

## SUPERVISOR DECLARATION

“I hereby declare that I have read this thesis and in my view this report is sufficient in terms of scope and quality for the award of the degree of Bachelor of Technology Management (High Technology Marketing)”

Signature : .....

Supervisor's name : Miss Johanna Abdullah Jaafar

Date : .....

Signature : .....

Panel's name : Engr. Dr. Mohd Fazli Mohd Sam

Date : .....

THE IMPACT OF SOCIAL MEDIA APPLICATION TOWARDS CONSUMERS'  
DECISION MAKING FOR SKINCARE PRODUCTS

NURHIDAYAH BINTI JUSOH

Report submitted in fulfillment of the requirement for the degree of Bachelor of  
Technology Management (High Technology Marketing).

Faculty of Technology Management and Technopreneuship  
Universiti Teknikal Malaysia Melaka

JUNE 2016

**DECLARATION**

“I hereby declare that the work in this report is my own except for summaries and quotations which have been duly acknowledged.”

Signature : .....  
Author : NURHIDAYAH BINTI JUSOH  
Date : .....

## DEDICATION

This research paper is lovingly dedicated to my parents, En. Jusoh Bin Ismail and Puan Saadiah Binti Salleh, who have been my constant source of inspiration, they have given unconditional support with my studies. I am honored to have their as my parents. Thank you for giving me a chance to prove and improve myself through all my walk of life. To all my family thank you for believing me for allowing me to further my studies.

## ACKNOWLEDGEMENTS

### **In the name of Allah the Most Gracious Most Merciful**

Alhamdulillah Thanks to Allah, whom with His willing giving me an opportunity to complete this research paper. I would like to thank, without implicating, to my supervisor, lectures, family and friends for helping me working on this research project.

I would like to express my deepest thanks to Miss Johanna Abdullah Jaafar assign as my supervisor who had guided me for the task during two semesters in session 2015/2016. Also sincere appreciation and thanks to Dr. Chew Boon Cheong and Dr. Ismi Rajiani for sharing their experience and knowledge in the Research Methodology and Marketing Research subject that really helped me through the writing of this research.

Lastly but not least to thank my panel Engr. Dr. Mohd Fazli Mohd Sam that through him positive comment that this research. I also like deepest thanks and appreciation to my family members, their endless support, encouragement, and full support during the report completion from the beginning till the end.

Thank you very much

## ABSTRACT

The growth of online social media around the world has created a new place of relations and communication among community. Individual can share their opinions, knowledge, and experiences with one other due to the online social media provided features and may have an impact on people's behavior in term of communication and purchasing. The purpose of this study is to observe the impact of online social media on consumers' purchase decision process for skincare products. In other words, the authors are trying to find which steps do social media influence consumers' purchase decision when it choose skincare products, and why are these step influenced by social media. A theoretical framework based on previous study showed there is a gap regarding social media on consumers' purchase decision in the study of skincare products. In order to have a further understanding on consumers' purchase decision regarding skincare products on social media, survey questionnaire are conducted during the study.

*Keyword: Social Media, Consumers' purchase decision, Consumers' behavior, Skincare Products*

## **ABSTRAK**

*Pertumbuhan media sosial dalam talian di seluruh dunia telah mencipta satu tempat baru hubungan dan komunikasi di kalangan masyarakat. Individu boleh berkongsi pendapat, pengetahuan, dan pengalaman dengan satu yang lain kerana media sosial atas talian yang disediakan ciri-ciri dan boleh memberi kesan kepada tingkah laku manusia dari segi komunikasi dan membeli. Tujuan kajian ini adalah untuk melihat kesan media sosial dalam talian ke atas pembelian proses keputusan pengguna bagi produk penjagaan kulit. Dalam erti kata lain, penulis cuba untuk mencari langkah-langkah dimana media sosial mempengaruhi pengguna membuat keputusan apabila memilih produk penjagaan kulit, dan mengapa langkah ini dipengaruhi oleh media sosial. Kerangka teori berdasarkan kajian sebelum ini menunjukkan terdapat jurang mengenai media sosial pada keputusan pembelian pengguna dalam kajian produk penjagaan kulit. Dalam usaha untuk mempunyai pemahaman yang lebih lanjut mengenai keputusan pembelian pengguna mengenai produk penjagaan kulit di media sosial, kajian soal selidik yang dijalankan semasa kajian.*

