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Building Economic Resilience in Indonesia's Heritage Cosmetics Industry: Structural Adjustment through Brand Innovation, Digitalization, and Authenticity

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Abstract

This study explores how heritage, innovation, and digital brand transformation shape consumers' willingness to purchase traditional Indonesian cosmetic products, with brand authenticity serving as an intervening factor. It seeks to explain why a brand's historical legacy does not invariably translate into stronger consumer demand amid the beauty industry's rapid technological shift. Using a quantitative cross-sectional design, data were gathered from 200 Indonesian consumers acquainted with traditional cosmetic brands and examined through PLS-SEM. The analysis reveals that all three brand-related dimensions positively and significantly contribute to perceived authenticity, with innovation emerging as its strongest determinant. This suggests that product and brand renewal can reinforce consumer perceptions of identity when aligned with established brand values, rather than undermine their historical character. Authenticity, in turn, significantly strengthens purchase intention and partially channels the effects of heritage, innovation, and digitalization on consumer decisions. The findings suggest that historical recognition alone is insufficient to sustain market relevance; traditional cosmetic producers must combine meaningful innovation and digital engagement with a credible connection to their origins. For policymakers and industry actors, the results underscore the value of strengthening digital capabilities and developing heritage-oriented industrial support initiatives. From an economic resilience perspective, innovation and digital adoption represent productive investments, while authenticity may help mitigate market uncertainty and preserve the commercial value of cultural heritage. Their combined application can facilitate a transition beyond reputation-dependent business models, supporting the adaptability and long-term viability of Indonesia's traditional cosmetics MSMEs.

Keywords: Brand authenticity; Brand digitalization; Brand heritage; Brand innovation; Purchase intention.

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Introduction

Digitalization has altered the way businesses create value, maintain customer relationships, and establish relevance in increasingly crowded markets. Online encounters now play a growing part in shaping consumer experiences and determining how brands are perceived in competitive settings (Tolstoy et al., 2022; Verhoef et al., 2021). Within Indonesia, local cosmetic products continue to occupy a meaningful position despite mounting pressure from overseas competitors. The country's beauty and personal care market has expanded across product categories, including makeup, skincare, and fragrance, indicating sustained domestic demand (Statista, 2025). For longstanding Indonesian cosmetic producers, this expansion brings commercial possibilities alongside the challenge of remaining appealing to consumers whose expectations continue to evolve.

Beyond its commercial scale, the cosmetics industry contributes to Indonesia's economic activity through employment, MSME development, domestic supply networks, and value creation within the creative economy. Preserving the market position of homegrown brands is therefore relevant not only to individual businesses but also to the continuity of the wider industrial ecosystem. One potentially valuable resource is brand authenticity, which can distinguish local products, reinforce consumer confidence, and preserve meaningful connections with their cultural origins. Government initiatives supporting industrial development, product standardization, certification, and MSME digital capabilities further reflect the importance of this sector within the national economic agenda. Understanding what shapes authenticity and stimulates purchase intention is consequently relevant to both business strategy and the broader sustainability of Indonesia's cosmetic industry (Anatan & Nur, 2023; Hasrudin & Sagena, 2023; Putri et al., 2025; Saparuddin et al., 2025). Without suitable adaptation, however, foreign competition, changing consumption patterns, and technological disruption may weaken established local brands, together with the employment opportunities and supply relationships surrounding them. Maintaining their economic contribution requires a gradual shift toward digitally supported operations, sustained investment in product development, and deliberate measures for managing competitive uncertainty.

Heritage brands derive part of their significance from accumulated traditions, historical associations, and meanings carried across generations (Burghausen, 2023). Their continuity can communicate credibility and established standing within contemporary markets (Mir Bernal et al., 2023). Previous research also indicates that intermediate consumer evaluations, including trust and brand-related judgments, can connect brand characteristics with subsequent purchasing decisions (Salsasanti & Rubiyanti, 2025). Although historical continuity may encourage perceptions of reliability and enduring value, it does not automatically secure favorable consumer responses under changing market conditions.

This limitation is particularly apparent in cosmetics, where purchasing decisions involve more than heritage or symbolic appeal. Consumers also consider product performance, safety, composition, and practical suitability. Indonesian consumer survey findings indicate that natural ingredients, user reviews and ratings, and dermatologist-tested claims are important considerations, reported by 55%, 50%, and 49% of respondents, respectively (Rakuten Insight, 2025a). Younger market segments also increasingly assess cosmetic brands through their capacity to innovate, communicate effectively, and remain visible in digital environments (Chan et al., 2025; Shim et al., 2024). Long-established brands must therefore navigate a tension between protecting their inherited identity and responding to contemporary expectations.

