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**FACTORS AFFECTS CUSTOMER SATISFACTION IN PURCHASE
DECISIONS OF SKINCARE PRODUCTS AMONG ADULT WOMAN IN
MELAKA**

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**A project report submitted in fulfillment of the requirement for the award of
Bachelor Technopreneurship**

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JUNE 2015

DECLARATION

'I declare that thesis entitle 'Factor Affects Customer Satisfaction in Purchase Decisions of Skincare Products among Adult Woman in Melaka' is the result of my own research except as cited in the references'

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ABSTRACT

Now days, adult woman are very conscious about facial skin care. Due to weather conditions present uncertainty has made adult woman today are more focused to buy the best facial skin care products. Other than that, the attitude of woman towards beauty obsesses now seen as harmful and dangerous to woman themselves as chemical substances found in beauty products that not only can cause increased facial ugly but can result in death. In this study, the researcher want to determine about the factors affects customer satisfaction in purchase decisions of skincare products among adult woman in Malacca. The researcher was developed the Customer satisfaction in purchase decisions model which is have four factors that are relate to the model such as price, brand, product features and customer's experiences. Hypotheses will be constructing and test by using p-test and Pearson's Correlation. The research hope can found that certain factors did have a positive relationship with the factor affects customer satisfaction in purchase decisions of skincare products among adult woman in Malacca.

Keywords: Factors Affects Customer Satisfaction, Purchase Decisions, Skincare Products, Adult Woman

ABSTRAK

Pada masa kini, wanita dewasa sangat mementingkan penjagaan kulit muka. Oleh kerana keadaan cuaca yang tidak menentu sekarang telah dibuat wanita dewasa hari ini adalah lebih fokus untuk membeli yang terbaik produk penjagaan kulit wajah. Selain itu, sikap wanita terhadap kecantikan kini obseses dilihat sebagai berbahaya dan berbahaya kepada wanita itu sendiri sebagai bahan-bahan kimia yang terdapat dalam produk kecantikan yang bukan sahaja boleh menaikkan wajah hodoh tetapi boleh menyebabkan kematian. Dalam kajian ini, penyelidik telah menentukan tentang faktor-faktor yang memberi kesan kepada kepuasan pelanggan dalam membuat keputusan pembelian produk penjagaan kulit di kalangan wanita dewasa di Melaka. Penyelidik membangunkan kepuasan Pelanggan dalam membuat keputusan pembelian model yang mempunyai empat faktor yang berkaitan dengan model seperti harga, jenama, ciri-ciri produk dan pengalaman pelanggan. Hipotesis akan membina dan ujian dengan menggunakan ujian-p dan korelasi pearson ini. Harapan penyelidikan boleh mendapati bahawa faktor-faktor tertentu memang mempunyai hubungan yang positif dengan faktor yang memberi kesan kepada kepuasan pelanggan dalam membuat keputusan pembelian produk penjagaan kulit di kalangan wanita dewasa di Melaka.

Kata Kunci: Faktor Mempengaruhi, Kepuasan Pelanggan, Membeli Keputusan, Produk Penjagaan Kulit, Wanita Dewasa

TABLE OF CONTENT

CHAPTER	TITLE	PAGES
	DECLARATION	ii
	ACKNOWLEDGEMENT	iii
	ABSTRACT	iv
	ABSTRAK	v
	TABLE OF CONTENT	vi
	LIST OF TABLES	ix
	LIST OF FIGURES	x
	LIST OF ABBREVIATIONS	xi
CHAPTER 1	INTRODCUTION	
	1.1 General Overview	1
	1.2 Research Background	1
	1.3 Statement of Research Problem	3
	1.4 Research Question	5
	1.5 Objectives of the Research	5
	1.5.1 General Objective	5
	1.5.2 Specific Objective	6
	1.6 Scope of Study	6
	1.7 Significant of the Study	6
	1.8 The Definition of Terms	7
	1.8.1 Customer Satisfaction	7
	1.8.2 Purchase Decision	