*Kata Kunci: Media Sosial, Pengguna membuat keputusan, Tingkah laku pengguna, Produk penjagaan kulit.*

**TABLE OF CONTENTS**

<b>CHAPTER</b>	<b>TITLE</b>	<b>PAGE</b>
	<b>SUPERVISOR DECLARATION</b>	<b>III</b>
	<b>COVER</b>	<b>I</b>
	<b>DECLARATION</b>	<b>II</b>
	<b>DEDICATION</b>	<b>III</b>
	<b>ACKNOWLEDGEMENT</b>	<b>IV</b>
	<b>ABSTRACT</b>	<b>V</b>
	<b><i>ABSTRAK</i></b>	<b>VI</b>
	<b>TABLE OF CONTENTS</b>	<b>VII</b>
	<b>LIST OF FIGURE</b>	<b>XI</b>
	<b>LIST OF TABLE</b>	<b>XII</b>
<b>CHAPTER 1</b>	<b>INTRODUCTION</b>	
	1.1 Background of Study	1-2
	1.2 Problem Statement	3
	1.3 Research Question	4
	1.4 Research Objective	4
	1.5 Scope	5
	1.6 Limitation	5
	1.7 Significance of the Research	6
	1.8 Conclusion	6



<b>CHAPTER 2</b>	<b>LITERATURE REVIEW</b>	
	2.1 Social Media	7-8
	2.2 Honeycomb Model	9
	2.1.1 Identity	10
	2.1.2 Conversation	10
	2.1.3 Content Sharing	11
	2.1.4 Presence	11
	2.1.5 Relationship	12
	2.1.6 Reputation	12-13
	2.1.7 Group	13
	2.3 Skincare Product	14
	2.4 Consumer's Decision Making	14-15
	2.4.1 Problem Recognition	16
	2.4.2 Information Search	16-17
	2.4.3 Evaluation of Alternative Stage	17
	2.4.4 Purchase Decision Stage	17-18
	2.4.5 Post Purchase Behavior Stage	18
	2.5 The Impact of Social Media on Consumer's Purchase Decision Making	18-19
	2.6 Theoretical Framework	20
	2.7 Hypothesis	21
<b>CHAPTER 3</b>	<b>RESEARCH METODOLOGY</b>	
	3.1 Introduction	22
	3.2 Research Philosophies and Approach	23
	3.3 Research Design	23-24
	3.4 Methodological Choices	24-25
	3.5 Data Collection Methods	26
	3.6 Location of Research	27
	3.7 Research Strategy	28

3.8 Time Horizon	28
3.9 Data Analysis	29-33
3.10 Pilot Test	33
3.11 Summary	33
<b>CHAPTER 4</b>	<b>DATA ANALYSIS</b>
4.1 Introduction	34
4.2 Pilot Test	35
4.3 Descriptive Analysis	36
4.3.1 Respondents Demographic Profile	36
4.3.1.1 Gender	36
4.3.1.2 Race	37
4.3.1.3. Qualification	38
4.3.1.4 Marital Status	39
4.3.1.5 Age	40
4.3.1.6 Personal Monthly Spending	41
4.3.2 Respondents General Information	42
4.3.2.1 ‘Like’ Brands on Social Media	42
4.3.2.2 Reason ‘Like’ of Any Brands	43
4.3.2.3 Online Experience Duration	44
4.3.2.4 Reason Use Social Media	45
4.3.2.5 Information Sources	46
4.3.3 Descriptive Statistics	47
4.4 Reliability and Validity	48
4.5 Inferential Analysis	49
4.5.1 Pearson Correlation	59-50
4.5.2 Multiple Regression Analysis	50-53
4.5.3 Hypotheses Testing	53-54
4.6 Conclusion	55

<b>CHAPTER 5</b>	<b>DISCUSSION AND CONCLUSION</b>	
5.1	Introduction	56
5.2	Summary of Statistical Analyses	
5.2.1	Descriptive Analyses	57
5.2.2	Scale Measurement	58
5.2.3	Inferential Analyses	58
5.2.3.1	Pearson Correlation	58
5.2.3.2	Multiple Regression Analyses	59
5.3	Discussions of Major Findings	
5.3.1	To identify the different functional of social media that could impact consumers' purchase decision making.	60-61
5.3.2	To determine the most effective platform in social media that been used to obtain information about skincare products.	62-63
5.4	Limitation of Study	63
5.5	Contributions of the Research	64
5.6	Recommendation for Future Research	64
5.7	Summary	66
	<b>REFERENCE</b>	<b>66-69</b>
	<b>APPENDICES</b>	<b>70-89</b>