Innovation offers one route through this tension. Consumer acceptance of changes introduced by heritage brands depends partly on whether those changes remain compatible with the meanings consumers already associate with the brand (Xu et al., 2025). Brand innovation encompasses efforts

to renew products, offerings, and brand practices in response to evolving needs. When such changes preserve recognizable brand values, they may strengthen rather than weaken perceived genuineness. Visible innovativeness can also signal that a brand continues to develop instead of relying exclusively on its past achievements (Das et al., 2022; Xu et al., 2025). Innovation consequently represents an important means of sustaining relevance without abandoning historical identity.

Digitalization introduces another dimension to this process by reshaping how brands present themselves and engage with their audiences. Digital capabilities facilitate consumer participation and interaction across online channels (Hu et al., 2022). In cosmetics, social media activity, paid promotional content, customer evaluations, and influencer recommendations increasingly affect product discovery and brand impressions. Indonesian consumers demonstrate considerable interest in useful digital content that assists them in identifying products suited to their needs (Rakuten Insight, 2025b). Brand digitalization thus concerns the use of digital platforms and communication channels to maintain contact with consumers (Hu et al., 2022). Greater online accessibility can improve the visibility and transparency of brand interactions (Lim et al., 2024), while social media exposure may help younger audiences perceive established brands as relevant to contemporary lifestyles (Cioppi et al., 2023; Huwaida et al., 2024). Nevertheless, the specific contribution of digitalization to authenticity perceptions among heritage brands remains insufficiently explored.

Brand authenticity provides a basis for evaluating whether a brand's conduct and transformation remain credible in the eyes of consumers. It shapes interpretations of brand meaning and judgments about commercial credibility (Rodrigues et al., 2024; Södergren, 2021). For heritage-oriented businesses, authenticity is especially consequential because consumers may expect them to modernize without becoming disconnected from their origins. Existing findings associate perceived authenticity with more favorable consumer attitudes and stronger behavioral intentions, including the intention to purchase (Das et al., 2022; Xu et al., 2025). Authenticity may therefore connect historical continuity with contemporary adaptation. Consumers may be more willing to purchase from traditional cosmetic brands when new products and digital initiatives appear consistent with the identity that originally distinguished them.

Despite growing scholarly interest in heritage, innovation, digital engagement, and authenticity, several unresolved issues remain. First, the reasons historical brand value fails to consistently generate stronger purchasing intentions are not yet sufficiently understood, particularly in a cosmetics market characterized by digitally engaged younger consumers. Second, heritage, innovation, and digitalization are frequently investigated as separate influences, leaving limited integrated explanations of their combined relationship with consumer behavior. Third, empirical evidence concerning authenticity as an intermediary linking all three brand dimensions to purchase intention remains scarce in the setting of traditional Indonesian cosmetic brands (Xu et al., 2025).

To address these limitations, this study develops an integrated framework linking brand heritage, brand innovation, and brand digitalization with purchase intention through brand authenticity. Its contribution lies in examining how historical value, contemporary renewal, and digital engagement may jointly shape consumer responses within Indonesia's rapidly changing beauty market. The framework extends heritage-brand research by bringing these three dimensions into a unified explanatory model and clarifying the role of authenticity in translating brand characteristics into purchasing intentions.

The study also carries practical implications for businesses and policymakers. MSME digitalization has become an important component of Indonesia's economic development because it can broaden market access, improve operational efficiency, and strengthen competitiveness (Anatan

& Nur, 2023). For heritage-based enterprises, digital training, brand development initiatives, and improved access to technology may support modernization without erasing local identity (Putri et al., 2025). A recognizable cultural foundation can strengthen authenticity perceptions, while credible and consistent brand values may deepen consumer trust and emotional attachment (Rodrigues et al., 2024). Institutional assistance, business mentoring, and capacity-building programs may further improve the durability and competitiveness of local enterprises (Siregar et al., 2025). These considerations are particularly pertinent to Indonesia's cosmetics market, where the simultaneous demands for innovation, digital capability, and identity preservation continue to intensify (Puteri et al., 2025).

From an economic resilience perspective, the combined development of innovation and digital capabilities can be understood as productive investment, while authenticity may help reduce the risk of losing consumer confidence during business transformation. Moving beyond dependence on historical reputation alone may allow heritage-based cosmetic enterprises to respond more effectively to market disruption, preserve their economic contribution, and sustain the local production networks associated with them. However, the present study's cross-sectional design and purposive, non-probability sampling constrain the extent to which its findings can be generalized to the wider consumer population. Future investigations could address these limitations through broader geographical coverage, more diverse sampling strategies, and longitudinal designs that capture changes in consumer perceptions over time.

