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# THE INFLUENCE OF CONSUMER BEHAVIOR TOWARDS ORIFLAME PRODUCTS AT PT ORINDO SURABAYA BRANCH

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#### **ABSTRACT**

This study aims to describe the analysis of consumer behavior towards Oriflime products at PT Orindo Alam Ayu Surabaya branch. The data studied were reports of social factors, personal factors, and psychological factors. The company has an Oriflime sales network supported by millions of consultants who introduce products to consumers directly. The problem in this study is to assess consumer behavior from various social, factors, personal factors, and psychological factors. This method of research uses a descriptive quantitative method using techniques for harvesting dispersal data or questionnaires.

Keywords: Consumer behavior, Oriflime product

#### A. INTRODUCTION

In the current era of globalization, the advancement of science and technology has grown rapidly in Indonesia. The sectors that have also experienced progress, such as communication tools, information technology, transportation, industry and other sectors. This is inseparable from marketing problems. Therefore, choosing the right strategy is very necessary to face market competition and for the survival of the company itself. The thing that needs to be studied further is consumer behavior. Knowing the basic reasons consumers make purchases will certainly make it easier to determine the right strategy, so that consumer desires and needs will be met. Along with technological advances, business competition has also progressed, such as in the industrial sector. Where currently, with so many types of products marketed by industrial companies and one of them is beauty products. Given that beauty products are no longer something expensive or luxurious but have become a necessity for women. So that this is a great opportunity for cosmetic companies to create new products that suit the needs and desires of consumers. With the current situation, it shows that consumers think more rationally, because they already have perfect information about the market and use it to achieve optimal value for their money's purchasing efforts. Thus a company manager must be able to understand how consumers react to policies from various forms of products, prices, different advertising appeals, and reactions to the buyer's environment. According to Kotler (2018:214) consumer behavior is the study of how individuals, groups and organizations choose, buy, use and place goods, services, ideas or experiences to satisfy their wants and needs. Therefore, consumer behavior analysis

consists of social factors, personal factors, psychological factors, and cultural factors) that influence purchasing decisions. However, of the four factors, the researcher limits three of them, so the researcher considers cultural factors to have no effect on consumer behavior. This is supported by data on the development of cosmetic industry sales at PT Orindo Alam Ayu, Surabaya branch in 2019 as follows:

Table 1 Sales development of PT. Orindo

NO	Period	Customer	Number of sales
		(person)	
1.	January	65691	5,418,671,786
2.	February	65166	4,912,366,213
3.	March	71247	7,222,383,756
4.	April	71285	7,153,708,956
5.	May	75113	7,753,938,857
6.	June	72493	7,926,632,245
7.	July	71330	6,053,515,097
8.	August	73870	4,440,079,637
9.	September	73870	6,196,997,721
10	October	74513	6,104,752,001

Based on table 1 above, it shows that sales development increased in January, the number of customers of PT. Orindo Surabaya branch was 65,691, with the number of Oriflime product sales reaching Rp. 5,418,671,786, but in the following year period in February, the number of customers decreased by Rp. 65,166 people accompanied by a decrease in the number of sales of Rp. 4,912,366,213. Then in March there was an increase in the number of customers, which was 71,247 followed by an increase in the number of sales of RP.7,222,383,756. In April the number of customers increased to 71,285, but the number of sales decreased slightly to Rp.7,153,708,956. Based on the data above, it can be concluded that the number of customers is not always directly proportional or relevant to the number of sales in each period.

#### **Relevant Previous Research**

Study Zea Peberita and Rosmayani, in the Valvuta Journal (2015) concluded that the decision of a consumer to purchase a product to meet their needs and desires is not only influenced by the type of product and the level of education and income of the consumer but also influenced by cultural factors, social factors, personal factors, and psychological factors. This research was conducted at PT Orindo Alam Ayu, Pekanbaru branch. The data collection technique used was a questionnaire while the data analysis technique used was multiple linear regression analysis. The population in this study was 122 people. Research by Irene Rorong, Silvya Mandey, Djuwarti Soepono (2014) This study aims to determine the product image and consumer image simultaneously have a significant effect on the purchasing decision of Viva Cosmetic Products. The data collection technique used is a questionnaire while the data analysis technique used is multiple linear regression analysis, the population in this study is 80 people.

