

**FACTORS INFLUENCING CUSTOMER ACCEPTANCE AMONG  
VARIOUS BEAUTY SALON**

**MARLIANA BINTI ABRAHAM**

**This report submitted in partial fulfillment of the requirements for the award  
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**Faculty of Technology Management and Technopreneurship Technical  
University of Malaysia Malacca**

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## STUDENT DECLARATION

I declare that this project paper entitled “**Factors Influencing Customer Acceptance among Various Beauty Salon**” is the result of my own research except as cited in the references. The project paper has not been accepted for any degree and is not concurrently submitted in candidature of any other degree.

Signature :

Name : MARLIANA BINTI ABRAHAM

Date :

**DECLARATION**

“I admit that this report is the result of my own except as cited in the references”

Signature :

Supervisor's Name : DR. NORHIDAYAH BINTI MOHAMAD

Date :

Signature :

Panel's Name : DR. FARARISHAH BINTI ABDUL KHALID

Date :

## **DEDICATION**

This thesis is dedicated to my father Abraham bin PG. Masdal and my mother Rosminah Binti Mauricio, who taught me the value of education and made sacrifices to me to get the opportunity that they did not have.

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## ABSTRACT

Nowadays, the service sector is one of the main contributors to the national income. The service industry especially the beauty salon business has increased widespread in Malaysia businesses environment. Moreover it has been created competition among this business. Thus, is important to evaluate user acceptance, and driven factors among various beauty salons. 500 questionnaires have been distributed in Selangor and 384 respondents have returned the questionnaires. The respondent for this research is the customers who use the products and services in the beauty salon including group of career people (women or men), students, and housewives who are interested to make treatment in any beauty centre. Data collected has been analyzed using SPSS with T-test analysis and ANOVA analysis which to identify the difference between service marketing mix and customer acceptance based on demographic factors. While, Multiple Regression Analysis was used to find out the relationship between service marketing mix factors and customer acceptance among various beauty salons and to identify the main service marketing mix factors that influences the customer acceptance among various beauty salons. The finding of this research shows that some of the service marketing mix factors have a significant relationship with customer acceptance which is process and physical evidence. Apart from

that, the main factors in service marketing mix that influence customer acceptance among various beauty salons is physical evidence factors. Besides, there are some demographic factors also influence customer acceptance among various beauty salon such as gender and marital status. In conclusion, these factors can attract customer to choose the beauty salons.

## ABSTRAK

*Pada masa kini, sektor perkhidmatan merupakan salah satu penyumbang utama kepada pendapatan negara. Industri perkhidmatan terutamanya perniagaan salon telah meningkat secara meluas dalam persekitaran perniagaan Malaysia. Lebih-lebih lagi, ia telah mewujudkan persaingan penting antara perniagaan. Oleh itu, adalah penting untuk menilai penerimaan pengguna, dan faktor-faktor yang didorong oleh kalangan pelbagai salon kecantikan. 500 soal selidik telah diedarkan di Selangor dan 384 responden telah kembalikan semula soal selidik tersebut. Responden untuk kajian ini terdiri daripada pelanggan yang menggunakan produk dan perkhidmatan di salon kecantikan termasuk kumpulan orang berjaya (lelaki dan perempuan), pelajar, dan suri rumah yang berminat untuk mengambil rawatan di mana-mana pusat kecantikan. Data yang dikumpul telah dianalisis dengan menggunakan SPSS dengan menjalankan analisis ujian-t dan analisis ANOVA adalah untuk mengenal pasti perbezaan di antara campuran pemasaran perkhidmatan dan penerimaan pelanggan berdasarkan faktor demografi. Manakala, analisis regrasi pelbagai dilakukan untuk mengetahui hubungan antara faktor-faktor campuran pemasaran perkhidmatan dan penerimaan pelanggan di kalangan pelbagai salon kecantikan dan untuk mengenal pasti pemasaran perkhidmatan faktor campuran utama yang mempengaruhi penerimaan pelanggan di kalangan pelbagai salon kecantikan. Dapatan kajian ini menunjukkan bahawa sebahagian daripada*