Conceptual Design

The proposed framework seeks to clarify how consumers form purchasing intentions toward Indonesia's heritage-based cosmetic brands amid ongoing digital change. It treats brand heritage, innovation, and digitalization as strategic drivers of purchase intention, operating both independently and indirectly through perceived brand authenticity. The underlying premise is that consumer judgments extend beyond product functionality to whether a brand can retain its defining identity, values, and character while adapting to shifting market conditions.

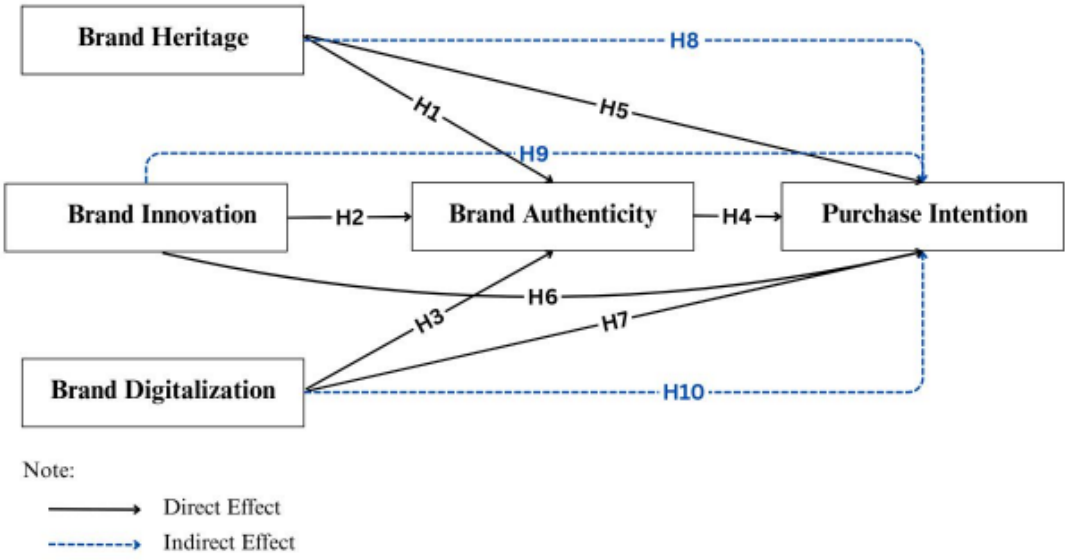


Figure 1. Conceptual Framework of the Study. (Source: Author Research, 2026)

Brand heritage can be understood as an accumulated source of credibility, reflecting a brand's historical continuity and established standing. A well-rooted past may foster consumer confidence and encourage favorable judgments. Brand innovation, by contrast, represents a brand's capacity to respond to shifting expectations. When new developments remain faithful to its defining character, they can preserve market relevance while demonstrating that the brand is progressing rather than remaining anchored in its history. Brand digitalization concerns the integration of digital tools and contemporary communication channels into consumer-facing activities, potentially making brand interactions more accessible, transparent, and engaging.

Together, these three dimensions are expected to shape perceived brand authenticity. This perception is particularly important for heritage brands because consumers may expect modernization to occur without eroding the values and identity associated with their origins. Authenticity therefore serves as an explanatory link through which heritage, innovation, and digitalization may influence consumer responses.

Brand authenticity is also expected to strengthen purchase intention. When consumers regard a brand as genuine and consistent, they may develop greater confidence, perceive less uncertainty, and become more inclined to buy. Accordingly, the proposed framework considers purchase intention to be shaped not merely by a brand's history, innovative efforts, or digital presence in isolation, but also by how these elements collectively reinforce its perceived authenticity. This perspective provides a broader explanation of how traditional Indonesian cosmetic brands can adapt to contemporary market expectations while retaining their distinctive identity and encouraging consumer demand.

Research Methods

This investigation examines whether brand heritage, innovation, and digitalization influence consumers' intentions to purchase traditional Indonesian cosmetic products, with brand authenticity incorporated as an intervening construct. A quantitative research design was employed, drawing on primary information gathered through a structured survey. The proposed relationships were evaluated using PLS-SEM.

The target population comprised Indonesian consumers from Generation X, Generation Y, and Generation Z who knew, used, or had previously purchased locally produced cosmetic brands. Participants were recruited through purposive sampling, with eligibility determined by several conditions: residence in Indonesia, membership in one of the specified generational cohorts, familiarity with domestic cosmetic brands, and exposure to information about these brands through social media. Individuals without prior awareness of Indonesian local cosmetic brands were not eligible to participate.

