

FACTORS THAT INFLUENCE CUSTOMER INTENTION TOWARDS
MALAYSIAN COSMETIC MARKET

MASTURAH BINTI MARZAN

UNIVERSITI TEKNIKAL MALAYSIA MELAKA

SUPERVISOR'S APPROVAL

I hereby declared that I had read through this thesis and in my opinion that this thesis is adequate in terms of scope and quality which fulfill the requirements for the award of Bachelor of Technology Management (High-Tech Marketing)

SIGNATURE :

NAME OF SUPERVISOR : SITINOR WARDATULAINA BINTI MOHD YUSOF

DATE :

SIGNATURE :

NAME OF PANEL : DR. AMIRUDDIN BIN AHAMAT

DATE :

FACTORS THAT INFLUENCE CUSTOMER INTENTION TOWARDS
MALAYSIAN COSMETIC MARKET

MASTURAH BINTI MARZAN

The thesis is submitted in partial fulfillment of the requirements for the award of
Bachelor of Technology Management (High-Tech Marketing)

Faculty of Technology Management and Technopreneurship
(High Technology Marketing)

Universiti Teknikal Malaysia Melaka

June 2017

DECLARATION OF ORIGINAL WORK

“I hereby declare that this project paper is the result of my independent work except the summary and experts that have been specifically acknowledgement”

Signature :

Name : MASTURAH BINTI MARZAN

Date :

DEDICATION

Special thanks to:

My beloved parents

Siblings

Friends

Thank you to my supervisor:

Miss SitiNor Wardatulaina bt. Mohd Yusof

For all the spirituals and moral support that had been given to me all the time.

ACKNOWLEDGEMENT

First of all, I would like to express my deepest appreciation to Faculty of Technology Management and Technopreneurship (FPTT) in UTeM for providing this subject – Project undergraduate. This project has given me the opportunity to gain a deeper knowledge regarding to the topic I have chosen about customer purchase intention. Without this subject, I would not have known that I have the capabilities to finish this project as the project undergraduate has always been known as the hardest project in university.

Other than that, I would like to express my gratitude to my supervisor, Miss SitiNor Wardatulaina binti Mohd Yusof who has been giving me guidance patiently to make sure I am always at the right path. Without her help, this project would not be completed so successfully. Besides that, I would like to express my thankful to Dr. Aminuddin Bin Ahamad who pointed out the mistake I made during the presentation. Without him, my mistaken would not be realised and most probably will cause to serious consequences.

In addition, I would like to take this opportunity to convey my gratitude to other lecturers and course mates who always ready to help me whenever I faced difficulties in doing the project and willing to share the information to me. Last but not least, I would like to express my appreciation to my family and friends who have given their hand along the way. Their spiritual supports and loves have always given me the strength to finish the project. Once again, thousand words could not fully express my thanks to them, but their kindness have graved in my heart all the time

Abstract

The main purpose of the research is to examine in some depth the occurrences of male consumer purchase intention in buying skin care product in Malaysia. In order to cope with the research purpose in Malaysia market, theory of Fishbein and Ajzen's state as a guide line by doing this research paper. The theory of Planned Behaviour (TPB) is employed as model and theoretical framework and modified by adding the intention towards self-image to construct the brand loyalty and buying decision as variable that support the purchase intention in Malaysia skin care product research. The main research question is "What the characteristic of purchase intention of Malaysian skin care product? The questionnaire was developed and distributed to Generation Y men from age 15-35 years by sample size 372 number of men. The questionnaire analyzed by SPSS software, descriptive analysis and normative influence also attitude have impact the purchase intention. The result of the study belief that brand loyalty and buying decision and added value from functional value can influences the men consumer purchase intention. The modifier of theory of TPB is appropriate to explain Generation Y male in Malaysia purchase intention in cosmetic market product in the future.

