

## **The Study of Managerial Knowledge, Attitude, and Intention Toward Willingness To Pay On Consumers Cosmetic Products**

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### **Abstract**

This study serves to test and analyze the effect of managerial knowledge, attitudes, and intentions on willingness to pay for cosmetic product consumers in Jakarta. This study uses a survey method and causality. So the samples obtained in this study were 201 respondents. The research method uses SEM analysis with the Warp PLS 7.0 program as a test tool. The results of this study are in Managerial Knowledge which has a very positive effect on Consumer Payment Intentions for Cosmetic Products significantly and Attitudes have a positive effect on Consumer Payment Intentions for Cosmetic Products significantly. This research has also shown that the intention to pay has a very significant positive effect on the willingness to pay to consumers. These three main issues therefore should be taken into consideration in strategic planning that it is necessary to increase managerial knowledge by supporting attitudes and intentions through education and training programs to improve willingness to pay on consumers cosmetic products.

**Keyword:** Managerial Knowledge, Attitude, Intention, Willingness to Pay

### **1. Introduction**

Presently cosmetics have become a style and necessity that must be owned by every woman in various parts of the world, including Indonesian Ladies is one of the local cosmetic brands that can compete in the national industry, providing more than 140 decorative and skin care products. Looking at the 2021 Top Brand Index data shows that Martatilar is also capable enough to compete with other cosmetic brands, because Martatilar has entered the 2021 Top Brand Index. Martatilar cosmetic products are only included in the Top Brand category in 2021 for the year before and after Martatilar is not included in category. The Top Brand Award is proof that the brand is trusted by consumers. Excellent performance leads to brand loyalty relationships. The inclusion of Martatilar cosmetics in the Top Brand means that consumers

trust and faithfully use their products. Manufacturers should be able to innovate on brands, build and maintain consumer confidence in using these cosmetic products. Researchers linked several variables in this study, some of the variables used were managerial knowledge, attitude, intention, and willingness to pay.

Managerial knowledge is defined as the result of interpreting Managerial activity Image presented in advertisements and that objective managerial knowledge and skill is the result of factual information provided by advertisements (Schiffman and Wisenblit 2015, 188). Skill can be defined as an in-depth practical of a skill related to consumer awareness and experience (Kotler and Keller 2012, 246). Skill refers to facts, feelings or experiences that are known to a person or group of people. Can be defined as awareness, awareness or familiarity gained through experience or learning (Briliana and Mursito 2017). Managerial knowledge is information or best managerial practice obtained by consumers through knowledge and skill relating to product quality in the same brand based on consumer experience.

Attitude can be defined as a mental attitude towards a person's topic, to events that affect feelings, perceptions, and to the learning process, as well as the behavior of the next organizer. (Clow and Baack 2018:79). Attitude is a mental readiness to respond, and a framework for completing and determining certain beliefs or opinions as well as evaluative statements of attitude, both pleasant and unpleasant in objectivity to events (Zainal et al. 2017, 245). Attitude in evaluating statements and judgments about the object of the matter, what happened to people, or to certain events. (Schiffman and Wisenblit 2015, 172). Attitude is the way individuals behave in applying consistent beliefs and judgments related to the consumption of products that have the appropriate quality in the same brand.

Intention can mean offering a different and more comfortable experience for existing customers, or to attract new customers who find traditional approaches unattractive (Lovelock 2018, 108). Purchase intention can be interpreted as the strongest for the negativism of others and the closer consumers are to us, the more we adjust the purchase interest (Kotler and Keller 2016, 199). Intention is defined as a person as motivation in the sense of a conscious plan to make efforts to carry out a behavior (Azmawani et al. 2015, Briliana and Mursito 2017). Intention is a strong intention that arises in a person to get a product that has the appropriate quality in the same brand in the hope that it can meet consumer needs.

According to Kotler and Keller (2012, 175) Willingness to Pay is a way for consumers to compare products that vary in price and perceived quality (by features or brand names) and the way these products are displayed in stores (based on brand or model type) willingness to pay more for additional features or more well-known brands. Willingness to Pay is used as a method to determine the maximum value that consumers are willing to pay for the quality of a product (Priambodo and Najib 2014). Willingness to Pay is a person's willingness to pay the maximum for a product or service that has the appropriate quality in the same brand

## **2. Resach Methode**

The research design used is survey research and causality. The object used in this research is cosmetic products.