An initial screening section was incorporated into the questionnaire to establish participant eligibility and collect essential background information. The screening covered consent to participate, gender, generation, place of residence, familiarity with and use of local cosmetic brands, social media exposure, and previous purchasing or usage experience. Recruitment and survey distribution followed two routes. The online approach used Instagram, TikTok, WhatsApp, Facebook, and X while the offline approach involved directly approaching individuals who satisfied the specified selection criteria.

After eligibility screening and response validation, 200 usable questionnaires were retained for analysis. This number was considered appropriate for the planned PLS-SEM procedure, which

accommodates predictive models containing multiple latent variables and indirect relationships (Hair et al., 2021; Sarstedt et al., 2022).

The survey instrument comprised two sections: respondent characteristics and statements designed to capture the study constructs. Measurement items were adapted from previously published research in which the relevant instruments had undergone validity and reliability assessment.

Brand heritage was operationalized through continuity, longevity, tradition, and associations with the past (Kumar & Kaushal, 2024; Xu et al., 2025). Brand innovation was assessed through novelty, responsiveness to market developments, product advancement, and the generation of new ideas (Jalu et al., 2024; Xu et al., 2025). Brand digitalization was represented by the adoption of technology and digital communication channels (Gielens & Steenkamp, 2019; Jalu et al., 2024). Brand authenticity was evaluated through consistency, sincerity, credibility, and conformity with established brand values (Rodrigues et al., 2024; Xu et al., 2025). Purchase intention captured consumers' inclination, desire, and willingness to buy heritage-based cosmetic products (Grădinaru et al., 2022).

Responses to all measurement statements were recorded on a five-point Likert scale, where 1 indicated strong disagreement and 5 represented strong agreement.

Before the main survey was launched, the questionnaire underwent preliminary testing involving 39 individuals with characteristics comparable to those of the intended respondents. This exercise assessed whether the wording was understandable, the statements were relevant, and the instrument was suitable for the Indonesian local cosmetics context. The preliminary assessment indicated that respondents could understand the indicators and that the statements appropriately represented their intended constructs. Minor editorial refinements were subsequently introduced to improve readability, sentence construction, and contextual fit. These revisions were confined to wording and presentation; the underlying meaning of the indicators derived from earlier studies remained unchanged. The revised instrument was then used for the principal data collection.

The main survey was administered through online and face-to-face channels over four weeks in 2025. Participation was voluntary, and prospective respondents received information about the study's purpose before answering the questionnaire. Participant confidentiality was protected by maintaining anonymity and refraining from collecting personally identifying information, apart from general demographic details required for analytical purposes.

Because the research relied on self-reported responses collected at a single point in time, common method bias was recognized as a potential methodological concern. Procedural precautions were incorporated into the survey process to help limit this risk.

The hypothesized relationships were examined using PLS-SEM, selected for its capacity to estimate interconnected latent-variable relationships, including indirect effects, without imposing a strict multivariate normality requirement (Hair et al., 2021, 2022). Its predictive orientation also makes it suitable for investigating consumer responses and brand-related behavioral mechanisms.

The analytical procedure consisted of two principal phases. First, the measurement model was assessed to examine the adequacy of the construct measures. Second, the structural model was evaluated to determine the relationships among the proposed variables. Statistical significance was assessed through bootstrapping based on 5,000 resamples. Parameter uncertainty was evaluated

using 95% BCa bootstrap confidence intervals, which account for potential bias and asymmetry in the bootstrap sampling distribution.

Results and Findings

This study investigates how brand heritage, innovation, and digitalization relate to purchase intention, with brand authenticity serving as an intermediary, among Indonesian consumers familiar with heritage cosmetic brands. A total of 200 valid responses were analyzed using PLS-SEM. The respondent profile was dominated by young women, particularly Generation Z, making the sample relevant to examining perceptions of longstanding brands in a beauty market increasingly shaped by digital exposure and shifting trends. Women accounted for 76.5% of participants, while 57.5% belonged to Generation Z. Additionally, 62.0% reported having used heritage cosmetics previously, although not on a regular basis. These figures suggest that established cosmetic brands have reached a considerable share of the respondents, yet prior use does not necessarily reflect sustained consumption. This distinction highlights the importance of examining the factors that may encourage stronger purchasing intentions. The respondents' demographic characteristics are summarized in Table 1 (Djafarova & Bowes, 2021; Chan et al., 2025).