**LIST OF FIGURE**

<b>FIGURE</b>	<b>TITLE</b>	<b>PAGE</b>
2.1	Functional Blocks (Honeycomb Model)	9
2.2	Decision Purchasing Behavior Model	15
2.3	Theoretical Model	20
3.1	Research Choices	25
4.1	Gender	36
4.2	Race of respondents	37
4.3	Qualification of respondents	38
4.4	Marital Status	39
4.5	Age of respondents	40
4.6	Personal Monthly Spending	41
4.7	Do you follow ('like') brands on social media	42
4.8	For what reasons do you follow ('like') of any brands	43
4.9	How long have you been using social media	44
4.10	For what reasons do you use social media	45
4.11	What social media do you use to obtain information about products	46

**LIST OF TABLE**

<b>TABLE</b>	<b>TITLE</b>	<b>PAGE</b>
3.1	Gantt Chart	28
3.2	Population of Malacca	32-33
4.0	Validity for 20 respondents for pilot test	35
4.1	Gender	36
4.2	Race of respondents	37
4.3	Qualification of respondents	38
4.4	Marital Status	39
4.5	Age of respondents	40
4.6	Personal Monthly Spending	41
4.7	Do you follow ('like') brands on social media	42
4.8	For what reasons do you follow ('like') of any brands	43
4.9	How long have you been using social media	44
4.10	For what reasons do you use social media	45
4.11	What social media do you use to obtain information about Products	46
4.12	Descriptive Statistics on Variables	47

4.13	The boundary of coefficient	48
4.14	Reliability Testing	49
4.15	Pearson Correlation Analysis	50
4.16	Model Summary	51
5.1	Coefficients	61
5.2	What social media do you use to obtain information about skincare products	63

**LIST OF APPENDICES**

<b>APPENDIX</b>	<b>TITLE</b>	<b>PAGE</b>
1.1	Questionnaires	70
1.2	SPSS Output: Pilot Test	79
2.1	SPSS Output	79
3.0	Gantt Chart	88

## CHAPTER I

### INTRODUCTION

#### 1.1 Background of the Study

Social media has become a part of one's life nowadays. Social media like Instagram, Facebook, Twitter or LinkedIn has a huge number of users and keep increasing every day. It is estimated that over 500 million users connect through social media (Ostrow, 2010). The growing number of users using social media has attracted marketers especially in marketing their skincare products. Marketers of skincare products have recognized that social media marketing has become an important part of their marketing communication strategies. Therefore, to help marketers of skincare products among their communications with their clients can also be done through social media. Interaction helps marketers determine the customer needs and understand what their market might look like. The main characteristics of business social media allow users to estimate the product, make recommendations to acquaintances or friends, and share any of their purchases through social media.



Communication through social media affects the marketing strategy and consumer's decision making. Consumer socialization theory predicts that communication among users through social media affects the cognitive, affective, and behavioral attitudes of consumers (Ward, 1974). Also, advertising on media social sites have built new consumer's behavior towards the use of skincare products. It increases the tendency of consumers to make purchases or conduct business through social media.

Recommendations by friends or acquaintances on social networking sites could help consumers in the decision making for skincare products. Each proposal in social media could help the brand attitudes, and buying attitudes. If most of the consumers give a very good feedback on products or services that they have used, the more interesting it will affect consumer purchases. Most of the major brands and new markets perceive and skincare products began to focus on social media marketing.

## 1.2 Problem Statement

The growth of social media like blogs, Facebook, Twitter and other social media in the online social network has many different activities such as online chat, games and messages. Facebook is one of the most popular social media. According to Boyd & Ellison (2008) individuals who are members of Facebook can share information with other individuals in the group. The daily purchase decisions of consumers and new behaviors can be influenced through social interaction with others (Rogers, 2003). Consumer purchasing decisions are usually influenced by friends, family and co-workers, particularly online social media.