Keyword: Purchase Intention, Brand Loyalty, TPB (Theory of Planned Behaviour), Functional Value, Buying Decision

Abstrak

Objektif utama kajian ini adalah untuk mengkaji secara mendalam beberapa fenomena lelaki pembelian niat pengguna untuk membeli produk penjagaan kulit di Malaysia. Dalam usaha untuk menangani tujuan penyelidikan dalam pasaran Malaysia, teori Fishbein dan Ajzen negeri dalam garis panduan dengan menjalankan kertas kajian ini. Teori Behavior Dirancang (TPB) telah bekerja sebagai model dan rangka kerja teori dan diubahsuai dengan menambah gambar anda sendiri untuk membina kesetiaan jenama dan membeli hasil sebagai pembolehubah yang menyokong hasrat pembelian dalam kajian produk penjagaan kulit di Malaysia. Soalan kajian utama adalah "Apa yang mempunyai satu niat pembelian produk penjagaan kulit Malaysia? Soal selidik ini telah dibangunkan dan diedarkan kepada mereka yang Generasi Y dari umur 15-35 tahun dengan saiz sampel 372 bilangan lelaki. Soal selidik dianalisis dengan perisian SPSS, analisis deskriptif dan sikap pengaruh normatif juga mempunyai kesan niat pembelian, hasil daripada penyelidikan kepercayaan yang kesetiaan jenama dan keputusan membeli dan nilai ditambah nilai majlis itu boleh menjejaskan niat pembelian pengguna. teori pengubahsuai TPB adalah sesuai untuk menggambarkan lelaki Generasi Y dalam pembelian niat Malaysia dalam produk kosmetik pasaran pada masa yang akan datang,

*Kata Kunci: Pembelian Niat, Brand Kesetiaan, TPB (Theory of Planned Behaviour),
Nilai Berfungsi, Keputusan Membeli*

TABLE OF CONTENT

CHAPTER	CONTENT	PAGES
	DECLARATION OF ORIGINAL WORK	ii
	DEDICATION	iii
	ACKNOWLEDGEMENT	iv
	ABSTRACT	v
	ABSTRAK	vi
	TABLE OF CONTENT	vii
	LIST OF TABLE	x
	LIST OF FIGURES	xii
	LIST OF ABBREVIATION	xiii
	LIST OF APPENDIX	xiii
CHAPTER 1	INTRODUCTION	
	1.1 Background of Study	1
	1.2 Cosmetic Industry in Malaysia	2
	1.3 Men Skin Care Product	4
	1.4 Problem Statement	5
	1.5 Research Question	6
	1.6 Relevance and Justification of this Study	6
	1.7 Research Objective	6
	1.8 Scope & Limitation of The Study	
	• 1.8.1 Scope	7

• 1.8.2 Limitation	7
1.9 Importance of Study	8
1.10 Research Outline	9
1.11 Summary	9
CHAPTER 2	LITERATURE REVIEW
2.1 Introduction	10
2.2 Cosmetic Industry in Malaysia	11
2.3 Consumer Behaviour	12
• 2.3.1 Metrosexual Men	13
• 2.3.2 Evolution of Felinity and Masculinity	14
2.4 Adoption Theory	
• 2.4.1 Theory of Planned Behaviour (TPB)	16
2.5 Brand Loyalty Increase Perceived Value	19
• 2.5.1 Brand Attachment	20
• 2.5.2 Trust and Satisfaction	21
2.6 Buying Decision Increase Customer Awareness	23
2.7 Functional Value	25
• 2.7.1 Performance and Quality	26
• 2.7.2 Price	27
• 2.7.3 Awareness and Perception on Halal Cosmetics and Personal Care	28
2.8 Customer Purchase Intention in Individual Perception	29

	2.9 Theoretical Framework	30
	2.10 Summary	31
CHAPTER 3	RESEARCH METHODOLOGY	
	3.1 Introduction	32
	3.2 Research Design	33
	3.3 Data Collection	34
	3.4 Research Location	35
	3.5 Research Instrument	36
	3.6 Sample Design	36
	3.7 Questionnaire Design	37
	3.8 Pilot Test	38
	3.9 Summary	39
CHAPTER 4	DATA ANALYSIS	
	4.1 Introduction	40
	4.2 Reliability Analysis	41
	• 4.2.1 Cronbach's Alpha Pilot Test	42
	4.3 Analysis of Demographic Information of Respondent	43
	• 4.3.1 Race	43
	• 4.3.2 Age	45
	• 4.3.3 Education Level	46
	• 4.3.4 Main Reason Respondent Use Cosmetic Product	47
	• 4.3.5 Region of Malaysia Respondent	49
	• 4.3.6 Cross-Tabulation	50