### **2.1. Collecting data in**

Collecting data in this study using a questionnaire in the form of questions. Key respondents in this study are credible people with several criteria, namely as follows. (1). Muslim women (2). Between 17 - 25 years old (3). Consumers use halal cosmetic products (4). Domiciled in Jakarta area. The scale used in this study is the Likert scale. This study uses primary data and secondary data. With this research method, SEM analysis on all types of data obtained will be calculated using the Warp PLS 7.0 program.

### 3. Result And Discussion

The table of hypothesis testing results:

Table 1. R-Square

1	Intention	0.642
2	Willingness to Pay	0.534

The variable r-square intention has a value of 0.642, which has shown that the contribution has an influence on the variable knowledge, religion, and attitude towards intention, which is 64.2%. With an R-square value and a variable in willingness to pay of 0.534, it has been shown that the contribution of the influence of knowledge, religion, attitude, and intention to willingness to pay is equal to 53.4%.

Table 2. Predictive Relevance Model

1	Intention	0.640
2	Willingness to Pay	0.529

The predictive relevance model shows that the variables knowledge, religiosity, and attitude can predict the intention variable excellent and produce a value of 0.640. Willingness to Pay can be predicted excellent by the intention variable indicator with a value of 0.529.

Table 3. T Ratio for Path Coefficient

No	Description	Managerial Knowledge	Religiosity	Attitude	Intention	Willingness to Pay
1	Managerial knowledge					
2	Religiosity					
3	Attitude					
4	Intention	5.086	1.556	6.891		
5	Willingness to Pay				11.950	

The results of testing the first hypothesis show that the statistical value in the negative region is  $< t\text{-table} (-5.086 < -1.96)$  and the t-statistic in the positive region  $> t\text{-table} (5.086 > 1.96)$ . The conclusion is that there is evidence to have an influence of managerial knowledge significantly on the intention of consumers of cosmetic products in Jakarta.

The result of testing the second hypothesis shows that the statistical value in the negative region is  $< t\text{-table} (-1.556 < -1.96)$  and the t-statistic in the positive region  $< t\text{-table} (1.556 < 1.96)$ . The conclusion that there is not enough to have an effect of religiosity on the intention of consumers of cosmetic products in Jakarta.

The results of testing the third hypothesis show that the statistical value in the negative region is  $< t\text{-table} (-6.891 < -1.96)$  and the t-statistic in the positive region  $> t\text{-table} (6,891 > 1.96)$ . The conclusion is that there is an influence on attitude significantly towards intention of consumers of cosmetic products in Jakarta.

The results of testing the fourth hypothesis show the statistical value in the negative region  $< t\text{-table} (-11.950 < -1.96)$  and the t-statistic in the positive region  $> t\text{-table} (5.086 > 1.96)$ . The conclusion is that there is an effect of intention on willingness to pay for consumers of cosmetic products significantly in Jakarta.

#### 4. Conclusion

Based on the results of research and discussion that has been carried out using samples from consumers of cosmetic products in Jakarta. The conclusions :

- a. The results show that there is evidence to have an influence of managerial knowledge significantly on the intention of consumers of cosmetic products in Jakarta
- b. The results show that there is not enough to have an influence of religiosity on the intention of consumers of cosmetic products in Jakarta
- c. The results show that There is an influence on attitude significantly towards intention of consumers of cosmetic products in Jakarta
- d. The results show that there is significantly an effect of intention on willingness to pay on consumers of cosmetic products in Jakarta. These three main issues therefore should be taken into consideration in strategic planning that It is necessary to increase managerial knowledge by supporting attitudes and intentions through education and training programs to improve willingness to pay on consumers cosmetic products.

There are several limitations to this study. The distribution of questionnaires can only be done through social media because of the presence of Covid-19, the current condition makes it impossible to distribute questionnaires directly. This study only used a sample of 201 people, the data taken may not reflect customer loyalty to continue using halal cosmetics in the long term.

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