CHAPTER 1	INTRODUCTION	
	1.8.3 Skincare Products	7
	1.8.4 Adult Woman	8
	1.9 Summary	8
CHAPTER 2	LITERATURE REVIEW	
	2.1 Introduction	9
	2.2 Literature Review	10
	2.2.1 Customer Satisfaction	10
	2.2.2 Purchase Decisions	12
	2.2.2.1 Changes of Buying Decision Trend	14
	2.2.3 Price	16
	2.2.4 Brand	18
	2.2.5 Product Features	19
	2.2.6 Customer’s Experiences	19
	2.3 Theoretical Framework	20
	2.4 Hypothesis Development	21
	2.4.1 Relationship between Price and Customer Satisfaction in Purchase Decision	21
	2.4.2 Relationship between Brand and Customer Satisfaction in Purchase Decision	22
	2.4.3 Relationship between Product Features and Customer Satisfaction in Purchase Decision	23
	2.4.4 Relationship between Customer’s Experiences and Customer Satisfaction in Purchase Decision	23

CHAPTER 2	LITERATURE REVIEW	
	2.5 Hypothesis	24
	2.6 Summary	25
CHAPTER 3	RESEARCH METHODOLOGY	
	3.1 Introduction	26
	3.2 Research Design	26
	3.3 Collecting Data	27
	3.3.1 Primary Data	27
	3.3.2 Secondary Data	28
	3.4 Sampling Method	29
	3.4.1 Target Population	29
	3.4.2 Sampling Frame and Sampling Location	29
	3.4.3 Sampling Elements	30
	3.4.4 Sampling Technique	30
	3.4.5 Sampling Size	31
	3.5 Research Instrument	31
	3.5.1 Questionnaire Design	32
	3.5.2 Pilot Testing	32
	3.6 Construct Measurement	33
	3.6.1 Scale Measurement	33
	3.7 Data Processing	33
	3.7.1 Questionnaire Checking	33
	3.7.2 Data Editing and Coding	34
	3.7.3 Data Cleaning	34
	3.8 Procedures of Data Analysis	34
	3.8.1 Descriptive Analysis	35
	3.8.2 Scale Measurement	35
	3.8.2.1 Reliability Test	35

CHAPTER 3	RESEARCH METHODOLOGY	
	3.8.3 Inferential Analysis	36
	3.8.3.1 Pearson Correlation Analysis	36
	3.8.3.2 Simple Linear Regression Analysis	37
	3.9 Summary	37
CHAPTER 4	DATA ANALYSIS AND RESULT	
	4.1 Introduction	38
	4.2 Research Design	39
	4.2.1 Reliability for Research	39
	4.3 Demographic Analysis	40
	4.3.1 Race	40
	4.3.2 Age	40
	4.3.3 Marital Status	41
	4.3.4 Highest Level of Academic Qualification	42
	4.3.5 Employment Level	42
	4.3.6 Personal Income	43
	4.4 Pearson Correlation among Variables	44
	4.5 Testing Hypothesis with Simple Linear Regression	44
	4.5.1 Hypothesis 1	45
	4.5.2 Hypothesis 2	46
	4.5.3 Hypothesis 3	47
	4.5.4 Hypothesis 4	48
	4.6 Comment and Suggestion Respondents	49
	4.7 Summary	50
CHAPTER 5	CONCLUSION AND RECOMMENDATION	
	5.1 Introduction	51
	5.2 Respondent's Demographic	51

5.3 Factor Affects Customer Satisfaction in Purchase Decision	53
5.3.1 Relationship Between Price and Customer Satisfaction in Purchase Decisions	53
5.3.2 Relationship Between Brand and Customer Satisfaction in Purchase Decisions	53
5.3.3 Relationship Between Product Features and Customer Satisfaction in Purchase Decisions	54
5.3.4 Relationship Between Customer Experiences and Customer Satisfaction in Purchase Decisions	54
5.4 Hypothesis Summary	55
5.5 Conclusion	57
5.6 Recommendation	57
5.7 Limitation of Study	58
REFERENCES	60
APPENDIX A	64
APPENDIX B	74

LIST OF TABLE

NO.	TITLE	PAGE
3.1	Ranges of Cronbach Alpha Value	36
4.1	Reliability of Pilot Test (30 respondents)	39
4.2	Pearson Correlation between two variables	44
4.3	Simple - Regression among Factors Affects Customer Satisfaction in Purchase Decision and Four Independents Variables	45
4.4	Simple Regression between Customer Satisfaction in Purchase Decision and Price	46
4.5	Simple Regression between Customer Satisfaction in Purchase Decision and Brand	47
4.6	Simple Regression between Customer Satisfaction in Purchase Decision and Product Features	48
4.7	Simple Regression between Customer Satisfaction in Purchase Decision and Customer Experiences	49