# **Theoretical Basis**

Consumer behavior is a process that will be gone through by a person or an organization in searching for, buying, using and evaluating a product or service after consumption to fulfill their needs. According to Prasetijo and Ihalauw (2004) in Damayanti (2014), there are 2 factors that influence consumer behavior, namely:

#### **Internal factors**

- 1. needs and motivation
- 2. personality

- 3. lifestyle
- 4. perception
- 5. attitude

#### **External factors**

- 1. family
- 2. social class
- 3. culture
- 4. reference group
- 2. Purchase Decision

According to Amirullah in Lily Widyanti (2015, page: 581), consumer decision making is the process of assessing and selecting various alternatives according to certain interests by determining a choice that is considered to be the most important.

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# **B. RESEARCH METHODS**

# Types of research

The type of research used is quantitative descriptive research. The research approach used focuses more on hypothesis testing, the data used must be measurable and this study uses a questionnaire data collection method approach. This quantitative descriptive research aims to explain, summarize various conditions and situations or regarding various variables that arise based on the research object on the Oriflime product of PT Orindo Alam Ayu, Surabaya branch.

#### **Research Data**

The data required in this research can be grouped into two data groups:

- 1. Primary data, namely data obtained from primary sources, either from individuals or direct interviews with companies and consumers, as well as the distribution of respondents.
- 2. Secondary data, namely data processed and prepared by the company in the form of two consumer numbers, a brief history of the company, the company's organizational structure, and company activities. In this study there are four variables, namely social, personal, psychological, and consumer behavior. And the population in this study is the community of Oriflime product users PT Orindo Alam Ayu Surabaya. Then in this study, the area technique was used or is usually carried out when obtaining a sample intended for 100 people. The research location and object of the research are at the ICBC Center Building, Jalan Basuki Rahmat No. 16-18, Kedungdoro, Surabaya City. This research was conducted from January 2020 until the completion of the final assignment.

# Data collection technique

The data collection technique used in this study is a documentation study, which was taken from the research location, namely PT Orindo Alam Ayu Surabaya.

#### C. DATA ANALYSIS AND DISCUSSION

# **Company History**

ORIFLIME is a company that has operated in 60 countries, with 3000 employees and hundreds of thousands of distributors, which has developed its business including: Europe, America, the Far East and one of them is Indonesia. ORIFLIME in Indonesia is entrusted to PT. ORINDO ALAM AYU which began operating in 1986 in Jakarta, and opened its branches in several cities in Indonesia, namely: Jakarta, Bandung, Medan, Surabaya, Pekanbaru, and Makassar. Oriflime has 13 branches and thousands of consultants spread throughout Indonesia. ORIFLIME develops its formulations and cosmetic products from natural ingredients combined with sophisticated science, its main factory is in the Republic of Ireland. ORIFLIME is one of the direct selling companies with Multilevel Marketing, ORIFLIME products are sold directly to consumers by Independent distributors not by ORIFLIME employees.

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#### **Data Presentation**

#### 1. Questionnaire

From the results obtained from the profile contained in the questionnaire, it can be seen about the characteristics of the respondents in this study. These characteristics include male respondents as many as 5 people or 5% and the rest are female respondents as many as 95 people or 95%. Then the age of the respondents who are most numerous is at the age of 26-30 years with 58 respondents or 58%, then in second place is at the age of 31-40 years with 22 respondents or 22%, then at the age of 17-25 with 20 respondents or 20%. There is also the most dominant respondent profession is self-employed with 68 respondents or 68%, the second place is students with 15 respondents or 15%, the third place consists of housewives with 12 respondents or 12%, and in the last place is civil servants with 5 respondents or 5%.

#### 2. Interview

From the interview results above, some information was obtained in the consumer behavior system regarding the decision to purchase Oriflime products.

# 3. Observation and Documentation

Observation here is only limited to supporting information in the form of photos during interviews, production processes and the existence of the company that researchers do to document and find out the condition of employees at PT. Orindo Alam Ayu.

# Research result

# 1. Normality Test

The results of the normality test show that the data is spread around the diagonal line and follows the direction of the diagonal line. Therefore, it can be stated that the data in these variables are normally distributed.

