

Digital Interaction, Customer Value, and Loyalty in Social Commerce: The Role of Customer Ethnocentrism

Nuri Purwanto*, Novita Mardiani, Natalia, Annetta Gunawan

Institut Teknologi dan Bisnis PGRI Dewantara Jombang, Indonesia

²Binus Universtiy, Indonesia

**Corresponding author. Email: nuri.stiedw@itebisdewantara.ac.id*

ABSTRACT

The rapid growth of social media and social commerce has transformed how cosmetic users evaluate products and develop loyalty toward cosmetic brands. This study examines the influence of Social Media Construct and Social Commerce Construct on Customer Value and the subsequent effect of Customer Value on Customer Loyalty. It also investigates the moderating role of Customer Ethnocentrism in the relationship between Customer Value and Customer Loyalty. A quantitative approach was used, with data collected through structured questionnaires from 300 cosmetic users in Java Island, Indonesia, specifically from Jakarta, Bandung, and Surabaya. The research variables consist of Social Media Construct, Social Commerce Construct, Customer Value, Customer Loyalty, and Customer Ethnocentrism. The data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS. The study is expected to show that ratings, recommendations, and social commerce interactions strengthen Customer Value by helping cosmetic users reduce uncertainty, evaluate product credibility, and gain social assurance during the purchasing process. Customer Value is expected to increase Customer Loyalty, while Customer Ethnocentrism is expected to strengthen this relationship, particularly among users who prefer and support local cosmetic brands. These findings contribute to social commerce and consumer behavior literature by explaining how digital interaction and ethnocentric orientation shape loyalty among cosmetic users. Practically, the study provides insights for cosmetic brands and digital marketers in designing social media and social commerce strategies that enhance Customer Value and build sustainable Customer Loyalty.

Keywords: *social media construct, social commerce construct, customer value, customer loyalty, customer ethnocentrism, cosmetic users.*

1. INTRODUCTION

Social media and social commerce have become highly influential spaces through which cosmetic users discover products, evaluate alternatives, and develop loyalty toward brands. In Indonesia, this shift is particularly important because consumers increasingly rely on digital platforms when searching for cosmetic information, comparing product claims, reading reviews, and observing the experiences of other users. DataReportal reported that Indonesia had 212 million internet users in early 2025, with internet penetration reaching 74.6 percent of the population, while social media user identities reached 143 million, equivalent to 50.2 percent of the total population (Kemp, 2025). This condition has changed the competitive logic of the cosmetics industry. Cosmetic brands are no longer evaluated only through product quality, price, packaging, or physical-store presence, but also through ratings, recommendations, online communities, user-generated content, and social commerce interactions that shape perceived customer value before loyalty is formed.

The cosmetic industry provides a relevant context for examining social media and social commerce because cosmetic products are closely related to appearance, self-confidence, personal identity, and perceived product suitability. Unlike ordinary consumer goods, cosmetics often involve higher subjective evaluation because users must consider skin type, product texture, shade compatibility, ingredient safety, halal status, brand image, and expected beauty outcomes. As a result, cosmetic users frequently rely on social information before making purchase and repurchase decisions. Indonesia's beauty market has also continued to show strong growth. Kantar reported that Indonesia's beauty category recorded 16 percent year-on-year value growth and 8 percent unit growth, supported by increasing consumer demand, easier access to products, online shopping, and the growing influence of beauty routines shared through social media (Kantar, 2025). This indicates that the digital cosmetics market is not merely transactional, but increasingly shaped by social influence, perceived value, and long-term customer relationships.

Java Island is a strategically important setting for this study because it represents Indonesia's largest and most commercially concentrated consumer market. Statistics Indonesia reported that Java is inhabited by approximately 151.6 million people, or 56.10 percent of Indonesia's population, despite occupying only around 7 percent of the country's land area (BPS, 2021). This demographic concentration makes Java a highly relevant context for examining cosmetic users' digital behavior. Consumers in Java are highly exposed to marketplace platforms, social media campaigns, influencer content, customer ratings, product recommendations, livestream selling, and brand communities. Therefore, examining 300 cosmetic users in Java Island provides meaningful empirical insight into how social media and social commerce constructs influence customer value and customer loyalty in Indonesia's digital cosmetic market.

The social media construct in this study refers to digitally mediated evaluative mechanisms that help cosmetic users assess product and brand credibility through ratings and recommendations. Ratings allow consumers to evaluate other users' satisfaction, product performance, seller reliability, and perceived risk, while recommendations provide social cues regarding product popularity, suitability, and trustworthiness. In the cosmetics context, ratings and recommendations are especially influential because consumers often seek reassurance before purchasing products that may affect their appearance, skin condition, and confidence. Recent research indicates that social media marketing activities can strengthen customer loyalty by improving brand interaction, customer engagement, and perceived relationship quality (Banerji & Singh, 2024). Thus, social media constructs are expected to increase customer value by helping cosmetic users reduce uncertainty and perceive greater functional, emotional, and social benefits from cosmetic products.

The social commerce construct in this study refers to the community-based and interaction-oriented features that support cosmetic users during the product evaluation and purchasing process. Social commerce differs from conventional e-commerce because it integrates commercial transactions with social interaction, peer communication, and community participation. In social commerce environments, cosmetic users can exchange product experiences, ask questions, observe testimonials, participate in brand communities, and compare the opinions of other users before deciding whether a product is worth buying. Busalim, Hollebeek, and Lynn (2023) found that social commerce attributes such as community, collaboration, interactivity, and social dynamics strengthen customer engagement, which subsequently influences repurchase intention and electronic word-of-mouth. This supports the argument that social commerce constructs can enhance customer value by creating a more interactive, informative, and socially supported buying experience.

The present study is grounded in the Stimulus-Organism-Response perspective, which provides a suitable theoretical lens for explaining how social media and social commerce mechanisms influence customer loyalty through customer value. Within this framework, the social media construct and social commerce construct function as external stimuli that shape consumers' internal evaluations. Customer value represents the organismic or internal evaluative response, while customer loyalty represents the behavioral outcome. This logic is consistent with prior digital commerce studies showing that online shopping attributes, information quality, customer experience, and perceived value are important mechanisms in shaping loyalty-related behavior (Mofokeng, 2021). In the present study, customer value is positioned as the central mechanism that explains how digital social interaction is translated into loyalty among cosmetic users.