4.4 Descriptive Analysis	53
• 4.4.1 Buying Decision Increase Customer Awareness	53
• 4.4.2 Brand Loyalty Increase Perceive Value	55
• 4.4.3 Functional Value	56
4.4.3.1 Prices	56
4.4.3.2 Perceive Quality	57
4.4.3.3 Halal Cosmetic	58
• 4.4.4 Customer Purchase Intention	59
4.5 Pearson's Correlation	60
4.6 Regression Analysis	63
• 4.6.1 Model Summary Of Regression Analysis	63
• 4.6.2 ANOVA Analysis	65
4.7 Hypothesis Testing	66
4.8 Summary	69

CHAPTER 5 CONCLUSION AND RECOMENDATION

5.1 Conclusion	70
5.2 Limitation	73
5.3 Recommendation for Future Research	74
5.4 Summary	75

REFERENCES

76

APENDIX A

APENDIX B

APENDIX C

APENDIX D

LIST OF TABLES

TABLES	TITLE	PAGES
1	Seminal Work Brand Loyalty	21
4.1	Cronbach's Alpha Coefficient	41
4.2	Case Processing Summary	42
4.3	Reliability Test of Pilot Test Questionnaire	42
4.4	Respondent Race	43
4.5	Respondent Age	45
4.6	Respondent Educational Level	47
4.7	Respondent Reason Use Cosmetic Product	49
4.8	Region of Malaysia Respondent	49
4.9	Age by Job Position	50
4.10	Skin Care Product by The Main function Using Cosmetic	52 52
4.11	Descriptive Analysis Buying Decision Increase Customer Awareness	53
4.12	Descriptive Analysis Brand Loyalty Increase Perceive Value	55
4.13	Descriptive Analysis of Price	56
4.14	Descriptive Analysis of Perceive Quality	57
4.15	Descriptive Analysis of Halal Cosmetic	58
4.16	Descriptive Analysis of Customer Purchase Intention	59

4.17	The Correlation Between Customer Purchase Intention, Buying Decision And Brand Loyalty	60
4.18	Mean of customer purchase intention, buying decision and brand loyalty	61
4.19	Model of summary of Regression Analysis	63
4.20	ANOVA Analysis	65
4.21	Regression Coefficient Hypothesis analysis	66
	Hypothesis Testing Outcome	

LIST OF FIGURES

FIGURES	TITLE	PAGES
1	Make's Makeup Habit (Tram, 2012)	15
2.1	Theory of Planned Behaviour (TPB)	17
2.2	A Framework for Describing Factor of Customer Intention	28
3.1	Rating Scale Questionnaire Response	36
4.1	Percentage of Respondent's Race	43
4.2	Percentage of Age of Respondent	45
4.3	Percentage of Respondent Education Level	46
4.4	Percentage of The Main Reason	48
4.5	Respondent Use Cosmetic Product Region of Malaysia Respondent	49
4.6	Age by Job Position	50
4.7	Skin Care Product By The Main Function Using Cosmetic	51

LIST OF ABBREVIATIONS

%	=	Percentage
SPSS	=	Statistical Package for Social Science
PSM	=	Project Sarjana Muda
TRA	=	Theory of Reason Action
TPB	=	Theory of Planned Behaviour
Gen Y	=	Generation Y
IV	=	Independent Variable
DV	=	Dependent Variable
MV	=	Moderator Variable

LIST OF APPENDIX

APPENDICES	TITLE	PAGES
A	Gantt Chart PSM 1	80
B	Gantt Chart PSM 2	81
C	Summary Article and Journals	82
D	Questionnaire Question	93

CHAPTER 1

INTRODUCTION

1.1 Background of Study

In the industrial market at this time of globalization, the increase in technology, science, economy, education and society to give people with a better standard of living. This is related to the purchasing power of customers and the market trend that people have become more stringent in the cleanliness and beauty, it affects the growth of the beauty treatment industry, especially men buying behaviour in this decade. Cosmetics industry in the world, especially in skin care has emerged stronger because of increased demand from customers, especially for a brand of skin care and health sector in 2015. Most people want to be beautiful, handsome and healthy. This is a normal fact that every person who most want to look like an artist or model. Today, with unexpected changes of all cosmetic products that people need to protect their skin care, especially men, are exposed to extreme external environment is often more appropriate use of cosmetic skin care.