LIST OF FIGURES

NO.	TITLE	PAGE
2.1	Customer Satisfaction in Purchase Decisions Model	20
4.1	Pie chart of frequency distribution of Race	40
4.2	Pie chart of frequency distribution of Age	40
4.3	Bar chart of frequency distribution of Marital Status	41
4.4	Bar chart of frequency distribution of Academic Qualification	42
4.5	Bar chart of frequency distribution of Employment Level	42
4.6	Pie chart of frequency distribution of Personal Income	43

LIST OF ABBREVIATIONS

α	= Cronbach Alpha
e.g	= Example
SPSS	= Statical Package for Social Sciences
MITC	= Melaka International Trade Centre
H ₀	= Hypothesis Null
H _A	= Hypothesis Alternatif
H ₁	= Hypothesis One
H ₂	= Hypothesis Two
H ₃	= Hypothesis Three
H ₄	= Hypothesis Four
KKM	= Kementerian Kesihatan Malaysia
BPFK	= Biro Pengawalan Farmaseutikal Kebangsaan

CHAPTER 1

INTRODCUTION

1.1 General Overview

The overall research is to understand the factors affect customer satisfaction of purchase decisions of skincare products among adult woman in Melaka. Follow by outlining the problem statement and objective in this research. Research questions are used to guide the whole research and hypotheses used to form a proposed conceptual framework.

1.2 Research Background

In this era of technology and the developing world, woman are more concerned about the skills themselves more attractive because they want to be more confident, added, mostly women with careers. To look beautiful and presentable more elegant and attractive, beauty products used by women to get results that can satisfy the requirements of the hearts of women who desire beauty. (Ifa Sirrhu, 2011)

In Malaysia, cosmetic brands such as Avon, Oriflame, Garnier, L’Oreal, Nevea and Adidas are popular among cosmetic consumers. Cosmetic has become a common and popular category among young and adult people as it identifies them with a more relaxed lifestyle, greater versatility and comfort. This has prompted manufacturers like Avon, Garnier and Nevea to begin increasing their business mostly in Asia as it has the potential to give them top volume of sales for their manufactured goods. Many companies, mainly those in the cosmetic industry try to increase brand loyalty among their customers. Brand loyalty is a consumer’s conscious or unconscious decision that is expressed through the intention or behavior to repurchase a particular brand continually. (Reichheld and Sasser 1990)

Based Guidelines for Control of Cosmetic Products in Malaysia, cosmetic products are defined as, “Any substance or preparation intended to be used on the exterior of the human body (skin, hair, nails, lips and external parts of the genitals) or the mucous membranes of the mouth and teeth, with the main purpose to clean, perfume, change the appearance or correct body odors or protecting or maintaining in good condition.” Examples of cosmetic products is a body soap, facial cleanser and cream, sunscreen, shampoo and conditioner, hair care products, toothpaste and mouth rinse liquid, hair dyes, perfumes, deodorants, lipsticks, eye shadow and nail polish. (Erina, 2014).

All cosmetic products sold in Malaysia must be notified by KKM, BPFK before the product can be manufactured, imported, distributed or sold in Malaysia. Only cosmetic products notified can be manufactured or imported into Malaysia market legally. Cosmetic products notified do not mean that the product has been approved by the KKM. Notification is the process by which products the company responsible for marketing the cosmetic product to make a declaration in respect of information products to BPFK before they market these products in the Malaysian market. (Erina, 2014).

According to the article of Utusan Malaysia_Kesihatan (2014), the question arose whether the product being advertised, especially in the social recognition or approval authorities such as the National Pharmaceutical Control Bureau (BPFK) and the Ministry of Health (KKM). In addition, the use of a type of heavy metal

mercury which is used to brighten the face is effective but has side effects such as damage to the kidneys and nervous system. (Utusan Malaysia_Kesihatan, 2014).