Table 1. Demographic Respondents

Aspect	Category	Frequency	Percentage
Gender	Male	47	23,5%
	Female	153	76,5%
Generation	Gen X (1965-1980)	35	17,5%
	Gen Y/Millennials (1981-1996)	50	25%
	Gen Z (1997-2012)	115	57,5%
Product Experience	Never used	9	4,5%
	Ever used but not routine	124	62%
	Regular user	67	33,5%

Source: Authors research, 2026

The measurement model was assessed to establish the adequacy of the data, focusing on indicator reliability, internal consistency, and convergent and discriminant validity. All indicators recorded statistically significant outer loadings, ranging from 0.787 to 0.986, with $p < 0.001$. These results demonstrate that each item adequately represents its corresponding latent construct. As reported in Table 2, every loading exceeded the recommended 0.70 benchmark, supporting convergent validity and providing no statistical basis for removing any indicator from the model (Hair et al., 2021, 2022).

Although BH5 exhibited a comparatively lower loading than the other indicators measuring brand heritage, its value remained comfortably above the prescribed minimum. Its retention was justified by its statistical significance and conceptual relevance, particularly in capturing a brand's capacity to preserve and carry forward longstanding traditions. Removing this item could narrow the construct's coverage and weaken its representation of the historical continuity inherent in brand heritage.

Table 2. Outer loading

Items	Outer Loadings	T Statistics	P Values
Brand Heritage			
BH1. This established brand has maintained a consistent presence over time.	0.972	190,626	0.000
BH2. This established brand remains relevant across different periods.	0.960	172,249	0.000
BH3. This established brand is likely to endure into the foreseeable future.	0.959	218,979	0.000
BH4. This established brand reflects a deep-rooted cultural legacy.	0.967	257,869	0.000
BH5. This established brand preserves inherited customs while carrying them forward.	0.787	16,283	0.000
BH6. This established brand has deep historical origins.	0.967	200,983	0.000
BH7. This established brand maintains a meaningful connection with its history.	0.927	112,543	0.000
BH8. This established brand can renew itself while remaining relevant.	0.955	244,753	0.000
Brand Innovation			
BI1. This established brand possesses distinctive qualities that set it apart from competing brands.	0.964	197,013	0.000
BI2. This established brand continually adapts and moves with changing market conditions.	0.965	451,520	0.000
BI3. This established brand repeatedly delivers experiences that exceed my expectations.	0.946	147,778	0.000

BI4. This established brand introduces fresh offerings and helps shape emerging market trends.	0.963	489,420	0.000
BI5. This established brand is recognized for its innovative approach within the industry.	0.964	401,740	0.000
BI6. This established brand offers designs that are notably superior.	0.901	103,565	0.000
BI7. This established brand consistently develops original concepts and ideas.	0.960	422,950	0.000
BI8. This established brand has helped reshape the dynamics of its market.	0.967	650,229	0.000
BI9. This brand makes use of emerging technological developments.	0.965	352,302	0.000
BI10. This brand is among the first to bring new products to market.	0.958	409,813	0.000
BI11. This brand introduces products that bring substantial changes to the marketplace.	0.953	256,399	0.000
Brand Digitalization			
BD1. This brand employs a wide array of digital tools and technologies.	0.898	90,195	0.000
BD2. Digital technologies are deeply embedded in this brand's operations.	0.943	104,890	0.000
BD3. This brand makes extensive use of technology-based solutions.	0.894	44,966	0.000
BD4. Digital integration is a prominent feature of this brand's overall activities.	0.926	84,056	0.000
BD5. This brand connects digital platforms with its promotional communication and consumer engagement.	0.903	31,382	0.000
Brand Authenticity			
BA1. This established brand is guided by a well-defined philosophy that underpins its commitments to consumers.	0.976	278,153	0.000
BA2. This established brand maintains a firm sense of identity and avoids	0.974	506,794	0.000

commitments that conflict with its fundamental values.			
BA3. This established brand presents itself sincerely rather than adopting an identity that is not its own.	0.889	48,994	0.000
BA4. This established brand upholds its principles instead of seeking approval from its intended audience.	0.960	303,353	0.000
BA5. This established brand preserves its defining character rather than reshaping itself merely to follow prevailing market fashions.	0.964	341,342	0.000
Purchase Intention			
PI1. I anticipate that I may choose to buy the HCB.	0.986	606.322	0.000
PI2. I intend to proceed with purchasing products from the HCB.	0.956	297.480	0.000
PI3. I am willing to give the HCB a try.	0.969	415.356	0.000

Source: Authors research, 2026.

The instrument exhibited strong internal consistency, with Cronbach's alpha coefficients spanning 0.951–0.990, rho_A values between 0.972 and 0.991, and composite reliability estimates ranging from 0.962 to 0.991. All coefficients surpassed the recommended cut-off, confirming the high reliability of the measured constructs. Convergent validity was likewise established, as AVE values fell between 0.834 and 0.942, exceeding the minimum criterion of 0.50. This indicates that each construct accounted for more than half of the variance in its associated indicators. Overall, the measurement model satisfied the requirements for internal consistency and convergent validity. The complete assessment is reported in Table 3 (Hair et al., 2021; Sarstedt et al., 2022).