Cosmetics industry in Malaysia, together with a statement of the problem, the purpose of study, research questions, research interests and limitations of the study. Study on cosmetic products have more faith not only of consumers, producers, retailers, but also the authority to regulate the industry. Related to the development of the customer and market trends that people are becoming more aware of hygiene and beauty (Moungkhem, Chanintorn; Surakiatpinyo 2010). Despite the fact that the cosmetics industry is traditionally associated with women, there is an increasing demand for cosmetics by men.

Niche male cosmetics grew rapidly and gradually represents an important opportunity for all manufacturers in the industry. According to a survey conducted by L'Oreal in 2016 59% of men use facial care products that reduce the appearance of lines and wrinkles.

1.2 Cosmetic Industry in Malaysia

The Malaysia Cosmetic industry market most this can be a beautiful young woman with flawless skin to promote anti-aging cream on billboards as is 'magic', a magazine photo shoot showing hot supermodel cat runs on high-heeled shoe designers. The truth is physical beauty today 'is paraded and idolized. One cannot escape this desire to appear neat, at least to say, prompting a desperate desire in many, especially among the fairer sex to pursue a dream of a beautiful face and figure. Therefore, the Trade Fair recently Malaysia Beauty for beauty professionals, held from March 24 to 27 at the Putra World Trade Centre focused on increasing industrial capacity and quality beauty therapist.

According to the department of cosmetics, Malaysia spends about US\$500 million (RM1.6 billion) per year on cosmetics, skin care products most purchased item. US \$ 98.2 million (US \$ 321.2 million) worth of official portal Citing Malaysia External Trade Development Corporation (Matrade), the total market for cosmetics worth of imports of cosmetics and toiletries accounting for 72.23% percent of domestic consumption in 2012 in the middle of a large number of import cosmetics and toiletries products supply the local market, build brands from Europe and the United States emerged as a favorites among Malaysians and it shows that we have a cosmetics manufacturer that is doing quite well in the business. Based on the current situation, the world becomes more globalized and the most to communicate with each other through a network that is not only for cosmetic network has also become a necessity in our daily lives as well as the network. The bulk of the management is very demanding to raise attention on the behaviour to use the online channel and also consider the impact of attitude to use and intention to use the online channel customers.

In Malaysia, cosmetic brands such as Avon, Nivea, L'Oreal, Maybelline, and Silky Girl is popular among users of cosmetics, more casual lifestyle, greater flexibility, and comfort has been identified cosmetics has become popular common among young people and adults. This has prompted manufacturers such as Avon, Garnier and Nivea to start improving their business mostly in Asia as a potential to give them the number of goods on sale for their producers, the customer's intent emotions associated with a product or brand because the brand personality is viewed. To stimulate the relationship the customer's intent, previous studies have suggested exploring manufacturing company building services that can increase the value of their visits to customers (Penttinen and Palmer, 2007)

Customer related to buying something from their decision-making. Purchase only looks visible the part of other complex decision-making process made by the customer for every purchase they make decisions. Customer Purchase Decision Process developed in 1968 by Engel, Blackwell, and Kollat because of the need for customers to assess their needs and wants, and also purchasing decisions post-purchase behavior. Most people today want to be beautiful, handsome and healthy life. Global world we live in is becoming a model set of stereotypes. From the television, in the commercial, in magazines, on billboards, in fashion show, on the streets and even in school or at work all the media for the model presented widely around us in our daily lives that to affect our lifestyle every day. Common words that most people want to look like a model skin smooth and bright with the ideal body shape for a beautiful life that make men and women equally with one another.