Most of the skincare products are used two types of materials such as hydroquinone and mercury in skincare products. Hydroquinones are corrosive chemicals and powder form. That can be impacts long-term use may cause effects on the kidneys, liver and leukemia (blood cancer). Mercury is the chemical form of a thick liquid. The type of this chemical is heavy metal that is hazardous to the skin, such as skin corrosive and skin cancer also can be effects of long-term use of mercury can cause brain damage, kidney disease, cancer, Alzheimer's and Parkinson's. (Utusan Malaysia, 2014).

1.3 Statement of Research Problem

Now days, adult woman are very conscious adult facial skin care. Due to weather conditions present uncertainty has made adult woman today are more focused to buy the best facial skin care products. However, whether they are aware of the factors that can influence their buying decisions and give satisfaction to them? Whether the products they buy have reasonable prices? Whether women today are more brand-conscious than other factors of this skin care product?

Other than that, whether women today realize that there are many issues in the news about the effects and consequences of the use of skin care products or beauty products that do not have the approval of the Kementerian Kesihatan Malaysia (KKM)? This factor is related to the characteristics of the product itself. Are adult woman today make a purchase based on or refer to existing testimony? All these things were clarified in this study.

Other than that, the attitude of women towards beauty obsesses now seen as harmful and dangerous to women themselves as chemical substances found in beauty products that not only can cause increased facial ugly but can result in death. Therefore, this topic was covering the use of beauty products and the law is

responsible for the regulation of beauty products. Analysis of the victim beauty products also was reviewed and scrutinized. The study was focus more on beauty products such as body slimming beauty products, botox and also confirmed some beauty products contain harmful chemicals. (Ifa Sirrhu, 2011).

According to the article of Harian Metro (2007), Melaka attracted to 'greatness' ads locally produced cosmetics, a woman had to endure when his face turned ugly after six months of using the cream cleanser products company. Mother of two children, Nor'aini Mohamad Hashim, 29, of Limbongan here, using three types of facial cleanser since mid-January. As a result, his face now peeling, bitchy and full of red bumps and pus. Unfortunately, he is now living in a state of distress due to innuendo surrounding community. Nor'aini, now depressed and embarrassed by the implication that people looking grouchy face it. But also that it is now the title of queen of the products that use it. (Harian Metro, 2007)

She said it started after he bought a second set of facial cleanser which worth RM210 from sales representatives of the company at a shopping center in the city. Set contains cleansing cream, care, respite and three bottles of cream for night use. She told the first set, and after a few weeks the skin produces small bumps. Things are communicated to the parties responsible for the Haiti representative of the product sales and but otherwise it is the response of the material to produce acne. Company representatives also suggested he use the relief creams, cleaners and care for your skin free from acne. (Harian Metro, 2007)

Due to the coveted beauty, Gina cream involved and using the cream for six months and had already spent more than 10 bottles of cream clearance size 10 milliliter, each costing RM46. However, the skin of his face deepened, but the dealer continues to recommend him to use the material. Because the skin is worse, she has stopped using it. Action has been taken to refer to a skin specialist doctor and file a claim through the Consumer Claims Malaysia. (Harian Metro, 2007)

1.4 Research Question

This research addresses the following research questions:

- a. What is the factor affects between price and customer satisfaction in purchase decisions of skincare product among adult woman in Melaka?
- b. What is the factor affects between brand and customer satisfaction in purchase decisions of skincare product among adult woman in Melaka?
- c. What is the factor affects between product features and customer satisfaction in purchase decisions of skincare product among adult woman in Melaka?
- d. What is the factor affects between customer experiences and customer satisfaction in purchase decisions of skincare product among adult woman in Melaka?

1.5 Objectives of the Research

The purpose of this research is to solve the problem statement as stated above by outline the general objective, which was developed into individual specific objectives.

1.5.1 General Objectives

The main objective of this study is to identify the factors affect customer satisfaction in purchase decisions of skincare products among adult woman in Melaka. It tries to examine and interpret whether the factors was affect the customer satisfaction in purchase decisions among adult woman.

1.5.2 Specific Objectives

- a. To determine the relationship between price and customer satisfaction in purchase decisions of skincare products among adult woman in Melaka.
- b. To examine the relationship between brand and customer satisfaction in purchase decisions of skincare products among adult woman in Melaka.
- c. To investigate the relationship between product features and customer satisfaction in purchase decisions of skincare products among adult woman in Melaka.
- d. To analyze the relationship between customer's experiences and customer satisfaction in purchase decisions of skincare products among adult woman in Melaka.