Table 3. Construct Reliability and Validity

Variabel	Cronbach's alpha	rho_a	rho_c	AVE
Brand Heritage	0,980	0,987	0,983	0,881
Brand Innovation	0,990	0,991	0,991	0,912
Brand Digitalization	0,951	0,972	0,962	0,834
Purchase Intention	0,969	0,973	0,980	0,942

Brand Authenticity	0,975	0,979	0,980	0,909

Source: Author research, 2026.

Discriminant validity was examined through the HTMT and the Fornell–Larcker approach, with the corresponding findings reported in Tables 4 and 5. The results demonstrated that the constructs were sufficiently distinct from one another. This distinction is particularly important given the conceptual proximity of brand heritage, brand innovation, and brand digitalization within the proposed research framework. The findings further suggest that respondents perceived these three dimensions as separate attributes when evaluating heritage cosmetics brands. Accordingly, the measurement model fulfilled the requirements for construct distinctiveness, supporting its use in subsequent structural model assessment. Detailed HTMT results are provided in Table 4 (Hair et al., 2022; Sarstedt et al., 2022).

Table 4. Discriminant Validity. *(HTMT Ratio)*

Variabel	**BH**	**BI**	**BD**	**PI**	**BA**
BH					
BI	0,493				
BD	0,686	0,243			
PI	0,707	0,672	0,520		
BA	0,559	0,710	0,396	0,801	

Note. BH = Brand Heritage, BI = Brand Innovation, BD = Brand Digitalization, PI = Purchase Intention, BA = Brand Authenticity. Source: Author research, 2026.

Table 5. Fornell-Larcker Criterion

Variabel	**Brand Authencity**	**Brand Digitalization**	**Brand Heritage**	**Brand Inovation**	**Puchase Intention**
Brand Heritage	0,939				
Brand Inovation	0,489	0,955			
Brand Digitalization	0,662	0,247	0,913		
Puchase Intention	0,695	0,660	0,525	0,970	
Brand Authencity	0,554	0,699	0,396	0,787	0,953

Note. Bold diagonal entries denote the square roots of the AVE, whereas the remaining entries represent correlations among the constructs. Source: Author's own analysis, 2026.

Following confirmation of the measurement model's validity, its explanatory capacity was assessed through the R-squared coefficients, as reported in Table 6.

Table 6. *R-Square Results*

Variabel	R-square	R-square adjusted
Puchase Intention	0,734	0,729
Brand Authencity	0,557	0,550

Source: Author research, 2026.

The hypothesized relationships were examined through structural model estimation, employing a bootstrapping procedure involving 5,000 resamples. The findings reveal that brand heritage contributes to consumers' judgments of authenticity. Heritage cosmetics brands are more likely to be regarded as genuine when their historical roots, inherited practices, and distinctive identities remain discernible over time. Such continuity provides a foundation for brand legitimacy and reinforces consumer confidence. Nevertheless, the comparatively modest strength of this relationship suggests that historical endurance alone may not satisfy contemporary consumers, who also expect brands to respond to changing market conditions.

Among the examined antecedents, brand innovation emerged as the most influential determinant of perceived authenticity. Rather than interpreting innovation as a departure from tradition, consumers may regard carefully aligned improvements as essential to a brand's continued relevance. This result suggests that authenticity can arise from the interplay between cultural preservation and purposeful renewal, provided that innovation does not undermine the brand's defining principles. Within the rapidly evolving cosmetics sector, innovative capacity therefore signals a brand's responsiveness to present-day expectations while retaining its inherited character.

Brand digitalization also demonstrated a positive contribution to perceived authenticity, although its relative influence was weaker than that of heritage and innovation. Digital visibility alone, therefore, does not necessarily establish a convincing sense of genuineness. Consumers may place greater weight on enduring brand principles, product standards, and the degree to which actual experiences correspond with the identity communicated by the company. Digital channels consequently appear more useful for expressing and reinforcing an established brand identity than for independently generating authenticity.

The analysis further established a significant relationship between brand authenticity and purchase intention. Perceptions of sincerity, dependability, and consistency can strengthen consumers' willingness to consider a purchase. This result positions authenticity as a potential psychological link between brand evaluations and intended purchasing behaviour. In cosmetics, where concerns about product performance, safety, and credibility are particularly salient, perceived genuineness may also alleviate uncertainty surrounding purchase decisions.