Customer value plays a central role in this model because cosmetic users do not evaluate products only based on price or functional performance. In the cosmetics context, value may include perceived product effectiveness, skin compatibility, beauty enhancement, emotional satisfaction, self-confidence, social recognition, convenience, safety, and trust in the brand or seller. When users perceive that ratings, recommendations, and social commerce communities help them make better cosmetic decisions, they are more likely to perceive higher customer value. Recent studies in social commerce and digital retailing emphasize that customer perceived value is shaped by platform quality, trust, technology experience, information quality, and service-related interactions (Kakkar et al., 2025; Mofokeng, 2021). Therefore, customer value is expected to become the key psychological bridge linking social media and social commerce constructs to customer loyalty.

Customer loyalty is a strategic outcome in the cosmetic industry because cosmetic consumption often involves repeat purchase, product routine, brand preference, and word-of-mouth recommendation. Once users find cosmetic products that match their skin type, appearance goals, budget, lifestyle, and values, they may become loyal to the brand. However, loyalty in the cosmetics market is increasingly difficult to maintain because users are continuously exposed to new products, foreign brands, influencer recommendations, viral trends, promotional discounts, and alternative brand claims. Therefore, cosmetic brands must continuously create superior customer value to retain users in a highly competitive digital environment. In this study, customer loyalty reflects users' willingness to continue purchasing, recommend the product to others, and maintain preference for the cosmetic brand or seller.

Customer Ethnocentrism is positioned as a moderating variable in this study because the relationship between customer value and customer loyalty may differ depending on users' preference for local versus foreign cosmetic

products. Customer Ethnocentrism refers to the tendency of consumers to prefer domestic products and support local brands because such purchasing behavior is perceived as economically, culturally, or morally desirable. This construct is particularly relevant in Indonesia's cosmetics market because local brands such as Wardah, Viva, Mustika Ratu, Sariayu, Somethinc, Scarlett, and other domestic cosmetic brands compete directly with Korean, Japanese, American, European, and Chinese beauty brands. Ramadania et al. (2023) found that consumer ethnocentrism and brand credibility positively influence purchase intention toward domestic cosmetic brands. This suggests that ethnocentric orientation may strengthen the conversion of perceived customer value into customer loyalty, particularly when users perceive the cosmetic product as locally relevant and supportive of domestic identity.

The moderating role of Customer Ethnocentrism is important because customer value alone may not produce the same loyalty response across all cosmetic users. Two consumers may perceive similar value from a cosmetic product, but their loyalty may differ depending on whether they attach importance to supporting local brands. Highly ethnocentric users may show stronger loyalty when they perceive that local cosmetic products provide good value, because their loyalty is reinforced not only by product benefits but also by domestic brand preference. Conversely, users with lower ethnocentrism may base loyalty more heavily on product innovation, foreign brand prestige, price competitiveness, trend alignment, or perceived global quality. Therefore, Customer Ethnocentrism is expected to strengthen or weaken the relationship between Customer Value and Customer Loyalty.

Despite the growing literature on social media marketing, social commerce, and cosmetic consumption, several research gaps remain. First, many previous studies have examined social media marketing, online reviews, influencer marketing, trust, or purchase intention separately, while fewer studies integrate Social Media Construct and Social Commerce Construct into a single model explaining Customer Value and Customer Loyalty among cosmetic users. Second, prior research often focuses on purchase intention or repurchase intention, while the mediating role of Customer Value in transforming digital interaction into Customer Loyalty remains underexplored in the cosmetic context. Third, although Customer Ethnocentrism has been examined in relation to domestic product preference and purchase intention, its moderating role in the relationship between Customer Value and Customer Loyalty in social commerce remains limited. Fourth, empirical evidence from Java Island remains important because Java represents Indonesia's largest consumer market and provides a relevant setting for studying digitally active cosmetic users.

Accordingly, the primary objective of this study is to examine the influence of Social Media Construct and Social Commerce Construct on Customer Value and to analyze the subsequent effect of Customer Value on Customer Loyalty among cosmetic users in Java Island, Indonesia. In addition, this study investigates whether Customer Ethnocentrism moderates the relationship between Customer Value and Customer Loyalty. Using data from 300 cosmetic users in Java Island, this research contributes to social commerce and consumer behavior literature by integrating social media mechanisms, social commerce interaction, customer value, customer loyalty, and ethnocentric consumer orientation into a single conceptual framework. Practically, the findings are expected to help cosmetic brands, local beauty entrepreneurs, digital marketers, and social commerce sellers design strategies that strengthen customer value and build sustainable loyalty in Indonesia's competitive digital cosmetics market.

1.1. Social Media and Social Commerce among Cosmetic Users

Social media and social commerce have become central constructs in digital consumer behavior because cosmetic users increasingly evaluate products not only through brand-generated claims, but also through ratings, recommendations, reviews, community interactions, and peer-generated information. In this study, the Social Media Construct refers to digital evaluative mechanisms such as customer ratings and recommendations that help cosmetic users assess product credibility, seller reliability, and product suitability. The Social Commerce Construct refers to the interactive and community-based features that allow users to communicate, exchange experiences, and participate in social shopping activities before making purchase or repurchase decisions.

This context is particularly relevant for cosmetic products because cosmetics are highly experiential and personally sensitive. Consumers often need to evaluate product texture, shade compatibility, skin suitability, ingredient safety, halal status, brand image, and expected beauty outcomes before deciding whether a cosmetic product is worth buying. Unlike ordinary consumer goods, cosmetics are closely related to appearance, identity, confidence, and self-presentation. Therefore, users tend to rely heavily on the experiences of other consumers before forming value perceptions and loyalty toward a cosmetic brand.

Recent social commerce research supports the idea that online interaction, user-generated content, community participation, and social shopping mechanisms influence customer engagement and loyalty-related behavior. Busalim and Asadi (2025) explain that social commerce has transformed customer behavior by integrating social networking features into commercial activities and by encouraging customer engagement through social, technological, and

motivational factors. In the cosmetic context, this means that ratings, recommendations, online communities, and social commerce interactions can function as digital stimuli that shape users' perceived customer value.

The theoretical logic of this study is aligned with the Stimulus-Organism-Response perspective. Within this framework, the Social Media Construct and Social Commerce Construct function as external stimuli that influence users' internal evaluation. Customer Value represents the organismic or internal evaluative response, while Customer Loyalty represents the behavioral outcome. Customer Ethnocentrism is positioned as a moderating variable because the strength of the relationship between Customer Value and Customer Loyalty may differ depending on the extent to which cosmetic users prefer domestic products and support local cosmetic brands.

