

HAYATI BT BAKERI

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**CONSUMER BUYING PERCEPTION
TOWARDS
THE EFFECTIVENESS OF AVON PRODUCTS**

HAYATI BT BAKERI

UNIVERSITI TEKNIKAL MALAYSIA MELAKA

„We hereby declare that have read this report and in our opinion this thesis is sufficient in terms of scope and quality for the award of Bachelor of Technology Management (High Technology Marketing)“

Signature :

Supervisor Name :

Date :

Signature :

Panel Name :

Date :

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HAYATI BT BAKERI

This report is submitted in partial fulfilment of requirements for Bachelor of
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“I admit that this Final Year Project is from my own works except the summary and every sentence i already citation”

Signature:.....

Name:

Date:.....

For my lovely mother and father

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ABSTRACT

This research study are investigates about consumer buying perceptions towards the effectiveness of AVON products. Nowadays, the market cosmetic industries there are lot competitor have same similarity of features and characteristics of products. The AVON Company needs to adopt and improve their product characteristics in order to differentiate themselves among competitor and remain sustain in the market. The review of literature will give direction to us for the clear understanding about theoretical framework and discussing about the previous research already done and it will give relevant information for the secondary data for our research study. It has been include about the independent variables and dependent variables in order to help get a better understanding on this research topic. For the methodology part, the design of the research and will be follow by the methods of data collection and this research study is use quantitative method. This research study also used cross-sectional studies, mono research method and causal research design .Then, the study research will carry by construct the measurement which is by using a pilot test, research instrument and sampling design. The sampling location of this research study has already chosen at FPTT, UTeM area in Malacca to conduct this sampling process. In the sampling size, the researcher have collected data for sample size which is 150 respondents.

ABSTRAK

Kajian ini ingin mengkaji tentang pembelian persepsi pelanggan terhadap keberkesanaan AVON produk. Pada hari ini, idustri pasaran kosmetik terdapat banyak pesaing yang mempunyai persamaan dari segi ciri-ciri produk. Syarikat AVON perlu mengamalkan dan meningkatkan ciri-ciri produk mereka untuk membezakan diri mereka di kalangan pesaing dan kekal bertahan dalam pasaran. Kajian ini akan memberi arah tuju kepada saya untuk pemahaman yang jelas tentang rangka kerja teori dan membincangkan mengenai penyelidikan sebelumnya sudah dilakukan dan ia akan memberikan maklumat berkaitan bagi data sekunder untuk kajian penyelidikan ini. Ia termasuk kira-kira pembolehubah bebas dan pembolehubah bersandar untuk membantu mendapatkan pemahaman yang lebih baik mengenai topik kajian ini. Bagi sebahagian metodologi, reka bentuk penyelidikan dan akan diikuti dengan kaedah pengumpulan data dan kajian penyelidikan ini adalah menggunakan kaedah kuantitatif. Kajian ini juga digunakan kajian keratan rentas, kaedah penyelidikan mono dan reka bentuk kajian sebab dan akibat. Kemudian, penyelidikan kajian ini akan membawa dengan membina ukuran yang adalah dengan menggunakan reka bentuk kajian rintis, instrumen kajian dan persampelan. Lokasi persampelan kajian penyelidikan ini telah dipilih FPTT, kawasan UTeM di Melaka untuk menjalankan proses persampelan ini. Dalam saiz sampel, penyelidik telah mengumpul data bagi saiz sampel sebanyak 150 responden.

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LIST OF ABBREVIATIONS AND SYMBOLS

UTeM Universiti Teknikal Malaysia Melaka

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CHAPTER 1

INTRODUCTION

1.1 Background of the study

The roots of Avon can be traced back to 1886, when struggling door-to-door salesman David McConnell made the decision to sell perfumes, rather than books to New York homes (India Pvt Ltd, 2015). Known in those days as The California Perfume Company, the business quickly prospered and our founder David H. McConnell, appointed his first General Agent, Mrs Albee (India Pvt Ltd, 2015). At a time before women even had the right to vote, Mrs Albee was instrumental in establishing the unique sales method that continues to be AVON's hallmark today (India Pvt Ltd, 2015).

