with relevant

previous research which says that with a variety of products or good co-creation, the company can create consumers who are loyal to these beauty products. (Anjani 2021) & (Thiruvattal, 2019).

The influence of Brand Ambassador moderated by currency on customer loyalty

The table above shows the results of data processing which can be concluded that brand ambassadors have a positive and insignificant effect on customer loyalty moderated by currency. This is in line with previous research which says that price can create high customer loyalty (Singh and Alok 2022). (Singh and Alok 2022) & (Wantara and Tambrin 2019).

The effect of co-creation moderated by currency on customer loyalty

The table above shows the results of data processing which can be concluded that co-creation has a negative effect on customer loyalty moderated by currency. Because in the analysis of the Path coefficient value has a minus value, it can be said that the co-creation variable moderated by currency on customer loyalty has a negative effect. This is in line with previous research which says that price cannot create high customer loyalty. (Bintarti et al. 2020).

CONCLUSION

Based on the results of research that has been conducted by researchers, the following conclusions can be made:

1. Brand Ambassador owned by ms glow beauty products can have a good impact in increasing customer loyalty even though it is fairly weak. That is because the brand ambassador used by ms glow beauty products cannot make customers loyal.
2. Co-creation owned by ms glow beauty products has a good impact on increasing customer royalties even though this effect is relatively weak, this is because co-creation or product variations offered by ms glow beauty products cannot increase customer royalties.
3. Brand Ambassador can be good but weak in increasing customer royalty through the moderating role of currency.
4. The moderating role of currency in co-creation on customer loyalty can also attract attention even though co-creation has a very good impact on customer loyalty, but when influenced by currency this effect changes to the opposite because the role of currency cannot strengthen the relationship between co-creation and customer royalty but this currency has a direct effect on customer loyalty because the price set by ms glow beauty products can increase the high customer royalty.

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