1.2. Social Media Construct and Customer Value

The Social Media Construct in this study refers to the extent to which ratings and recommendations help cosmetic users evaluate cosmetic products and brands. Ratings provide visible indicators of product performance, customer satisfaction, and seller credibility. Recommendations, meanwhile, provide social cues that help users assess whether a cosmetic product is popular, suitable, trustworthy, and worth purchasing. In the cosmetic industry, these social cues are especially important because users often face uncertainty regarding product effectiveness, skin compatibility, color suitability, and safety.

Cosmetic users frequently rely on ratings and recommendations before purchasing because product claims alone may not be sufficient to build confidence. For example, a user who is considering a skincare product may examine ratings to assess whether other consumers experienced irritation, improvement, or satisfaction. Similarly, recommendations from other users may help consumers determine whether a product is suitable for oily skin, dry skin, sensitive skin, or specific beauty goals. Therefore, ratings and recommendations can reduce perceived risk and increase the perceived usefulness of social media information.

Recent studies show that social media marketing activities and digital interaction mechanisms can strengthen consumer evaluation, engagement, and loyalty-related responses. In the cosmetic context, social media does not only function as a promotional channel, but also as a source of social validation and informational value. When cosmetic users perceive ratings and recommendations as credible and useful, they are more likely to perceive greater customer value from the product or brand. Customer value in this context includes functional value, emotional value, social value, trust-related value, and decision-making convenience. Therefore, this study proposes the following hypothesis:

H1: Social Media Construct has a positive effect on Customer Value.

1.3. Social Commerce Construct and Customer Value

The Social Commerce Construct refers to the community-based and interaction-oriented features that support cosmetic users during the evaluation and purchasing process. Social commerce differs from conventional e-commerce because it integrates commercial transactions with social interaction. Through comments, reviews, product discussions, community recommendations, livestream interactions, and user-generated content, cosmetic users can obtain richer information before deciding whether to buy or remain loyal to a cosmetic brand.

In the cosmetic market, social commerce is important because product evaluation often depends on shared user experience. Consumers may ask questions about product texture, shade match, durability, skin reaction, ingredient safety, packaging, price fairness, or comparison with competing brands. These interactions help users make more confident purchasing decisions. Social commerce therefore provides not only transactional convenience, but also social assurance and experiential learning.

Busalim and Asadi (2025) found that social commerce engagement is shaped by social, technological, and motivational factors. This supports the argument that social commerce platforms are not merely sales channels, but interactive environments that influence consumer evaluation. When cosmetic users perceive social commerce interactions as helpful, trustworthy, and relevant, they are more likely to perceive higher customer value. In this sense, the Social Commerce Construct can enhance customer value by increasing information quality, trust, emotional engagement, and social confidence in the buying process. Therefore, this study proposes the following hypothesis:

H2: Social Commerce Construct has a positive effect on Customer Value.

1.4. Customer Value and Customer Loyalty

Customer Value refers to cosmetic users' overall evaluation of the benefits received compared with the sacrifices made in the purchasing process. In the cosmetic context, value is not limited to price or functional performance. It may

also include product effectiveness, skin compatibility, beauty enhancement, emotional satisfaction, confidence, safety, convenience, brand trust, and social recognition. Cosmetic users are more likely to perceive high value when a product helps them achieve their beauty goals, reduces uncertainty, and provides a positive consumption experience.

Customer Loyalty refers to users' willingness to continue purchasing, recommend, and maintain preference toward a cosmetic brand or seller. Loyalty is a critical outcome in the cosmetic industry because many cosmetic products are used repeatedly. Once consumers find products that match their skin type, preferences, lifestyle, budget, and identity, they may continue purchasing the same brand over time. However, loyalty in the cosmetic market is difficult to maintain because users are frequently exposed to new brands, viral beauty trends, influencer reviews, promotional discounts, and foreign cosmetic products.

The relationship between Customer Value and Customer Loyalty is therefore theoretically important. When cosmetic users perceive strong value from a product or brand, they are more likely to remain loyal because the product satisfies functional, emotional, and social expectations. High customer value can increase repeat purchase intention, reduce switching behavior, and encourage positive word-of-mouth. In social commerce environments, this process becomes even more important because value is shaped not only by the product itself, but also by digital interaction, peer influence, and social shopping experience. Therefore, this study proposes the following hypothesis:

H3: Customer Value has a positive effect on Customer Loyalty.

1.5. The Moderating Role of Customer Ethnocentrism

Customer Ethnocentrism refers to consumers' tendency to prefer domestic products and support local brands because such purchasing behavior is perceived as economically, culturally, or morally appropriate. In the broader literature, this construct is often discussed as consumer ethnocentrism. In this study, Customer Ethnocentrism is positioned as a moderating variable because the effect of Customer Value on Customer Loyalty may not be the same for all cosmetic users. Some users may evaluate cosmetics primarily based on quality, price, innovation, or trend alignment, while others may also consider whether the product is produced by a local or domestic brand.

The moderating role of Customer Ethnocentrism is particularly relevant in Indonesia's cosmetic market because local cosmetic brands compete directly with foreign cosmetic brands, including Korean, Japanese, American, European, and Chinese brands. Local brands such as Wardah, Viva, Mustika Ratu, Sariayu, Somethinc, Scarlett, and other Indonesian cosmetic brands have gained strong visibility through social media and social commerce platforms. For cosmetic users with high ethnocentric tendencies, loyalty toward local cosmetic brands may be strengthened when they perceive that the brand provides strong customer value.

Recent research by Ramadania, Suh, Rosyadi, Purmono, and Rahmawati (2023) shows that consumer ethnocentrism, cultural sensitivity, and brand credibility are relevant in explaining purchase intention toward domestic cosmetic products. This supports the argument that ethnocentric orientation can influence how consumers evaluate and respond to local cosmetic brands. In the present study, Customer Ethnocentrism is expected to strengthen the relationship between Customer Value and Customer Loyalty. When cosmetic users with high ethnocentrism perceive strong value from a local cosmetic brand, they may become more loyal because their loyalty is reinforced by both value perception and domestic brand preference.

