

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 Technology Marketing)’

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**INFLUENCE OF COSMETIC PACKAGING TOWARDS CUSTOMER
BUYING BEHAVIOUR AT COSMETIC RETAIL**

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**A thesis submitted
in fulfilment of the requirements for the degree of Bachelor of Technology
Management (High Technology Marketing)**

**Faculty of Technology Management & Technopreneurship
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DECLARATION OF ORIGINAL WORK

“I declared that this project is the result of my own research except as a cited in the references. This research project has not been any degree and is not concurrently submitted in candidature of any other degree.”

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DEDICATION

I would like to dedicate the appreciation to my parents, who has been my source of inspiration and encouragement during my studies. Next, I also dedicated to my supervisor, panel, friend and course mates for valuable suggestion and assistance during completing this research. Thank you very much.

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Lastly, thanks to all people who involved either directly or indirectly in this bachelor degree dissertation. I hope this research will be a reference for other researchers in the future.

ABSTRACT

The purpose of this study is to analyse influence of cosmetic packaging towards customer buying behaviour at cosmetic retail. The study includes four independent variables and one dependent variable. The questionnaire were filled by target respondent in Melaka City. Material, Color, Safety and Labeling Information were the focus factors. Quantitative data had been collected through the questionnaire. A total 100 respondents who live in Melaka City were participated in this research by using simple

random sampling techniques. Software Package for Social Science (SPSS) was used to analyze the collected data. The data analysis techniques that conducted in study were descriptive analysis, pearson correlation and multiple regression between independent variables and dependent variables. The result showed that all the factors had significantly influence customer buying behaviour. Material was the most influencing factor and all the rearch objectives had been achieved in this study. The Study shows that packaging strongly influence customer buying behaviour include material, color, safety and labeling information and now the packaging is important of the marketing mix because there are a lot of advantages of packaging. The packaging not only gives advantage or benefits to the product but it also give benefits to the maker of the product. Recommendation for further research were also mentioned in this study.

Keywords: Customer buying behaviour, Cosmetic packaging, Packaging,

Melaka, Malaysia.

ABSTRAK

Tujuan kajian ini adalah untuk menganalisis pengaruh pembungkusan kosmetik terhadap tingkah laku beli pelanggan di runcit kosmetik. Kajian ini merangkumi empat pembolehubah bebas dan satu pemboleh ubah bergantung. Soal selidik dipenuhi oleh responden sasaran di Melaka City. Maklumat Bahan, Warna, Keselamatan dan Pelabelan adalah faktor tumpuan. Data kuantitatif telah dikumpul melalui soal selidik. Sejumlah 100 responden yang tinggal di Melaka telah mengambil bahagian dalam kajian ini dengan menggunakan teknik pensampelan mudah rawak. Pakej Perisian untuk Sains Sosial (SPSS) digunakan untuk menganalisis data yang dikumpulkan. Teknik analisa data yang dilakukan dalam kajian adalah

analisis deskriptif, korelasi pearson dan regresi berganda antara pembolehubah bebas dan pembolehubah dependen. Hasilnya menunjukkan bahawa semua faktor mempengaruhi perilaku belian pelanggan. Bahan adalah faktor yang paling mempengaruhi dan semua objektif kajian telah dicapai dalam kajian ini. Kajian menunjukkan bahawa pembungkusan sangat mempengaruhi tingkah laku beli pelanggan termasuk maklumat bahan, warna, keselamatan dan pelabelan dan sekarang pembungkusan adalah penting dalam campuran pemasaran kerana terdapat banyak kelebihan pembungkusan. Pembungkusan bukan sahaja memberikan kelebihan atau faedah kepada produk tetapi juga memberikan manfaat kepada pembuat produk. Cadangan untuk penyelidikan selanjutnya juga disebutkan dalam kajian ini.

Kata kunci: *Tingkah laku beli pelanggan, Pembungkusan kosmetik, pembungkusan, Melaka, Malaysia.*

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LIST OF ABBREVIATION

CBB - Customer Buying Behaviour

DV - Dependent Variable

IV - Independent Variables

MRA - Multiple Regression Analysis

M - Material

C - Color

S - Safety

LI Labeling Information

s.d - Standard Deviation

SPSS - Statistical Package for Social Sciences

LIST OF SYMBOL

α	-	Alpha
b	-	Beta
H_0	-	Hypothesis null
H_1	-	Hypothesis alternatives
m	-	mean
s.d	-	Standard Deviation

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CHAPTER 1

INTRODUCTION

1.1 Background of the Study

Retail market is one of fastest changing and vibrant industries in the world. It has contributed to the economic growth of many countries in cosmetic industry. Retailing is the one of direct interface business with customer. It also run the business involves the concept of product offering, delivery, and post-delivery to customer (Springer, 2014). The improvement of current lifestyles of the communities in Malaysia regarding usage cosmetic product in their daily life, increase the customer demand towards this product.