1.6 Scope of Study

The scope of this study is focus around the Melaka areas which are at Central Malacca, AEON Bandaraya Melaka, Malacca International Trade Centre (MITC), Mahkota Parade and Dataran Pahlawan. This location was chosen to be the main scope of this study is due to be areas of focus groups of adult woman. In addition, there are many kiosks beauty, spa and also stockiest selling skin care products. Apart from that, this location is not only visit by local adult women, but also adult woman from among foreign tourists.

1.7 Significant of the Study

The importance of this study is to determine the factors affect customer satisfaction in purchase decisions of skincare products among adult woman in Melaka. There are several factors that can help us in having a better understanding of

adult woman customer satisfaction towards the skincare products purchasing decision. The factors include brand, price, product features and customer's experiences.

1.8 The Definition of Terms

1.8.1 Customer Satisfaction

The level of satisfaction is providing by the goods or services of the company as measured by the number of repeat customers. Customer satisfaction is an abstract concept and involves such factors as the quality of the product, the quality of service provided, the atmosphere of the location where the product or service is purchased, and the price of the product or service.

1.8.2 Purchase Decision

Consumers identify their needs, collect information, evaluate alternatives, and make the purchase decision. These actions are determined by psychological and economic factors, and are influenced by environmental factors such as cultural, group, and social values.

1.8.3 Skincare Products

According to the Biology Online (2005), maintenance of the hygienic of the skin under optimal conditions of cleanliness and comfort. Effective in skin care are proper washing, bathing, cleansing, and the use of soaps, detergents, oils, etc. In

various disease states, therapeutic and protective solutions and ointments are useful. The care of the skin is particularly important in various occupations, in exposure to sunlight, in neonates, and in decubitus ulcer. (Caspion, 2005)

1.8.4 Adult Woman

Adult female has one sense who is an adult female person. Woman has four senses, which are an adult female person, woman as a class, a human female who does housework and a female person who plays a significant role in the life of a particular man

1.9 Summary

This chapter outlines the foundation and overview of the research which allow readers have a clearer picture of the factors affect customer satisfaction in purchase decisions of skincare products among adult woman in Malacca. First, it started with the introduction of the research background, problem statement, research objectives, research questions, hypotheses of the study, significant of the study and chapter layout. This information was developed and discussed in Chapter 2.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

In previous chapter, the background of research, problem statement, research objective, research question, hypotheses and significant of the study has identify. Therefore, literature review of this research was discussed in this chapter and the four independent variables which include price, brand, product features and customer experiences were determined.

Literature review enables us to identify the important variables in the research, conceptualize the theoretical framework and hypotheses development. In addition, the conceptual framework was proposed in graphical form in order to provide a better concept in the study. Finally, conclude and summarize the chapter.

2.2 Literature Review

2.2.1 Customer Satisfaction

Customer satisfaction is the feedback from the assumption or perception, evaluation, and psychological reactions of customers or users to result from the expected use or purchase of any products or services available in the market. There is general agreement that satisfaction is a person's feelings of pleasure or disappointments resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectation. (Kotler, 2003).

Customer satisfaction is one of the most important issues concerning business organization of all types, which is justified by the customer-oriented philosophy and the principles of continuous improvement in modern enterprises. For this reason, customer satisfaction should be measured and translated into a number of measurable parameters. Customer satisfaction measurement may be considered as the most reliable feedback, providing client preferences and experiences in an effective, direct, meaningful and objective way. (Kotler, 2003).

Customer satisfaction is a complex construct. It has been defined in various ways (Kanji and Moura, 2002; Fecikova, 2004). Recently, researchers have argued that there is a distinction between customer satisfaction as related to tangible products and as related to service experiences. This distinction is due to the inherent intangibility and perishable ability of services, as well as the inability to separate production and consumption. Hence, customer satisfaction with services and with goods may derive from, and may be influenced by, different factors and therefore should be treated as separate and distinct (Veloutsou et al., 2005).

The disconfirmation paradigm in process theory provides the grounding for the vast majority of satisfaction studies and encompasses four constructs: expectation, performance, disconfirmation, and satisfaction (Caruana et al., 2000). This model suggests that the effects of expectation are primarily through disconfirmation, but