# 2. Multicollinearity Test

The results of the multicollinearity test show that the value VIF for the social factor variable is 1.139 with tolerance.878, the VIF value of the personal factor variable is 1.133 with tolerance.882, and the VIF value of the psychological factor variable is 1.012 with tolerance.988. Because the tolerance value of the three variables is > 0.10 and the VIF of both variables is < 10, it can be said that there is no multicollinearity in the three 67 independent variables.

# 3. Heteroscedasticity Test

The results of the heteroscedasticity test show that the points are spread randomly, do not form a clear pattern, and are spread both above and below the number 0 (zero) on the Y axis. This means that there is no heteroscedasticity in the regression model, so that the regression model is suitable for use for both independent and dependent variables.

# **Data Discussion**

Multiple Regression Analysis

The results of the analysis can be interpreted as follows:

- a. The constant value of the equation above is 1.604. This figure shows that if X1 (social), X2 (personal), and X3 (psychological) are 1.604.
- b. X1 (social) shows a coefficient value of (1.126). This means that if there is a 1% increase in social factors on purchasing decision making, there will also be an increase in the multiplier variable of 1.126 assuming that other independent variables are considered constant.
- c. X2 (personal) shows a coefficient value of (0.134). This means that if there is an increase in personal factors by 1% on purchasing decision making, there will also be an increase in the multiplier variable of 0.134 assuming that other independent variables are considered constant.

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d. X3 (psychology) shows a coefficient value of (0.034). This means that if there is an increase in the psychological factor of 1% on purchasing decision making, there will also be an increase in the multiplier variable of 0.034 with the assumption that the independent variable is considered constant.

### **T-Test Analysis**

The value of X1 t count is 33.486 > t table 1.1661 and the significance value (Sig.) 0.000 < 0.10 which means that social (X1) has a positive and significant effect on purchasing decisions (Y). X t count is 4.293 > t table 1.661 and the significance value (Sig.) 0.000 < 0.10 which means that personal (X2) has a positive and significant effect on purchasing decisions (Y). X3 t count is 1.419 > t table 1.661 and the significance value (Sig.) 0.159 < 0.10 which means that psychology (X3) has no effect and is not significant on purchasing decisions (Y).

# F Test Analysis

From the ANOVA test or F test, the calculated F value is 466,805. This value is greater than the F table, which is 2.14 or F count 466,805 > F table 2.14 with a probability of 0.000. Because the probability value much smaller than 0.10 then the regression model can be used to predict purchasing decisions or it can be said that the three independent variables social, personal and psychological have an influence on purchasing decision making .

#### **Coefficient of Determination**

The coefficient of determination (R2) essentially measures how far the model's ability to explain the variation of the dependent variable. The value of the coefficient of determination is between zero (0) and one (1). A small R2 value means that the ability of the independent (free) variables to explain the variation of the dependent variable is very limited.

# **Hypothesis Testing**

The following is an explanation of the hypothesis in this study:

- 1. Social factors have a significant influence on consumer behavior at PT Orindo Alam Ayu in Surabaya
- 2. factors have a significant influence on consumer behavior at PT Orindo Alam Ayu in Surabaya
- 3. Psychological factors have a significant influence on consumer behavior at PT Orindo Alam Ayu in Surabaya
- 4. Social factors, personal factors, psychological factors have a positive influence on purchasing decisions and are simultaneously significant on consumer behavior at PT Orindo Alam Ayu in Surabaya.

#### **D. CONCLUSION**

Based on the research results, it can be concluded that the partial T-test, Of the four variables of social factors, personal factors, psychological factors have a Tcount value (33.486)> Ttable (1.661). This means that the independent variable has an influence on consumer decisions. And in the F test that variable x simultaneously influences variable Y, which means that social factors, personal factors, psychological factors together have a significant influence on consumer decisions in choosing Oriflime cosmetic products at PT Orindo Alam Ayu, Surabaya branch and Based on the determination coefficient value (R2) obtained at 0.936, this means that the magnitude of the influence of social factors, personal factors, and psychological factors on consumer satisfaction is 93.6% or the remainder of (100% - 93.6 = 6.4%) is influenced by other factors that are not examined in this study.

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