According to Cheung, Zhu, Kwong Chan & Moezl (2003) conclude consumer behavior is explained by five factors that domain, and they opinion five factors can be explored. Two factors are: (1) characteristics of the users, including behavioral traits (find product information, access the location, duration and frequency of use) and experience. (2) environmental impact, such as social influence, peer pressure and the mass media, which play an important role in influencing consumers' purchase decisions. The emergence of social media can affect users in different ways.

Consumers believe that skincare products are closely related to people's lives today are concerned about skincare. Therefore, it is important to study the effects of online social media may have in this area. Therefore, the problems identified are the lack of information about the relationship between social media and consumers purchase decision towards skincare products.

### **1.3 Research Questions**

- i. What are the different function of social media that could impact consumer's purchase decision making?
- ii. Which is the most effective platform in social media that been used to obtain information about skincare products?
- iii. How is the relationship between social media and consumers' decision making towards skincare products?

### **1.4 Research Objectives**

- i. To identify the different function of social media that could impact consumer's purchase decision making.
- ii. To determine the most effective platform in social media that been used to obtain information about skincare products.
- iii. To study the relationship between social media and consumers' decision making towards skincare products.

## 1.5 Scope

This study was conducted with a focus on the role played by social media in impact consumers to make decisions making about skincare products. This study is to help a business to gain a better understanding of social media marketing but not to help consumers to identify the impact of social media has suspended their decision-making process. Social media is considered the scope of the study, but not to investigate the impact of other media in the whole marketing area. There are seven impacts of social media in theory honeycomb model, but researchers only research four of the social impact of these media. This study focuses respondents around Melaka Tengah, Melaka who are using skincare product whether female or male. The researcher collect information from respondents and the information obtain from 200 respondents.

## 1.6 Limitation

Although this study was carefully prepared, researcher was aware of the capabilities and shortcomings. First of all, because of the time limit, the study was carried out within twenty-four weeks and conducted only on the small size of the population who only use skincare products around Melaka Tengah, Melaka. Therefore, the general results of a larger group, the study should involve more participants across the country. Secondly, the sample group study is small, only about 200 respondents who use skincare products around Melaka Tengah, Melaka, and may not represent the majority of respondent's consumers of skincare products. Therefore, the researcher chose this state to be able to facilitate researchers to do research. Third, because the questionnaire was to determine the impacts of social media on consumer's decision making for skincare products, data obtained may only be used for social media advertising only, not for other media. Fourth, researchers are facing a shortage costs in this study. Since this study using the questionnaire, researchers require high costs to issue questionnaire to be distributed to the respondents.

## **1.7 Significance of the Research**

This study aims in providing a clear understanding of the relationship between social media advertisement and consumer's decision making for choosing skincare products. The information and results of this study would be crucial to help a business to gain a better understanding of social media marketing. It is expected that the outcome of this study would make an impact on the impacts of social media advertisement towards consumer's decision making for skincare products.

## **1.8 Conclusion**

This chapter is covering background of this study view about social media and how social media can impact consumer's decision making, problem statement identified are the lack of information about the relationship between social media and consumers purchase decision towards skincare products, researcher create research question and research objective based on impacts social media to identify the most of functional social media can impact consumer's decision making, scope and limitation of this study as a guide to researcher and significance of social media toward consumer's decision making. The next chapter is explaining more about definition the social media and consumer's decision making.

## CHAPTER 2

### LITERATURE REVIEW

#### 2.1 Social Media

According to Kaplan and Haenlein (2010) in order to understand what is meant by Social Media, Social Media means the term first requires drawing a line to two related concepts that are frequently named in conjunction with it Web 2.0 and User Generated Content. While, Tim O'Reilly (2005) describes Web 2.0 as a new way for a range of web technologies and consumer behavior to increase interaction between online users Web 2.0 is a platform in which range of social interactive tools and communication techniques has engage. According to Ryan and Jones (2009) Social Media creates users a platform to come together online and participate in any form of social interaction which can encompass any activities for individually or in any combination. Social Media is a platform that allows users to interact with them in many ways and methods. Therefore, social media is a platform that can be used by companies to improve their sales and thus can introduce their products to consumers. Kaplan and Haenlein (2010) suggest that firms must be aware that social media tools becoming the main source of information for most consumers when they make decision on important purchase.