However, the effect may be weaker among users with low ethnocentrism. These users may still appreciate customer value, but their loyalty may depend more strongly on product innovation, global brand prestige, influencer endorsement, price competitiveness, or trend relevance. Therefore, Customer Ethnocentrism functions as a boundary condition that explains why similar levels of customer value may produce different levels of loyalty among cosmetic users. Therefore, this study proposes the following hypothesis:

H4: Customer Ethnocentrism moderates the effect of Customer Value on Customer Loyalty, such that the relationship is stronger for cosmetic users with higher levels of Customer Ethnocentrism.

1.6. Customer Loyalty

Customer Loyalty represents the behavioral outcome of this study. It refers to cosmetic users' willingness to continue purchasing, recommend, and maintain preference toward a cosmetic product, brand, or seller. In the cosmetics industry, customer loyalty is highly valuable because loyal users may repeatedly purchase the same skincare, makeup, or personal care products over time. Loyal users may also recommend products to friends, share positive reviews, defend the brand, and participate in online brand communities.

In social commerce environments, loyalty is shaped by both product-related and platform-related experiences. Cosmetic users may remain loyal when they perceive that a brand provides reliable product performance, credible information, emotional satisfaction, and positive social interaction. Ratings, recommendations, community discussions, and social commerce interactions can therefore contribute indirectly to loyalty by increasing perceived Customer Value. At the same time, Customer Ethnocentrism may strengthen this process when users attach importance to supporting local cosmetic brands.

Taken together, the proposed model explains how Social Media Construct and Social Commerce Construct influence Customer Value, how Customer Value increases Customer Loyalty, and how Customer Ethnocentrism strengthens the relationship between Customer Value and Customer Loyalty.

2. RESEARCH METHODS

This study adopts the framework presented in Figure 1 to investigate the influence of Social Media Construct and Social Commerce Construct on Customer Value and the subsequent effect of Customer Value on Customer Loyalty, specifically in the context of cosmetic users in Java Island, Indonesia. The key objective is to examine how ratings, recommendations, community interaction, and social commerce experiences shape cosmetic users' perceived Customer Value, and how Customer Value ultimately influences Customer Loyalty. In addition, this study investigates the moderating role of Customer Ethnocentrism in the relationship between Customer Value and Customer Loyalty.

Data for this research were collected through a structured questionnaire administered to 300 cosmetic users in Java Island, Indonesia. The respondents were selected because they had experience using cosmetic products and had interacted with cosmetic-related information through social media or social commerce platforms. Based on Table 1, the gender distribution of respondents shows that the majority were female, accounting for 78.0% of the sample, while male respondents represented 22.0%. Based on Table 2, the age distribution of respondents shows that the majority were between 21 and 25 years old, accounting for 49.0% of the sample, followed by respondents aged 26–35 years old at 26.0%, respondents aged 17–20 years old at 16.0%, and respondents aged 36 years and above at 9.0%. This composition indicates that the sample represents active cosmetic users who are familiar with digital platforms, online recommendations, customer ratings, and social commerce-based purchasing behavior.

Based on Table 3, the respondents were distributed across three major cities in Java Island, namely Jakarta, Bandung, and Surabaya. The largest proportion of respondents came from Jakarta, accounting for 35.0% of the sample, followed by Surabaya at 33.3% and Bandung at 31.7%. This distribution indicates that the study includes cosmetic users from major urban consumer markets in Java Island, thereby providing relevant representation of digitally active cosmetic consumers in Indonesia. The inclusion of these three cities strengthens the research context because Jakarta, Bandung, and Surabaya are highly exposed to digital marketplaces, social media campaigns, online ratings, product recommendations, influencer content, livestream shopping, and social commerce communities. Based on Table 4, the majority of respondents purchased cosmetic products every two to three months, accounting for 34.0% of the sample, followed by respondents who purchased cosmetics monthly at 28.0%, respondents who purchased cosmetics one to two times within the last six months at 23.0%, and respondents who purchased cosmetics more than once per month at 15.0%. Furthermore, based on Table 5, TikTok Shop was the most frequently used platform for cosmetic-related information and purchase, accounting for 32.0% of respondents, followed by Shopee at 30.0%, Instagram at 17.0%, Tokopedia at 11.0%, and official brand websites or other platforms at 10.0%.

The questionnaire was designed to measure five main variables: Social Media Construct, Social Commerce Construct, Customer Value, Customer Loyalty, and Customer Ethnocentrism. Social Media Construct was measured using indicators related to ratings and recommendations. Social Commerce Construct was measured using indicators related to community interaction and social commerce experience. Customer Value was measured using indicators reflecting perceived benefits, usefulness, emotional value, trust, and overall value obtained from cosmetic products or brands. Customer Loyalty was measured through indicators related to repeat purchase intention, recommendation intention, brand preference, and willingness to continue using the cosmetic brand or seller. Customer Ethnocentrism was measured through indicators related to preference for domestic cosmetic products, support for local brands, and the belief that purchasing local cosmetics contributes to the domestic economy.

All items were measured using a five-point Likert scale ranging from 1 = Strongly Disagree to 5 = Strongly Agree. The data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS. Validity and reliability tests were conducted to ensure the quality of the research instruments. The measurement model was assessed through outer loadings, Cronbach's alpha, composite reliability, average variance extracted, discriminant validity, and multicollinearity. The structural model was used to examine the significance of the direct relationships among variables, including the effect of Social Media Construct on Customer Value, the effect of Social Commerce

Construct on Customer Value, and the effect of Customer Value on Customer Loyalty. Furthermore, moderation analysis was employed to assess the moderating effect of Customer Ethnocentrism on the relationship between Customer Value and Customer Loyalty. The data collected provide valuable insights into how social media mechanisms and social commerce experiences influence cosmetic users' perceived value and loyalty, and how ethnocentric orientation shapes this relationship in the context of Indonesia's digital cosmetic market.