Beyond its relationship with authenticity, brand heritage was found to exert a direct influence on purchase intention. Familiarity with a brand's established legacy may reinforce confidence in its reputation and the products associated with it. Brand innovation likewise demonstrated a direct contribution by increasing perceived appeal and signalling the brand's capacity to accommodate shifting consumer preferences. Taken together, these findings indicate that heritage-oriented cosmetics brands cannot rely exclusively on historical recognition; their market appeal also depends on developing offerings that remain responsive to contemporary demand.

Brand digitalization also exhibited a direct association with purchase intention, although its contribution was comparatively limited. In Indonesia's local cosmetics market, digital engagement may be less decisive when considered alongside product quality, established reputation, and consumer confidence. Digital transformation is therefore better understood as a complementary instrument for maintaining consumer relationships and communicating brand value, rather than as a stand-alone means of stimulating purchasing interest. The outcomes of the complete hypothesis-testing procedure are summarized in Table 7.

Table 7. Path Coefficient and Hypothesis Testing

Hypothesis	Path	β	t-value	p-value	Result
H1	BH -> PI	0,278	4,248	0,000	Empirically Supported
H2	BH -> BA	0,186	2,235	0,013	Empirically Supported
H3	BI -> PI	0,167	2,712	0,003	Empirically Supported
H4	BI -> BA	0,575	9,573	0,000	Empirically Supported
H5	BD -> PI	0,112	1,962	0,025	Empirically Supported
H6	BD -> BA	0,131	1,810	0,035	Empirically Supported
H7	BA -> PI	0,472	7,989	0,000	Empirically Supported

Note. β= standardized path coefficient, significance tested using bootstrapping (5,000 resamples). Source: author research 2026.

The mediation assessment clarifies how the examined brand-related strategies translate into consumers' willingness to purchase. Brand authenticity was found to partially mediate the relationships of brand heritage, brand innovation, and brand digitalization with purchase intention. Of these indirect pathways, the strongest was associated with brand innovation operating through perceived authenticity.

This pattern suggests that innovation carries greater persuasive value when consumers regard it as compatible with the brand's underlying character. Novelty alone may be insufficient; its influence becomes more meaningful when new developments preserve the brand's defining principles. These results reinforce the mediating function of authenticity in connecting brand strategies with consumer responses (Salsasanti & Rubiyanti, 2025; Widodo et al., 2024, 2025).

For the indirect pathway linking brand digitalization to purchase intention through brand authenticity, bootstrapping produced a 95% confidence interval of 0.008–0.128, which excludes zero and therefore indicates a statistically significant indirect effect. Nevertheless, the comparatively limited coefficient suggests that this pathway accounts for only a modest part of consumers' purchasing inclination. Digitalization may consequently contribute more by shaping perceptions of brand genuineness than by serving as the principal stimulus for purchase intention. The full mediation results are reported in Table 8.

Table 8. Mediation Analysis of Brand Authenticity

Indirect Path	Indirect Effect (*β*)	*t*-value	*p*-value	Mediation Type	95% CI Lower	95.0% CI Upper
Brand Digitalization → Brand Authenticity → Purchase Intention	0,062	1,691	0,045	Partial mediation	0,008	0,128
Brand Heritage → Brand Authenticity → Purchase Intention	0,088	2,232	0,013	Partial mediation	0,019	0,148
Brand Innovation → Brand Authenticity → Purchase Intention	0,272	6,166	0,000	Partial mediation	0,202	0,347

Source: author research, 2026.

Overall, the findings address the concerns outlined at the outset of this study. Heritage cosmetics brands now face a commercial landscape shaped by accelerating digital change, continuous product innovation, and younger consumers' expectations for contemporary relevance. Although historical legacy remains a meaningful asset, it cannot independently secure stronger purchasing interest. Sustained appeal instead depends on combining inherited brand values with

purposeful innovation and digital engagement, while authenticity serves as the connecting principle between continuity and change. These findings suggest that modernization need not erode a brand's historical worth; when technological and product-related developments remain faithful to its defining character, they can reinforce perceived authenticity and encourage purchase intention (Cooper et al., 2021; Xu et al., 2025).

Theoretically, this research brings brand heritage, innovation, and digitalization together in an integrated framework that positions authenticity as a central explanatory mechanism. Whereas heritage and innovation may sometimes be treated as competing priorities, the findings indicate that innovation can become a particularly influential source of authenticity when consumers recognize its consistency with enduring brand values. The mediating function of authenticity also helps explain how strategic brand attributes are translated into purchasing intentions, offering insight into why certain established brands remain attractive in contemporary beauty markets while others fail to turn historical familiarity into consumer demand (Rodrigues et al., 2024; Södergren, 2021; Xu et al., 2025).