Having been enchanted by the beauty of Stratford upon Avon during a visit to England, David McConnell was inspired, and in 1939 he chose the name 'Avon' for his growing international company (India Pvt Ltd, 2015). AVON today is the number 1 direct selling beauty company in the world and for 125 years has economically empowered women in over 100 countries (India Pvt Ltd, 2015).

The history AVON products is for 34 years, AVON Malaysia has empowered many women across the Peninsular, Sabah and Sarawak by providing them with Earning Opportunities and making their dreams come true (Jasmine, 2012). AVON representatives are supported by their Zone Managers, training, credit facilities and 185 Avon Beauty Boutiques throughout Malaysia (Jasmine, 2012). AVON Company vision is to be the company that best understands and satisfies the products, service and self- fulfillment needs of women globally (Jasmine, 2012). Today, AVON is more relevant and powerful than ever before, and we have a dramatic opportunity to be the answer that people are seeking for in this challenging economy situation (Jasmine, 2012).

The cosmetics industry become growing nowadays because the lifestyle of people are changing in this world. So, many competitions among company cosmetic to capture this market and in order to remain sustain the company need improved and do some innovation to their product to fulfill needs and wants of customers. Furthermore, company need to find the opportunity to give a customer awareness about their new market offerings and customers also have a variety of choice (Teoh, Chong, Lin and Chua, 2013; Ahmad, Salyha and Sharjeel, 2014). The customer gets awareness about the products through regular updating (Teoh et al., 2013; Ahmad et al., 2014). That's why company needs to focus on their customer buying decision and customer perception about their product in the market.

Many manufacturing companies and suppliers are working collaboratively to provide quality oriented products in a large variety for all skin type, which are easy to use and build trust by using halal ingredients (Teoh et al., 2013; Ahmad et al., 2014). From that we know the important product quality in order to attract new customer buying the products and sustain current customers. If the companies do not meet customer expectations will be fail because of dissatisfaction among customers (Abrazhevich, 2001; Ahmad et al., 2014). Safety and reliability are significant factors for customer point of view (Teoh et al., 2013; Ahmad et al., 2014).

This research paper shows that the AVON Company need to adopt and improve their product dimension in order to differentiate themselves among competitor and remain sustain in the market.

1.2 AVON Cosmetic

The cosmetic AVON products ranges are consists of makeup AVON color, makeup simple Pretty, Skincare, Fragrance, Personal Care and Hair Care (India Pvt Ltd, 2015). Moreover, the AVON product line includes such recognizable brand names as Avon Color, ANEW, Solutions, AVON Naturals, Little Black Dress among others. AVON also markets an extensive line of fashion jewelry & accessories (India Pvt Ltd, 2015).

Furthermore, AVON stays at the forefront of the beauty marketplace by bringing leading-edge, technology-based products to women around the world. A global beauty icon, a world leader in lipsticks, fragrances and anti-aging skin care makes AVON a top global brand (India Pvt Ltd, 2015).

1.3 Consumer Buying Perception

The definition of consumer perception which is the process by which people select, organize and interpret information in the mind is called perception (Kotler and Keller, 2009; Ash and Wolfe, 2001; Isa, 2011). From that we know the perception consumer will help to create more improve products or service in the world. As we

know that the most important how the consumer form an opinions about the company and the product or service there are offered to consumer through buying products or services. Furthermore, the company can use the perception of consumer to make a better strategy in order to attract new consumer and remain current consumers.

1.4 Problem Statement

AVON products have a good potential market to growth in nowadays. Even during the economic are downturn, customer are still to buying the AVON products. In the market cosmetic industry there are lot competitor have same similarity of features and characteristics of products. Customers have a lot of choice to choose the suitable products will give good value benefit to them.

In UTeM, there have females students are rigid of cosmetics because the students are more attract the cheaper price for cosmetic products. Also, they don't have a time to manage themselves to look beautiful and elegant because the student lifestyle is busier with their assignment and activity co-curriculum in the university. The student need the cosmetic product is easier to use and effectively in order to have a good appearance even though the student lifestyle is busier.

The AVON Company needs to understand student perception and their buying intention. This make the AVON Company need to adopt and improve their product dimension in order to differentiate themselves among competitor and remain sustain in the market. The important question is how the characteristics are influence customer buying perception for AVON products.