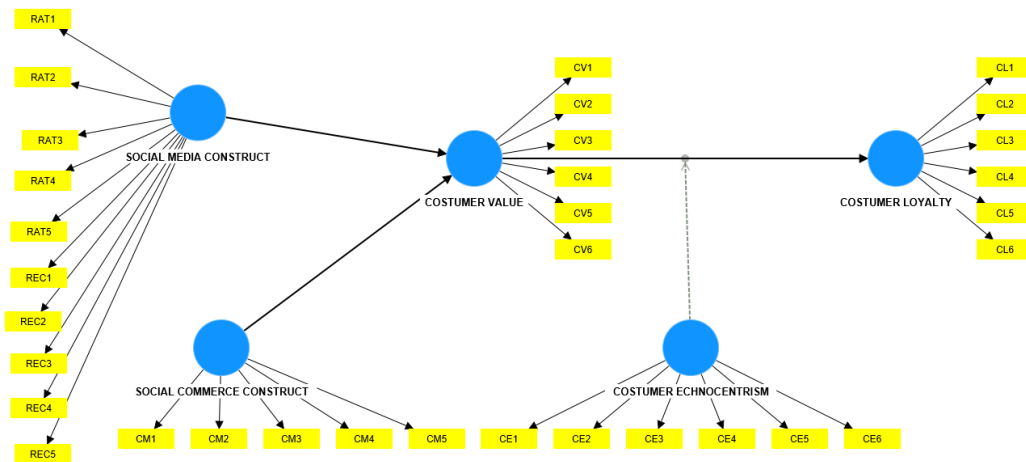


Figure 1. Research Model

3. RESULTS AND DISCUSSIONS

3.1. Characteristics of Respondents

In any research endeavor, understanding the characteristics of respondents is important for interpreting the findings accurately. In this study, respondent characteristics are presented based on gender, age, domicile, cosmetic purchase frequency, and main platform used for cosmetic information and purchase. These demographic and behavioral factors are relevant because cosmetic users' responses to social media constructs, social commerce constructs, customer value, customer loyalty, and customer ethnocentrism may vary according to their personal background, digital exposure, and cosmetic consumption behavior. Since the respondents are cosmetic users in Java Island who have interacted with cosmetic-related information through social media or social commerce platforms, the sample represents individuals who are actively exposed to digital cosmetic marketing and capable of providing meaningful insights into customer value and loyalty formation.

Table 1. Characteristics of Respondents Based on Gender

No.	Description	Qty	Percentage
1	Male	66	22.0%
2	Female	234	78.0%
	Total Qty	300	100%

Based on Table 1, out of a total of 300 respondents, 22.0% are male and 78.0% are female. This indicates that female respondents represent a significantly larger proportion of the sample. This gender distribution is consistent with the cosmetic-user context, where female consumers generally represent a larger proportion of active cosmetic users. However, the inclusion of male respondents also indicates that cosmetic consumption is not limited to female users, as male consumers are increasingly involved in skincare, grooming, and personal care product consumption. This gender composition provides useful insight into the demographic characteristics of cosmetic users and helps explain the diversity of perceptions regarding social media information, social commerce interaction, customer value, customer loyalty, and customer ethnocentrism.

Table 2. Characteristics of Respondents Based on Age

No.	Description	Qty	Percentage
1	17–20 years old	48	16.0%
2	21–25 years old	147	49.0%
3	26–35 years old	78	26.0%
4	36 years and above	27	9.0%
	Total Qty	300	100%

Based on Table 2, out of a total of 300 respondents, the majority are between 21 and 25 years old, accounting for 49.0% of the sample. The second-largest group consists of respondents aged 26–35 years old, representing 26.0% of respondents, while respondents aged 17–20 years old account for 16.0%, and respondents aged 36 years and above account for 9.0%. This age distribution indicates that the sample is dominated by young adult cosmetic users who are highly familiar with digital platforms, online reviews, social media recommendations, and social commerce-based purchasing behavior. This group is highly relevant to the research context because individuals in this age range are active digital consumers and are frequently exposed to cosmetic product information through social media, marketplace platforms, livestream shopping, and online brand communities.

Table 3. Characteristics of Respondents Based on Domicile

No.	Description	Qty	Percentage
1	Jakarta	105	35.0%
2	Bandung	95	31.7%
3	Surabaya	100	33.3%
	Total Qty	300	100%

Based on Table 3, respondents were distributed across three major cities in Java Island, namely Jakarta, Bandung, and Surabaya. The largest proportion of respondents came from Jakarta, accounting for 35.0% of the sample. This was followed by Surabaya at 33.3% and Bandung at 31.7%. This distribution indicates that the study includes cosmetic users from major urban consumer markets in Java Island, thereby providing relevant representation of digitally active cosmetic consumers in Indonesia.

The selection of Jakarta, Bandung, and Surabaya is appropriate because these cities represent important centers of cosmetic consumption, digital commerce activity, and social media exposure. Cosmetic users in these urban areas are highly exposed to digital marketplaces, social media campaigns, online ratings, product recommendations, influencer content, livestream shopping, and social commerce communities. Therefore, the respondent distribution supports the research context, which examines how Social Media Construct and Social Commerce Construct influence Customer Value and Customer Loyalty among cosmetic users in Java Island.

Table 4. Characteristics of Respondents Based on Cosmetic Purchase Frequency

No.	Description	Qty	Percentage
1	Purchased cosmetics 1–2 times in the last six months	69	23.0%
2	Purchased cosmetics every 2–3 months	102	34.0%
3	Purchased cosmetics monthly	84	28.0%
4	Purchased cosmetics more than once per month	45	15.0%
	Total Qty	300	100%

Based on Table 4, respondents show varying levels of cosmetic purchase frequency within the last six months. The largest group purchased cosmetic products every two to three months, accounting for 34.0% of the sample. This was followed by respondents who purchased cosmetics monthly at 28.0%, respondents who purchased cosmetics one to two times within the last six months at 23.0%, and respondents who purchased cosmetics more than once per month at 15.0%. Overall, 77.0% of respondents purchased cosmetics more than once within the last six months, indicating that the sample consists of active cosmetic users with relevant consumption experience. This distribution demonstrates that

the respondents are familiar with cosmetic purchasing decisions and are therefore well-positioned to evaluate how social media constructs and social commerce constructs influence customer value and customer loyalty.

Table 5. Characteristics of Respondents Based on Main Platform Used for Cosmetic Information and Purchase

No.	Description	Qty	Percentage
1	TikTok Shop	96	32.0%
2	Shopee	90	30.0%
3	Instagram	51	17.0%
4	Tokopedia	33	11.0%
5	Official brand website / others	30	10.0%
	Total Qty	300	100%

Based on Table 5, TikTok Shop was the most frequently used platform for cosmetic-related information and purchase, accounting for 32.0% of respondents. This was followed by Shopee at 30.0%, Instagram at 17.0%, Tokopedia at 11.0%, and official brand websites or other platforms at 10.0%. These results indicate that cosmetic users in Java Island rely heavily on social commerce and marketplace platforms when searching for product information, reading ratings, receiving recommendations, and purchasing cosmetic products. The dominance of TikTok Shop and Shopee also suggests that cosmetic users are highly exposed to product reviews, livestream selling, influencer recommendations, user-generated content, and online promotional activities. Therefore, the respondent profile is consistent with the research model, which examines the role of social media constructs and social commerce constructs in shaping customer value and customer loyalty among cosmetic users.