*perkhidmatan pemasaran campuran mempunyai hubungan yang signifikan dengan penerimaan pelanggan iaitu proses dan bukti fizikal. Selain itu, faktor utama dalam campuran pemasaran perkhidmatan yang mempengaruhi penerimaan pelanggan di kalangan pelbagai salon kecantikan adalah faktor keterangan fizikal. Selain itu, terdapat beberapa faktor-faktor demografi seperti jantina dan status perkahwinan juga mempengaruhi penerimaan pelanggan di kalangan pelbagai salon kecantikan. Kesimpulannya, faktor-faktor ini boleh menarik pelanggan untuk memilih salon kecantikan.*

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**LIST OF SYMBOL**

$b$  = b-value

$t$  = t-value

$H$  = Hypotheses

$P$  = p-value

$R$  = Point of Estimate

$R^2$  = Point of Estimate Square

## CHAPTER 1

### INTRODUCTION

#### 1.1 BACKGROUND

A beauty salon business has become a promising business among particular service business earning a high income in Malaysia. Beauty salons in Malaysia are located in various locations. Some are stand-alone shops open to serve nearby customer in the area and other are located in business buildings and shopping malls which attract customer who are able to do different activities in one certain place at a time. Thus, most beauty salons nowadays focus more on service such as haircut, makeup, and others.

According to Trading Economic, in year 2015, it shows that GDP from Services Industry in Malaysia has increased to MYR 143693 Million in the third quarter of 2015 from MYR 138583 Million in the second quarter of 2015 as shown in table 1.1. The increasing trend of service industry has shown in the figure 1.2 from year 2013 to year 2015. This shows that, this industry become important sector to be focus and having better understanding about it. GDP from Services in Malaysia is reported by the Department of Statistics Malaysia.

**Table 1.1: Malaysia GDP from Services.**

Source from (*www.tradingeconomic.com, department of statistics Malaysia, 2015*)

Malaysia GDP	Last (2013)	Previous (2015)
GDP Growth Rate	0.70	1.10
GDP Annual Growth Rate	4.70	4.90
GDP	326.93	313.16
GDP Constant Prices	269401.00	261079.00
GDP National Product	261.90	256.70
GDP F.C Formation	68550.00	70250.00
GDP per capita	7304.14	6997.73
GDP per capita PPP	23578.51	22589.37
GDP From Agriculture	26665.00	23017.00
GDP From Construction	12125.00	10951.00
GDP From Manufacturing	61222.00	61272.00
GDP From Mining	22260.00	23804.00
GDP From Service	143693.00	138583.00

**Figure 1.1: Malaysia GDP from Services (Graphs).**

Source from (*www.tradingeconomic.com, department of statistics Malaysia, 2015*)

The changing trends to service industry due to most people are interested in servicing customer in various sectors. According to Datuk Hasan Malek the Minister of Domestic Trade, Co-operative and Consumerism he said that the beauty industry in Malaysia to grow in line with developments at the global level (Berita Harian, 2014). Therefore, the government has put on effort to encourage the indigenous to enter into this business sectors and provide many programs to the community to give exposure regarding the importance and opportunity of this industry. Government agencies provide assistance and guidance to entrepreneurs and aspiring entrepreneurs by providing the following programs such as Malaysian Entrepreneur Development Centre, MEDEC to plan and conduct programs on education, training, researches, consultations and entrepreneurship advice services (Malaysian Academy of SME & Entrepreneurship Development, 2013).

Business for product and service of beauty industry has long been established in our country. There are many company that offer products and services of beauty products and sometimes we are witnessing a huge surge in business industry. Annual sales of beauty business sometimes reaches millions of ringgit a year. The factors that can be attributed to the billionaire success of beauty products is the existence of a functioning system of government support to provide sources of information, providing business opportunities and funds to help support the next government a positive impact on the involvement of entrepreneur's beauty products.