According to Cheung & Lee (2010), online social networks have become an efficient major part of human communication and interaction life at once influence in many different ways on people's behavior and communication. When users interact with each other, the user can switch the behavior (Heinrichs, *et al*, 2011). According to Evans, *et al* (2009) consumer purchasing decisions are influenced by the virtual community, since users interact with each other and like to get advice and feedback from other users either positive or negative on products or services. Marketing practices such as promotion and advertising was revolutionized by the unique aspects of social media and the huge popularity (Hanna, *et al*, 2011).

Since the advent of the internet in the last decade has changed the device from a strategy to engage with users, user generated media is also widely known as the penetration of social media. Only in 2009, two thirds of the internet users worldwide visited a social network or a blogging site (Nielsen, 2009). According to Mangold and Faulds (2009) described social media as a tool of word of mouth online forum that includes discussion boards, blogs, forums and so on, or social networks to name a few. Individuals and communities have been carried by all mobile and web - based technologies social media to create highly interactive platform. Social media is used by people and organizations to create and discuss user / generated content (Kietzmann *et al*, 2011). This site has a different scope and purpose. According to Kietzmann *et al* (2011) a number of social media sites are for the public (i.e. MySpace, Facebook) while others (i.e. LinkedIn, Xing) are focused on professional networking. Media sharing sites (i.e. YouTube, Picassa and Flickr), or blog platform (i.e. blogspot, wordpress) was also a member of this ecosystem called social media. Through social media companies can connect directly with their consumers. According to Universal McCann (2008) internet users have more positive outlook on the companies involved in the social pages. According Hird (2010), today there are more than 700,000 active business pages on Facebook.

## 2.2 Honeycomb Model

According to Honeycomb Model below (Figure 2.1) of Smith (2007) social media sites are built upon seven functional blocks: identity, conversation, sharing, presence, relationship, reputation, and group. It is important to emphasize that the building blocks are not mutually exclusive, and in every social media site they are not available. The building blocks of this is to help us understand more about how social media users and functions can be used and manipulated to create a user in building consumers' decision making.

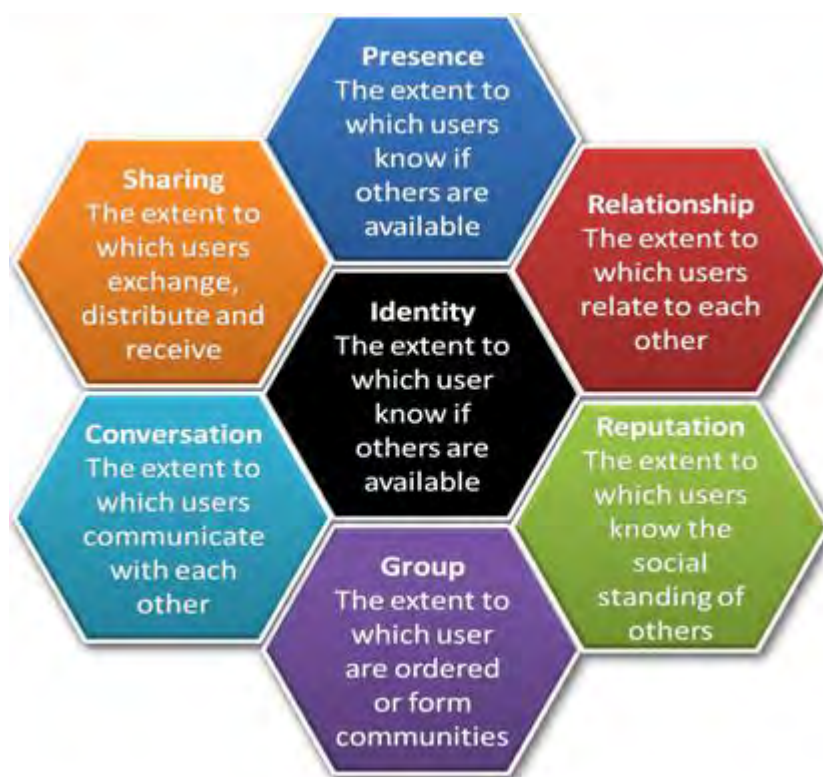


Figure: 2.1 Functional Blocks

**Source:** Honeycomb Model (Smith, 2007)