

## **ABSTRACT**

*The rapid development of the cosmetics industry in Indonesia has triggered intense competition between local and imported brands. In the digital era, electronic word of mouth (e-WOM) and consumer ethnocentrism sentiments play a crucial role in shaping perceptions and purchasing decisions. This study aims to analyze the effect of Positive and Negative e-WOM on Brand Equity in local and imported cosmetic products, and to examine the role of Consumer Ethnocentrism as an intervening variable among customers in Semarang City.*

*This study employs a quantitative approach using a purposive sampling method. The sample consists of 200 respondents (100 local cosmetic users/enthusiasts and 100 imported cosmetic users/enthusiasts) in Semarang, measured using a 1-7 Likert scale. The measurement model (outer model), structural model (inner model), and hypothesis testing were evaluated using the Partial Least Squares Structural Equation Modelling (PLS-SEM) method via SmartPLS 4.0 software.*

*The results indicate different dynamics between local and imported products. For local cosmetics, Positive e-WOM has a significant positive effect on Consumer Ethnocentrism and Brand Equity, while Negative e-WOM significantly damages Brand Equity. Consumer Ethnocentrism partially mediates the effect of Positive e-WOM on Brand Equity. Conversely, for imported cosmetics, Positive e-WOM is highly dominant in building Brand Equity without affecting ethnocentrism, and imported brands prove to be more resistant to Negative e-WOM. Although Negative e-WOM increases ethnocentrism for imported brands, Consumer Ethnocentrism does not significantly weaken Brand Equity, nor does it serve a mediating role.*

*Keywords: Electronic Word of Mouth (e-WOM), Brand Equity, Consumer Ethnocentrism, Local Cosmetics, Imported Cosmetics.*