The data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The research model consists of five main constructs: Social Media Construct, Social Commerce Construct, Customer Value, Customer Ethnocentrism, and Customer Loyalty. Social Media Construct is represented by product rating and recommendation indicators, while Social Commerce Construct is represented by community popularity or social proof indicators. Customer Value and Customer Ethnocentrism are positioned as predictors of Customer Loyalty.

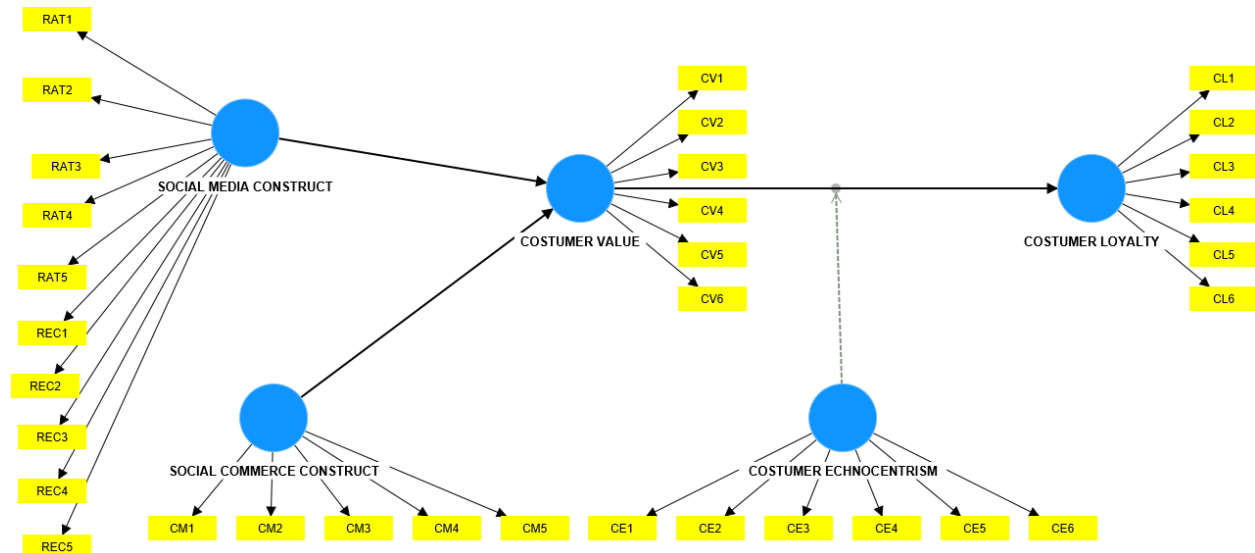


Figure 2. Output SmartPLS

3.2. Convergent Validity

Based on the outer loading results, all indicators meet the minimum requirement for convergent validity at the indicator level. Following the criterion used in the reference paper, an indicator is considered valid when its outer loading value is greater than 0.50. As shown in Table 6, all measurement items have loading values above 0.50; therefore, all indicators are declared valid and can be used for further analysis.

Table 6. Convergent Validity

Variable	Measurement	Outer Loading	Criteria
Customer Ethnocentrism	CE1	0.794	Valid
Customer Ethnocentrism	CE2	0.752	Valid
Customer Ethnocentrism	CE3	0.831	Valid
Customer Ethnocentrism	CE4	0.883	Valid
Customer Ethnocentrism	CE5	0.772	Valid
Customer Ethnocentrism	CE6	0.873	Valid
Customer Loyalty	CL1	0.782	Valid
Customer Loyalty	CL2	0.878	Valid
Customer Loyalty	CL3	0.802	Valid
Customer Loyalty	CL4	0.879	Valid
Customer Loyalty	CL5	0.866	Valid
Customer Loyalty	CL6	0.806	Valid
Social Commerce Construct	CM1	0.883	Valid
Social Commerce Construct	CM2	0.853	Valid
Social Commerce Construct	CM3	0.840	Valid
Social Commerce Construct	CM4	0.829	Valid
Social Commerce Construct	CM5	0.881	Valid
Customer Value	CV1	0.821	Valid
Customer Value	CV2	0.846	Valid
Customer Value	CV3	0.843	Valid
Customer Value	CV4	0.843	Valid
Customer Value	CV5	0.842	Valid
Customer Value	CV6	0.838	Valid
Social Media Construct	RAT1	0.627	Valid
Social Media Construct	RAT2	0.652	Valid
Social Media Construct	RAT3	0.623	Valid
Social Media Construct	RAT4	0.588	Valid
Social Media Construct	RAT5	0.621	Valid
Social Media Construct	REC1	0.699	Valid
Social Media Construct	REC2	0.573	Valid
Social Media Construct	REC3	0.639	Valid
Social Media Construct	REC4	0.691	Valid
Social Media Construct	REC5	0.626	Valid

The highest loading values are found in CM1 and CE4, each reaching 0.883, which indicates strong indicator contribution to their respective constructs. The lowest loading values are found in REC2 and RAT4, with values of 0.573 and 0.588. Although these values are lower than several other indicators, they still exceed the minimum threshold of 0.50 and are therefore acceptable for this model.

Cronbach Alpha, Composite Reliability, and AVE

Reliability and construct validity were assessed using Cronbach's Alpha, Composite Reliability, and Average Variance Extracted (AVE). Cronbach's Alpha and Composite Reliability values above 0.70 indicate good internal consistency, while AVE values above 0.50 indicate adequate convergent validity for reflective constructs. In the final reporting, Social Media Construct is treated as a composite construct formed by rating and recommendation indicators; therefore, its validity is assessed through outer weights in Table 4, while Cronbach's Alpha and Composite Reliability are used to support internal consistency.