Therefore, this study are intends to analyze the customer buying perceptions towards effectiveness of AVON products potential among students in FPTT at the Malacca.

1.5 Research Questions

This study will be undertaken by the following research question;

1. Is the consumer buying perception characteristics are influenced the effectiveness of AVON products?
2. Is the effectiveness of AVON products are influenced to attract customer before buying the products?
3. Is the consumer buying perception give influences to the effectiveness of AVON product?

1.6 Research Objectives

1. To determine the consumer buying perception characteristics influences the effectiveness of AVON products.
2. To evaluate the effectiveness of AVON products to attract customer before buying the products.
3. To investigates whether consumer buying perception give influences to the effectiveness of AVON products.

1.7 Scope and limitation of the study

This research study only covers in terms of geography and context. The research is limited in several ways. First, the research is limited in population (UTeM) student around 10,000 students. Our research just uses only a small number of the respondent. We limit the population by taking 200 students to find out about the sample answer of the survey of the project. According to Roscoe (1975) and Gosh, Lee, Tan, Tiyu (2013) mentioned that rule of thumbs is that sample size of more than 30 but less than 500 are more suitable for the study.

1.8 Project Significance

This research study will be given a benefit to AVON company marketer to know about the customer buying perception towards the effectiveness their products. The AVON Company can focus on their customer needs and wants by using all optimum resources, minimized their cost and save environment by using a natural material.

Furthermore, the AVON Company can improved their product quality, price, design, promotion and well-recognized brand name in order to meet the demand of customer and differentiate themselves among competitor and remain sustain in the market. So, that will be good for customer buying perception after their buying AVON products.

1.9 Conclusion

In conclusion on this chapter, as we know that the market cosmetic industries there are lot competitor have same similarity of features and characteristics of products. The AVON Company needs to adopt and improve their product characteristics in order to differentiate themselves among competitor and remain sustain in the market. Lastly, this study research are intends to analyzed the customer buying perceptions towards effectiveness of AVON products.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

In this chapter, we will be analyzed and interpret all the information and data about the literature review of consumer buying perceptions on the effectiveness of AVON cosmetic products. This chapter consists of four parts which are theory, theoretical framework, hypotheses and conclusion as well.

2.1 Consumer buying perception

According to Janaim (1975) and Noppawan (2010) said that “perception is the procedure that people who have experience of such item or incidents by all touches”. Upramai (1980) and Noppawan (2010) said that “perception is the procedure that people are motivated by something and use all their experience or their basic knowledge interprets that thing to the sense”. Chuangchoat (1989) and Noppawan (2010) said that “perception is the touch of the sensation. It is the meaning of acknowledgement. And thus, its needs and experience which is important for the

understanding of perception”. Shiffman and Kanuk (2000) and Noppawan (2010) referred that “perception is the procedure which individuals selects, organizes, and interprets to the image which has the meaning and is easier to understand”.

Furthermore, the consumers have their own experience towards the products and have basic knowledge about the brand of products they used. That make the consumer feel believe and satisfied used the particular brand of products cosmetic. Moreover, when the consumer used the cosmetic products they can feel which cosmetic products can perform better than other products are not familiar even though those products have same quality. The consumers more prefer to observe stimulus something are related to their own needs and get attention to allocate the information about their needs. For example, when the consumer wants to buying a make-up they will aware about the promotion at advertisement on make-up products. That make customer alert and know the discount that are offer by company.

The same cosmetic products can have many different perceptions from different consumers. That why the company used promotional strategy to set in minds of consumer to get message about the cosmetic products in the level of recognition. In order to satisfy the consumer needs, the attention play a role to meet the consumer needed.

Keller (1998) and Gosh et al., (2013) stated that brand image is part of customers perception. The image are famous will be able to attract customer to choose that product from other competitor. The products functionalities that based on consumers desirable attributes can satisfy their immediate and practical needs (Keller, 1998; Gosh et al., 2013). That why when the consumer using the cosmetic products they will satisfy with product attributes is related to consumer perception towards the effectiveness of cosmetic products. Moreover, every consumer has different perception towards the particular brand of cosmetic products because they have different expectation.