For brand managers, the findings caution against treating historical reputation as a sufficient source of competitive strength. Traditional cosmetics businesses need to pursue relevant product development, cultivate meaningful digital interactions, and communicate their underlying values consistently. New offerings should extend the brand's identity rather than displace it, while digital channels should make its heritage more accessible and understandable to contemporary audiences. This combined approach can help established brands remain appealing to younger consumers amid continuing changes in beauty preferences and digital consumption (Chan et al., 2025; Hu et al., 2022; Yip et al., 2025). From an economic resilience perspective, such efforts constitute adaptive investment that may lessen firm-level vulnerability to market turbulence and help preserve the sector's contribution to local supply networks and employment.

The results also point to several policy priorities for strengthening Indonesia's heritage cosmetics industry. Public institutions could expand digital capability programs, provide technology-oriented assistance for cosmetics MSMEs, and facilitate access to broader domestic and export markets (Anatan & Nur, 2023; Hasrudin & Sagena, 2023). Meanwhile, the BPOM and relevant halal-certification institutions have an important role in upholding product safety, quality, and certification credibility, thereby reinforcing public confidence in locally produced cosmetics. Industry organizations, including Perkosmi, MSME networks, and beauty-sector communities, could complement these efforts through innovation mentoring, collaborative marketing initiatives, and practical support for adapting to technological and market shifts (Putri et al., 2025; Siregar et al., 2025). Coordinated action among public authorities, regulators, industry networks, and businesses could improve the sector's long-term viability and competitive position. Such cooperation may also strengthen preparedness for external pressures, including rising import competition, unstable raw-material costs, and changing consumer preferences, helping safeguard the continuity and economic robustness of Indonesia's local cosmetics MSME ecosystem.

Conclusion & Limitation

Conclusion

This research examines how brand heritage, innovation, and digitalization shape consumers' intention to purchase Indonesian heritage cosmetics, with brand authenticity serving as an intervening mechanism. The findings establish that all three dimensions contribute to perceived authenticity, with innovation exerting the strongest influence. Rather than undermining a brand's inherited character, innovation appears to help preserve its relevance as consumer expectations and

market conditions evolve. Authenticity also emerges as an important determinant of purchase intention and partially transmits the effects of heritage, innovation, and digitalization on consumers' willingness to buy. These results suggest that heritage-based cosmetics businesses must do more than preserve their historical identity; they also need to embrace contemporary developments without abandoning the values that distinguish them. Conceptually, the study advances heritage-brand scholarship by illustrating how modernization and perceived genuineness can reinforce one another. For practitioners, the findings underscore the value of combining historical continuity, meaningful product development, and purposeful digital engagement. Beyond these marketing considerations, innovation and digital adoption may be understood as productive investments that help businesses adjust to structural market changes. When accompanied by authenticity-driven trust, these efforts may reduce exposure to competitive pressures and commercial uncertainty, supporting the longer-term economic durability of Indonesia's heritage cosmetics MSMEs.

The findings also offer direction for public policies intended to sustain Indonesia's heritage cosmetics sector. Initiatives involving product certification, greater utilization of domestically sourced ingredients, and digital capability development for beauty-sector MSMEs could strengthen the market position of local brands. Coordinated efforts among government institutions, regulatory bodies, industry associations, and businesses are likewise important to ensure that technological advancement and product renewal remain compatible with the preservation of inherited brand identities. Several limitations should nevertheless be acknowledged, including the cross-sectional research design, purposive sampling, and reliance on self-reported responses. Subsequent studies could employ longitudinal approaches and incorporate additional factors, such as brand trust, brand experience, consumer engagement, public policy, and institutional assistance, to develop a broader account of consumer responses to heritage cosmetics. Cross-national comparisons and investigations spanning different product categories could further clarify how cultural and commercial conditions shape these brands' continued relevance. In parallel, support initiatives could incorporate systematic risk preparedness through diversified raw-material procurement, improved export opportunities, and ongoing assessment of competitive pressures. Such measures may help protect the sector's economic foundations and maintain its productive contribution during periods of disruption. Future research could extend the present framework by directly examining firm-level adaptation, investment patterns, and crisis-readiness indicators alongside the brand-related variables.

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Declaration of Competing Interest

The authors affirm that no financial interests or personal affiliations known to them have compromised, or could reasonably be perceived as compromising, the impartiality of the research presented in this article.

Use of Artificial Intelligence (AI)-Assisted Technology

The authors confirm that artificial intelligence technologies were not employed at any stage of preparing this manuscript, including data analysis, interpretation of findings, or composition of

the text. All research activities, from data gathering to the final written report, were conducted independently by the authors without AI-assisted tools.

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