Table 7. Cronbach Alpha, Reliability, AVE

Variable	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)	Criteria
Customer Ethnocentrism	0.901	0.924	0.671	Valid and Reliable
Customer Loyalty	0.914	0.933	0.700	Valid and Reliable
Social Commerce Construct	0.910	0.933	0.735	Valid and Reliable
Customer Value	0.916	0.934	0.704	Valid and Reliable
Social Media Construct	0.835	0.871	0.548	Valid and Reliable

Source: PLS Result, 2026

Based on Table 7, all constructs meet the reliability and convergent validity criteria. The Cronbach's Alpha values for all variables exceed the recommended threshold of 0.70, indicating that each construct has strong internal consistency. Specifically, Customer Value shows the highest Cronbach's Alpha value of 0.916, followed by Customer Loyalty at 0.914, Social Commerce Construct at 0.910, Customer Ethnocentrism at 0.901, and Social Media Construct at 0.835.

In addition, the Composite Reliability values for all constructs are also above 0.70, ranging from 0.871 to 0.934. This confirms that the indicators used in each construct consistently measure their respective latent variables. The highest Composite Reliability value is found in Customer Value at 0.934, followed by Customer Loyalty and Social Commerce Construct, both at 0.933, Customer Ethnocentrism at 0.924, and Social Media Construct at 0.871.

Furthermore, all Average Variance Extracted (AVE) values are above the minimum threshold of 0.50, confirming that the constructs have good convergent validity. Social Commerce Construct has the highest AVE value of 0.735, followed by Customer Value at 0.704, Customer Loyalty at 0.700, Customer Ethnocentrism at 0.671, and Social Media Construct at 0.548. These results indicate that each construct is able to explain more than 50% of the variance of its indicators.

Therefore, it can be concluded that Customer Ethnocentrism, Customer Loyalty, Social Commerce Construct, Customer Value, and Social Media Construct are all valid and reliable. The measurement model is considered appropriate and robust for further analysis, including hypothesis testing. This interpretation follows the structure used in the uploaded journal example, where constructs are considered reliable when Cronbach's Alpha and Composite Reliability exceed 0.70 and valid when AVE exceeds 0.50

Composite Assessment of Social Media Construct

The Social Media Construct consists of indicators related to product rating and recommendation. Since these indicators represent dimensions that form the construct, the assessment emphasizes the significance of outer weights. Table 8 shows that all outer weights of the Social Media Construct are significant, as indicated by p-values below 0.05. Therefore, the indicators RAT1 to RAT5 and REC1 to REC5 are relevant in forming the Social Media Construct.

Table 8. Outer Weights of Social Media Construct

Measurement	Outer Weight	T Statistics	P Values	Criteria
RAT1	0.154	6.355	0.000	Significant
RAT2	0.170	7.116	0.000	Significant
RAT3	0.125	4.198	0.000	Significant
RAT4	0.150	5.870	0.000	Significant
RAT5	0.167	6.367	0.000	Significant
REC1	0.171	6.584	0.000	Significant
REC2	0.126	4.907	0.000	Significant
REC3	0.170	6.525	0.000	Significant
REC4	0.177	6.873	0.000	Significant
REC5	0.160	6.590	0.000	Significant

Source: PLS Result, 2026

Hypothesis Testing

Hypothesis testing was conducted by examining the Original Sample (O), T Statistics, and P Values. A hypothesis is supported when the p-value is less than 0.05. The results of hypothesis testing are presented in Table 9.

Table 9. Hypothesis Testing

Hypothesis	Variable Relationship	Original Sample (O)	T Statistics	P Values	Decision
H1	Customer Ethnocentrism → Customer Loyalty	0.549	7.853	0.000	Supported
H2	Customer Value → Customer Loyalty	0.284	3.328	0.000	Supported
H3	Social Commerce Construct → Customer Value	0.110	1.552	0.121	Not Supported
H4	Social Media Construct → Customer Value	0.641	10.191	0.000	Supported
H5	Customer Ethnocentrism x Customer Value → Customer Loyalty	0.027	0.474	0.636	Not Supported

Source: PLS Result, 2026

The results show that Customer Ethnocentrism has a positive and significant effect on Customer Loyalty, with an original sample value of 0.549 and a p-value of 0.000. This means that consumers with stronger ethnocentric attitudes toward local cosmetics tend to show higher loyalty toward local cosmetic brands.

Customer Value also has a positive and significant effect on Customer Loyalty, with an original sample value of 0.284 and a p-value of 0.001. This indicates that consumers are more likely to remain loyal when they perceive local cosmetics as useful, valuable, practical, and emotionally relevant.

Social Media Construct has a positive and significant effect on Customer Value, with an original sample value of 0.641 and a p-value of 0.000. This is the strongest relationship in the model, indicating that product ratings and recommendations strongly increase the perceived value of local cosmetics.

In contrast, Social Commerce Construct does not have a significant effect on Customer Value, with an original sample value of 0.110 and a p-value of 0.121. This result suggests that popularity, number of comments, or social proof alone is not sufficient to directly increase the value perceived by consumers.

The moderating effect of Customer Ethnocentrism on the relationship between Customer Value and Customer Loyalty is also not significant, with an original sample value of 0.027 and a p-value of 0.636. Therefore, Customer Ethnocentrism is more appropriately interpreted as a direct predictor of Customer Loyalty rather than as a moderator in this model.

4. DISCUSSION

4.1. Customer Ethnocentrism on Customer Loyalty

The result shows that Customer Ethnocentrism has a positive and significant effect on Customer Loyalty, with an original sample value of 0.549, a T-statistic of 7.853, and a P-value of 0.000. Therefore, H1 is supported. This finding indicates that consumers who have a stronger ethnocentric attitude toward local products tend to demonstrate higher loyalty toward local cosmetic products.

In the context of local cosmetics, customer ethnocentrism reflects consumers' pride, preference, and support for Indonesian cosmetic brands. Consumers who believe that purchasing local cosmetics contributes to the development of domestic industries are more likely to continue buying, recommending, and prioritizing local cosmetic products. This is consistent with the measurement items in the questionnaire, where customer ethnocentrism is represented by consumers' support for local brands, pride in using Indonesian cosmetics, preference for local products, and belief that buying local products helps the growth of the national cosmetic industry.

The relatively high path coefficient also indicates that Customer Ethnocentrism is one of the strongest predictors of Customer Loyalty in this model. This means that loyalty toward local cosmetics is not only influenced by functional product evaluation, but also by emotional and national identity-related factors. Consumers may remain loyal to local cosmetics because they perceive their purchase behavior as a form of support for local businesses and national products.

