

THE INNOVATION FACTORS IN SKIN CARE
COSMETIC INDUSTRIES IN MELAKA

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SUPERVISOR'S APPROVAL

I/ We hereby declared that I/ we had read through this research project and in my/ our opinion that this research project is adequate in terms of scope and quality for the award of Bachelor of Technology Management (High-Tech Marketing)

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

Faculty of Technology Management and Technopreneurship
(High Technology Marketing)
Universiti Teknikal Malaysia Melaka (UTeM)

JUNE 2018

DECLARATION

I declare that this research project is the result of my own research except as cited in the references. The research project has not been for any degree and is not concurrently submitted in candidature of any other degree.

Signature :

Name :

Date :

DEDICATION

This research project is dedicated to my beloved parents who educated me and motivate me to reach at this level. They constantly give me support and advice throughout the process. Thank you for giving me the opportunity and new experiences in my life to complete this meaningful research. Without their blessing and encouragement, this research is impossible to complete. My sincere appreciation also goes to my friends who willing to help me out whenever I was need in this research paper.

ACKNOWLEDGEMENT

First of all, I would like to express my deep regards and special thanks of gratitude to my respected supervisor, Dr. Norain Binti Ismail who gave me the golden opportunity to complete this research which also helped me in doing a lot of research and I came to know about so many new things. Secondly, I would also like to thanks to Dr. Chew Boon Cheong who are guiding me, supporting and sharing about his experienced and opinion to help me in completing this research. Other than that, my joy knows no bounds in expressing my cordial gratitude to my parents and best friends who helped me a lot throughout this research work. Their interest and encouragement were a great help to me from starting until the end. Lastly, I humbly extend my thanks to all concerned persons who co-operated with me in this regard.

ABSTRACT

Skin care is truly the act of dealing with the skin's health by purifying, ensuring, keeping up, and enhancing skin conditions over its homeostatic adjust. In this way, there are many kinds of beauty care products are created and used to give these useful undertakings of healthy skin. The most important part of healthy skin beautifying agents is to utilize "the skin's self-saving capacity to reestablish wellbeing, or as such upgrade the body's homeostasis," and such capacity enables the skin to approach its most perfect condition. However, the innovation today is at the focal point of an association's motivation and there are some skin care cosmetic industries in Malacca still facing the difficulty on determine which innovation factors is the most effective way to produce an innovative skin care cosmetic product. Therefore, skin care cosmetic industries are required to provide new thoughts, ideas and innovative products in producing an innovation product. Apart from that, people nowadays are also finding the new and innovative solutions every day. Therefore, the innovation factors has made the effective way in the healthy skin corrective ventures in order to improve the quality of the product and achieve the success for an organization in skin care cosmetic industries. In Malaysia, the skin care cosmetic market is moving forward to expand to other countries as well as in Malacca area. In order to understand the innovation factors for the skin care cosmetic industry in producing innovative skin care cosmetic products is the ways to answer the questions of what the most impactful innovation factor in producing innovative skin care cosmetic products.

ABSTRAK

Penjagaan kulit adalah suatu tindakan yang berurusan dengan kesihatan kulit dengan membersihkan, memastikan, penjagaan, dan meningkatkan keadaan kulit berbanding penyesuaian homeostatiknya. Terdapat banyak jenis produk penjagaan kecantikan yang dicipta dan digunakan untuk memberikan idea yang berguna untuk memastikan kulit yang sihat. Perkara penting bagi agen pengindahan kulit yang sihat ialah menggunakan "kapasiti penjimatan diri kulit untuk menstabilkan semula kesejahteraan, atau menaik taraf homeostasis badan", dan kapasiti sedemikian membolehkan kulit mendekati keadaan yang sempurna. Walau bagaimanapun, inovasi hari ini adalah titik fokus kepada motivasi persatuan. Terdapat beberapa industri kosmetik penjagaan kulit di Melaka masih menghadapi kesukaran menentukan faktor inovasi untuk menghasilkan produk kosmetik penjagaan kulit yang inovatif. Justeru, industri kosmetik penjagaan kulit dikehendaki melahirkan pemikiran baru, idea dan produk inovatif dalam menghasilkan produk inovasi. Masyarakat kini juga sedang mencari penyelesaian baru dan inovatif setiap hari. Justeru, faktor inovasi ini membantu dalam usaha memastikan kualiti produk dan membantu organisasi mencapai kejayaan dalam industri kosmetik penjagaan kulit. Di Malaysia, pasaran kosmetik penjagaan kulit sedang bergerak ke hadapan untuk berkembang ke negara-negara lain termasuk di kawasan Melaka. Bagi memahami factor-faktor inovasi dalam menghasilkan produk kosmetik penjagaan kulit yang inovatif dalam industri kosmetik penjagaan kulit adalah dengan menggunakan cara untuk menjawab soalan mengenai apakah faktor utama untuk menghasilkan produk kosmetik penjagaan kulit yang inovatif.