1.3 Men Skin Care Product

Conventionally, the cosmetic industry has focused on a buying behavior with women consumers more than men consumers. The development industry of the cosmetic market consists of four competitive segments, hair care, fragrance, make-up, and skin care. Most of the product that appeared in the market are cosmetic and personal care product for women (Pitman, 2015). According to United States Commercial Service (2007), Malaysia is one of the Asian countries that have a highly competitive cosmetic market. In order to maintain their market share and encourage the industry many firm and brands do a lot of investment for their promotional campaign and require. In addition, many marketers would like to focus on a new target due to the slow growth rate in women's product in Malaysia.

The imperative nowadays, men's grooming needs in the society were increasingly notice by men's group consumer in Malaysia. As men's grooming products such as deodorant sprays, facial skin care product, men's fragrances being highly visible in many leading retailers such as hypermarkets like Tesco and Giant, part pharmacies like Guardian. In 2015, Random led men's grooming in across Malaysia with 20% value market share. For example, the company mainly responsible for marketing and sales of Gatsby and some other Random brands. Gatsby gained a strong brand reputation among men's grooming in the country with strong diversification in products with the majority of its products focusing on hair care as well as men's skin care, men's shaving, men's deodorants and men's fragrances. Random is highly consistent in organizing marketing activities like Gatsby Dance Competition Malaysia to retain consumer's interest.

According to Euromonitor (2015), rising number of male's consumers will gradually realize important of men's skin care needs to portray a more professional image in public. Men's skin care help improves skin condition which by the use of men's deodorants to eliminate bad odours and men's grooming help in improving personal image for male's consumers. It is expected that more Malaysians will adapt the practice of men's skin care in the forecast period as men's skin care become more affordable and widely available in the coming future.

1.4 Problem Statement

Nowadays, Gen Y men more concern about their image than even before. This behavior is becoming a new trend in the cosmetic market. Surrounded by countries in the Asia-Pacific region, Malaysia is one of the fast growing cosmetics industry, especially particularly in the male skin care market (Guo & Thesis 2011). However, the author found that most of scientific studies concentrate on women product within the cosmetic industry. Euromonitor's research revealed the growth of men's skin care products could be seen a strong growth among men market (Euromonitor Market, 2015).

There are few studies and research before state that within male cosmetic market, despite the demands of cosmetic product are increasing among men as well as women (Schlessinger, 2007; Surakiatpinyo, 2010). As revealed by participants in the focus group of study, society has different perception of makeup usage by men and women. While female makeup is widely accepted, male cosmetic product is not. Hence, this survey defines male makeup mainly as facial enhancement, such as concealing facial defect in order to have a cleaner, more polish look (Hk,2015)

Although, some researchers have studies on cosmetic market, but less intention was given to research on the men's behaviour and consumptions, towards men's cosmetic product. (Guo & Thesis 2011). However, there are no existing research on brand equity within the men's cosmetic industry, although many studies have identified several dimensions of brand equity (Bumrungrkitjareon & Tanasansopin 2011). Thus, the authors would like to study how functional value can influences men's purchasing intention towards skin care product Generation Y men.

1.5 Research Question

- i. What the characteristic of purchase intention of Malaysian skin care product?
- ii. What the factors customer purchase intention in Malaysian skin care product?
- iii. What the strongest factor in relationship of customer purchase intention?

1.6 Relevance and Justification of this Study

This study will be beneficial to academicians by giving an in-depth knowledge about customer purchase intention and the impact of brand loyalty and buying decision that influence to create customer intention. Besides that, this study also can be served as future references for academicians in conducting future research. Furthermore, industry practitioners can also be beneficial from this study. This study not only provides determinants of purchase intention but also uncovers the barriers that impede the implementation of purchase intention in the current market industry. By understanding the factors that effect the purchase, the market trend can be assured of creating competitive advantages to outdo another market trend today.

1.7 Research Objective

The main objective of the research is to identify the factors of customer purchase intention in Malaysian men skin care products that are influenced by brand loyalty and buying decision. The supporting objectives are as follows:

- i. To investigate the characteristics of customer purchase intention in Malaysian cosmetic products.
- ii. To identify the factors that influence customer purchase intention in Malaysia cosmetic products.
- iii. To examine the strongest factors relevant to customer purchase intention in Malaysian cosmetic products.