4.2. Customer Value on Customer Loyalty

The result also confirms that Customer Value has a positive and significant effect on Customer Loyalty, with an original sample value of 0.284, a T-statistic of 3.328, and a P-value of 0.000. Thus, H2 is supported. This finding suggests that the higher the value perceived by consumers, the stronger their loyalty toward local cosmetic products.

Customer value in this study refers to the perceived benefits, price suitability, practicality, efficiency, emotional value, and relevance of local cosmetics to Indonesian consumers' needs. When consumers perceive that local cosmetics

provide benefits that match their expectations, offer good value for money, and deliver a practical purchasing experience through social commerce, they are more likely to repurchase and recommend these products to others.

Although the coefficient of Customer Value is lower than that of Customer Ethnocentrism, the relationship remains statistically significant. This means that perceived value still plays an important role in building consumer loyalty. In other words, consumers will not rely solely on emotional attachment or support for local brands; they also expect local cosmetic products to provide real benefits, good quality, suitable prices, and a satisfying consumption experience.

4.3. Social Commerce Construct on Customer Value

The hypothesis testing result shows that Social Commerce Construct does not have a significant effect on Customer Value, with an original sample value of 0.110, a T-statistic of 1.552, and a P-value of 0.121. Therefore, H3 is not supported. Although the relationship is positive, the effect is not statistically significant because the P-value is greater than 0.05.

This finding indicates that social commerce popularity or social proof alone may not be sufficient to increase consumers' perceived value toward local cosmetics. In this study, the Social Commerce Construct is represented by indicators related to the number of people discussing, using, reviewing, and commenting on local cosmetic products. While these factors may attract initial attention, they do not necessarily make consumers perceive the product as more valuable.

One possible explanation is that consumers may distinguish between popularity and actual product value. A product that is widely discussed or used by many people may create awareness, but it does not automatically convince consumers that the product has high quality, suitable benefits, or good value for money. Consumers may require more concrete and credible information, such as product ratings, recommendations, detailed reviews, ingredient suitability, and personal experience before forming a strong perception of value.

Thus, this result suggests that social proof in social commerce should be supported by more informative and persuasive content. For local cosmetic brands, merely increasing visibility, comments, or popularity may not be enough. Brands need to provide credible product information, authentic user experiences, and meaningful engagement to strengthen consumers' perceived value.

4.4. Social Media Construct on Customer Value

The result shows that Social Media Construct has a positive and significant effect on Customer Value, with an original sample value of 0.641, a T-statistic of 10.191, and a P-value of 0.000. Therefore, H4 is supported. This is the strongest relationship in the structural model, indicating that social media-related elements play a crucial role in shaping consumers' perceived value of local cosmetics.

In this study, the Social Media Construct is represented by rating and recommendation dimensions. Product ratings help consumers evaluate the quality and credibility of local cosmetics before purchasing, while recommendations from social commerce platforms, influencers, content creators, and other consumers help consumers discover products that match their needs. These indicators are aligned with the questionnaire items, which emphasize the role of ratings and recommendations in influencing consumers' assessment and purchase consideration of local cosmetics.

The strong coefficient suggests that consumers place high importance on information obtained from social media and social commerce environments. Ratings and recommendations provide cues that reduce uncertainty and help consumers evaluate whether a product is worth buying. When consumers see positive ratings and relevant recommendations, they are more likely to perceive local cosmetics as useful, trustworthy, practical, and valuable.

This finding highlights the importance of digital information quality in shaping consumer perceptions. Local cosmetic brands should actively manage product ratings, encourage satisfied consumers to provide reviews, collaborate with credible content creators, and optimize recommendation features in social commerce platforms. These strategies can strengthen consumers' perceived value and indirectly contribute to higher loyalty.

4.5. The Moderating Effect of Customer Ethnocentrism on the Relationship Between Customer Value and Customer Loyalty

The result shows that the interaction between Customer Ethnocentrism and Customer Value does not have a significant effect on Customer Loyalty, with an original sample value of 0.027, a T-statistic of 0.474, and a P-value of 0.636. Therefore, H5 is not supported. This means that Customer Ethnocentrism does not significantly strengthen or weaken the relationship between Customer Value and Customer Loyalty.

Although Customer Ethnocentrism has a significant direct effect on Customer Loyalty, it does not function as a significant moderator in this model. This indicates that ethnocentric attitudes and perceived value may influence loyalty through separate mechanisms. Consumers may become loyal because they feel proud to support local products, and they may also become loyal because they perceive local cosmetics as valuable. However, the combination of these two factors does not necessarily create a stronger interaction effect.

This result suggests that consumers' loyalty toward local cosmetics is influenced independently by both emotional-national identity factors and value-based evaluations. Consumers with strong ethnocentric tendencies may remain loyal because they want to support Indonesian brands, while consumers with high perceived value may remain loyal because the products meet their functional, economic, and emotional needs. However, ethnocentrism does not significantly change the strength of the relationship between perceived value and loyalty.

From a managerial perspective, this finding implies that local cosmetic brands should manage Customer Ethnocentrism and Customer Value as two separate strategic dimensions. Campaigns that emphasize national pride and support for local industries may strengthen loyalty directly. At the same time, brands must continue improving product quality, affordability, usefulness, and customer experience to strengthen perceived value.

5. CONCLUSION

Overall, the findings indicate that **Customer Loyalty toward local cosmetics is mainly influenced by Customer Ethnocentrism and Customer Value**. Among these two predictors, Customer Ethnocentrism has the stronger effect, suggesting that consumers' emotional attachment, pride, and support for Indonesian cosmetic brands are important drivers of loyalty. However, Customer Value also remains significant, confirming that loyalty must also be supported by product benefits, price suitability, practical purchasing experiences, and emotional value.

The results also show that **Social Media Construct is a strong antecedent of Customer Value**, while **Social Commerce Construct does not significantly influence Customer Value**. This suggests that consumers respond more strongly to rating and recommendation-based information than to general popularity or social proof. Therefore, local cosmetic brands should not only focus on increasing visibility or public discussion, but also ensure that consumers can access credible ratings, relevant recommendations, and persuasive product information.

In conclusion, the study demonstrates that loyalty toward local cosmetics is shaped by both psychological attachment to local products and rational evaluation of product value. Social media information, particularly ratings and recommendations, plays an important role in increasing perceived value, while social commerce popularity alone is not sufficient. These findings provide important implications for local cosmetic brands to strengthen consumer loyalty by combining value creation, credible digital communication, and campaigns that promote pride in Indonesian local products.

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