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LIST OF ABBREVIATIONS

UTeM	University Teknikal Malaysia Melaka
SME	Small Medium Enterprises
EBPs	Evidence-Based Practices
VO5	Five Essential Vitamins
CCTV	Closed-Circuit Television
IELTS	The International English Language Testing System
R&D	Research and Development

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CHAPTER 1

INTRODUCTION

1.1 Background of the study

The new development and innovation of product will improve the quality of services or goods. The product innovation included product invention, technical specification and improvement of quality, desirable function of a product. Based on the demand from the market, the innovations will success when they get the recognition from the customer. An uncertain environment will increase the potential for innovation. So, the organization must be always up-to-dated and well-informed about the changes in the environment. These days, in view of globalization of business sectors with a higher contention condition, quick mechanical changes and shorter item and innovation lifecycles, many firms, particularly the little and medium endeavors (SMEs), are concentrating on making development which is the key driver for manageable upper hand (Dadfar et al., 2013).

According to Raman Kalia (2014), development today is at the focal point of an association's motivation. Therefore, the dread of oldness isn't simply valid for innovation organizations, where they must turn out with more brilliant, more honed, quicker, better, items at a consistent pace, it is similarly valid for more conventional associations regardless of the business or the classification. Readiness of new items even with rivalry from rivals is one approach to win rivalry through item advancement. Innovation implies

watching buyers to discover and fulfill clients by giving new items, making advancement keeping in mind the end goal to have a vital position in the market and withstand assaults from contenders with the primary target to take care of the market demand. Therefore, it can be utilized as an upper hand for a business. Therefore, companies are required to provide new thoughts, ideas and innovative products. However, there are too many innovative factors in producing an innovative product and the skin care cosmetic industries are failing to provide an innovative product. Through this research, the researcher able to determine the innovation factors, to identify the most impactful innovation factor, and to investigate the recommendations that could be made for producing an innovative skin care cosmetic product. Qualitative research which is interview has been used to collect the relevant data from the skin care cosmetic industries and get the interviewee perception to reach the research objectives. Four middle management of Company X and Company Y will be the respondents in this study in order to get the relevant data to answer the questions in this study. The analyst data can help the researcher to provide a guideline for the skin care cosmetic industries to produce an innovative product.

As a conclusion, the innovation factor has made the effective in the healthy skin corrective ventures. An association's working condition, and vital stance influence development. On account of this reason firms put a more prominent accentuation on advancement in troublesome working conditions, described by short item cycle, quick innovative change, and extraordinary contention (Laforet, 2011). In Malaysia, the skin care cosmetic market is moving forward to expand to other countries as well as in Malacca area. In order to understand the successful innovation factor for the skin care cosmetic industry which affect the customer preferences is the ways to answer the question of what is the main factor that influences the customer preferences.

1.2 Problem Statement

Nowadays, there are so many innovation programs which carried out by the skin care cosmetic industries in order to produce an innovative cosmetic product to fulfill customer need and wants. Many organizations are keep pace with the competitor and the changing behavioral and expectation from the consumer. There are several innovation factors that must be developed by the top management of an industry. These factors help the company to reach their objectives and goals.

However, there are some skin care cosmetic industries in Malacca still facing the difficulty on determine which innovation factors is the most effective way for a company to produce an innovative skin care cosmetic products. This problem was occurred due to the fact which there are many innovation factors affecting the successful of innovative product in Malacca area. Besides, due to the lack of collaboration within the supplier, financial support, and customer support has bring the obstacles for them to produce an innovative skin care cosmetic product especially in Malacca. Moreover, people nowadays are also finding the new, innovative solutions and too many innovative solutions and development idea which will confused the consumer. Other than that, more people are finding the opinions of other shoppers and a good choice before purchase a product.

Through this study, it may help researcher identifies the most impactful innovation factor of producing an innovative skin care cosmetic product among the Malacca skin care cosmetic industries. It also able to provide a guideline which may help the skin care cosmetic industries to developed and produce an innovative product in the future.

1.3 Research Questions

The research aims to answer the following research question:

1. What are the innovation factors for producing innovative skin care cosmetic product?
2. What is the most impactful innovation factors for producing innovative skin care cosmetic product?
3. What are the recommendations that could be made to produce innovative skin care cosmetic product?

1.4 Research Objectives:

Based on the research question, there are three objectives have been determined to be studied, which are:

1. To determine the innovation factors for producing innovative skin care cosmetic product.
2. To identify the most impactful innovation factors for producing innovative skin care cosmetic product.
3. To investigate the recommendations that could be made to produce innovative skin care cosmetic products.