According to Lopaciuk & Loboda (2013) the beauty industry has been expanding dramatically over decades in Vietnam, but in Malaysia the same phenomena had happened. Therefore, it offers a diverse range of opportunities for the interested entrepreneurs. As a women, just like the other women in the world, the author always keeps in mind the importance of taking care of herself

and a good appearance. It also supported by Grindstaff (2015), by mention that beauty industry may include sales of cosmetics, perfume, and products for skin and hair care. Moreover, beauty salons and spas are considered the service sector of the beauty industry. Worldwide sales of beauty-related products and services are estimated to be in excess of \$159 billion US dollars (USD) each year. Most research shows that sales to women account for a huge majority of the sum.

In the context of Malaysia environment, by referring to Companies Commission of Malaysia the number of companies registered under the beauty industry in 2015 below:

**Table 1.2: Total of Companies Registered under The Beauty Industry in 2015.**

Source from *Companies Commission of Malaysia(2015)*.

NO	STATE	REGISTERED	PERCENTAGE
1.	Selangor	18224	32.5%
2.	Kuala Lumpur	7245	12.9%
3.	Penang	5764	10.3%
4.	Perak	5041	9%
5.	Pahang	3446	6.2%
6.	Kelantan	3159	5.6%
7.	Johor	3019	5.4%
8.	Negeri Sembilan	3014	5.4%
9.	Terangganu	2973	5.3%
10.	Melaka	2628	4.7%
11.	Perlis	883	1.6%
12.	Labuan	351	0.6%
13.	Putrajaya	261	0.5%
<b>TOTAL</b>		<b>56008</b>	<b>100%</b>

Table 1.2 indicates the registered companies under beauty industry in year 2015. From this table Selangor has shown the highest number of registered companies compare to other states. Moreover according to SSM, the total number of registered company in Malaysia, the beauty industry had increased from 3.3% (2010) to 8.5% (2014). The beauty industry has traditionally focused on women user only, but nowadays men are gaining increasing attention in this industry. Salons offer a menu of pampering services for men, such as cuts and shaves, facials, massages and manicures (Franchise Help Holdings LLC, 2015).

Beauty is an asset and a symbol of femininity. Women and Beauty is also synonymous. Mention of beauty we certainly will associate with women. Beauty is a trend among student, career women or housewife. Therefore, some of them willing expensed to beauty salon to make sure they look elegant and youthful. Beauty salon is a place of interest for women. A beauty salon is a business which offers treatment designed to enhance their client's appearance and sense of wellbeing. Beauty salon also offer skincare product for sales and make recommendation about skincare regimens for clients. Besides that, beauty salon also provide service for weddings and hen's group and sell customized packages offering a verity of treatment which are used consecutively. Range of treatment and procedures are available from beauty salons such as:

1. Facial treatment
2. Body massage
3. Haircut and style
4. Eyebrow and eyelash tinting
5. Manicures and pedicures
6. Cosmetic procedures

However, the increasing numbers of beauty salon have made this service industry be more competitive to survive.

## 1.2 PROBLEM STATEMENT

In this modernize era, Small Medium Enterprise (SMEs) is growing in Malaysia and it has been contributing to the national income. Most SMEs involve business in the service sectors. Malaysia is a developing economy in Asia and has successfully transformed from an exporter of raw materials into a diversified economy. The largest sector of the economy is services, accounting for around 54 percent of GDP (Trading Economic, 2015). The researcher focuses the study on the service business among beauty salon. Beauty salon businesses nowadays give a good income compared to other businesses. Competition in the beauty salon business has also increased due to the increasing number of competitor in this business.

Refer to Ministry of Domestic Trade; Co-operative and Consumerism, (2008) the number of companies registered under the beauty industry in year 2008 are 45,618 companies and has been increase to 56,008 companies in year 2015. Figure 1.2 shows that this industry has growth 10.22% since years 2008.