1.5 Scope of Study

This project is to study the innovation factors of skin care cosmetic industries to produce an innovative product in which only focus on the skin care cosmetic industries in Melaka Tengah area. This is because the target respondents are in Melaka Tengah. Thus, the study is conducted in the skin care cosmetic industries to get the relevant and adequate information on determine the innovation factors that can help in producing the innovative skin care cosmetic products, identify the most impactful innovation factor in producing innovative skin care cosmetic products, and investigate the recommendations that could be made to produce innovative skin care cosmetic product. Moreover, the researcher has chosen middle management of the cosmetic industries such as the manager and retail manager who make the decision for the future plan of the company. Two respondents of the middle management in Company X and Company Y have been chosen respectively which based on the categories that decide by the researcher due to the position knowledge and experience which are suitable to answer the researcher's question. There are four respondents have been chosen due to the knowledge and experience they gain which can help to answer the researcher's question.

However, there are several limitations during carried out this study. The limitation of this research is the geographical scope as it can only carry out in Melaka Tengah area and there are some of the skin care cosmetic industries from other state may not complete the interview properly which may affect the result of the research. Besides, the limited time frame which the time-cross section only available on September 2017 until June 2018. Thus, the information that before and after the time frame will not be taken as a result. Moreover, the number of respondent also limited due to the limited time of response. Moreover, the case study is to investigate the innovation factors that influence the success of the two companies which are Company X and Company Y. Therefore, the result of the study is only applicable to Company X and Company Y.

1.6 Significance of Study

The product innovation factor in skin care cosmetics industries is important to fulfill customer needs. Researcher may determine the innovation factors for producing innovative skin care cosmetic product. Besides, this research can help to identify the most impactful innovation factor for producing an innovative skin care cosmetic product and investigate the recommendation that could be made to produce innovative skin care cosmetic products.

From the study, customers are able to have more selection of innovation product. Besides, it also provides a guideline for other industries as a reference to produce an innovation product to meet customer demands and needs. Moreover, through this research, the researcher may provide a direction in academics for the further research and produce an innovation guideline for skin care cosmetic industries to produce an innovation skin care cosmetic product in order to fulfill the customer needs.

This study describes the results of research conducted to identify the most impactful innovation factor and employed by several successful, high-performance organizations in the development of innovative systems. These critical success factors span technical, managerial, people, and cultural aspects of the innovative environment. Therefore, it is anticipated that this project would generate a great deal of interest, not only among archaeologists, but also among the general public.

1.7 Methodology

This research used methodology process to collect information and data for the purpose to determine the innovation factors for producing innovative skin care cosmetic product to customer. The qualitative research is most suitable for the researcher to get the deep understanding of the research topic and relevant data from the respondents compared

to quantitative research. It also helps to describe and giving the right information of the respondent perception to answer the topic questions. This study is using the qualitative research method which included interviews, and other research techniques in order to collect the relevant data. Several questions have been asked to the top management of the skin care cosmetic industries to get the feedback and perception through interview and session. There are three sections for the interview question which section one discusses about what are the innovation factors for producing a skin care cosmetic product, section two discuss about the most impactful innovation factors for producing a skin care cosmetic product and the last section discuss about the recommendation that could be made to produce innovative skin care cosmetic products. These questions have been asked to get the relevant information and perception from the four middle management respondents of two different skin care industries.

1.8 Summary

In chapter one, there are several parts which including background, problem statement, scope of research, significance of research, research question and research objectives. In the background, the definition and the concept of innovation being introduced such as the advantages and disadvantages of innovation. The research will be carried out in Malacca area and the data records will only focus in Malacca. From previous research, the researcher found that there are many innovative factors need to be consider when produce an innovative skin care product which can fulfill the need and wants from the customer. Innovation is important to compete with other competitor which can help to produce a wider and wider range of goods and services at a competitive price. In order to fulfill customer wants, the researcher need to investigate the innovation factors for producing an innovative skin care cosmetic product and identify the most impactful innovation factor for producing innovative skin care products.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

As what mentioned in chapter one, innovation and development of product is very important for a business. The innovation can help to improve the quality of products or services and drives the productivity. The product innovation included product invention, technical specification and improvement of quality, desirable function of a product. The business owner always look for new ways to improve the business and they always find ways to solve problems, improve performance, and edge out competitors. For a firm's innovations, the ability of a company to acquire and utilize new or existing knowledge effectively is critically required. Since continuous innovation highly depends on the knowledge and knowledge evolution, innovation and knowledge are closely related.

In this chapter, this research will focus more on the innovative factor that should have in producing innovative skin care cosmetic product the quality of the skin care cosmetic products. Moreover, all of the keywords will be discussed including innovation factors, most impactful innovation factor and the recommendations that could be made to produce innovative skin care cosmetic products.