The growth of cosmetic industry is also related with how the appearance of their product it is. The influence of packaging becomes one the important factor to make the cosmetic product looking good and fulfill the demand of customer. Packaging is symbolizes of product communication. The shape, color, texture, word and the graphic give a lot of message to make the product more attractive, foster a positive affective relationship and encourage consumers to remember them.

Cosmetics packaging is crucial to ensure the level of safety and clean of product without any problem. Cosmetic product is a sensitives items and need good care not only from the ingredient that their use but also how they are packaged. The buying behavior towards cosmetic packaging can also influence to the maker of product not only to the product based on their benefits and advantages

1.2 Problem Statement

The purpose of this research is to identify the influence of cosmetic packaging towards customer buying behaviour at cosmetic retail. Currently, the customer demand towards cosmetic products is increasing and expanding from time to time, especially among teenagers in this country.

Packaging has become an important factor in marketing a wide range of consumer market products in the field of retailer products. The real packaging can be considered as a packing that can be an important to product uses and at the same time can contribute to the product benefits. Most customer are in doubt of the hazardous substances used in cosmetic packaging. According to Little Pro (2017) state the packaging materials selection of any cosmetic product need to abide with relevant regulation including comply with usual regulation involves hazardous substances, and heavy metal. It necessarily need to protect customer, employees and reduce environmental emissions.

In addition, companies are believing that they should make high-quality performances of packaging, but that's not necessarily true for all users. Packing must be suitable for the environment in which the product will be sold. This product can be approved either for extreme, the packaging looks "too good", which leads to a perception that the product is overpriced or consumers will pay for the packaging themselves, or packaging that looks "too cheap" of quality products (Sarah Aidnik, 2013). This can affect customers demand on cosmetic products.

Cosmetic packaging is also important to convey clear information to consumers and carry out advertising information and promote merchandise. Therefore, researchers believe that this study is important to determine which factor of cosmetic packaging that may influence the level of customer buying behaviour in the cosmetics packaging at cosmetic retail. Researchers being interesting to investigate the influence of cosmetic packaging towards customer buying behaviour at cosmetic retail.

1.3 Research Question

Steven R. Cummings et al, (2001) the research question is the uncertainty about something in the population that the investigator wants to resolve by making measurements on study subjects. There are several research questions that are highlighted by researcher through the influence of cosmetic packaging towards customer buying behavior at cosmetic retail.

1.3.1 What factor of cosmetic packaging that influence customer buying behavior at cosmetic retail?

1.3.2 What are the major factors of cosmetic packaging that influence a customer buying behavior at cosmetic retail?

1.4 Objective of the study

Each objective has an element in it that must be fulfilled to be considered as 'achievable' 100% (Hazinah Kutty Mammi, 2016). Objective is an important element that needs to be solved, in a sense it tells the researchers what they are looking for in the study and guideline of what aim they should achieve. There are several main objectives that are highlighted by researcher through the influence of cosmetic packaging towards customer buying behavior at cosmetic retail.

1.4.1 To identify the factor of cosmetic packaging that influence customer buying behavior at cosmetic retail

1.4.2 To determine the major factor of cosmetic packaging that influence customer buying behavior at cosmetic retail.

1.5 Scope of Study

1.5.1 Scope

The scope of research study focused on the influence of cosmetic packaging towards customer buying behaviour at cosmetic retail. This research would determine the major factors that influences cosmetic packaging towards customer buying behavior at cosmetic retail. The targeted respondent will focus on adults in Melaka that able to go cosmetic retail by self. This research covered City Centre of Melaka as the main study location. This is because the coverage of this area having the higher population and there are many of shopping mall that provide cosmetic retail in this area

1.5.2 Limitation

There are few limitations in this research. Firstly, when conducting this research study, the respondent only from Melaka, not enough comprehensive if compared with those who do it with the most different province of respondent. Secondly, it might hardly to acquire the accurate and valid data. Researcher felt difficult to identify whether the data in questionnaire is answer honestly and logic by respondent. Hence, researcher just can assume that all the data received through questionnaire was answer sincerely by target respondents.

1.6 Significant of the Study

Retail industry in cosmetic products is one of the important sources of incomes in Malaysia. However, customer buying behavior toward cosmetic product changed dramatically all the time. Cosmetic packaging plays an important role in determining of customer buying behavior towards marketing of cosmetic product in order to encourage or discouraging customer to use and buying a product, especially among different brands of similar product offering. By understanding customer buying behavior, it helped cosmetic retail understand how the appearance of their product should be. Packaging is an important factor in consumers buying behavior towards cosmetic product. It's the first thing consumers see when approaching an item of interest, and it's what they can physically touch upon further inspection. Its can help cosmetic retail to improve sales and survive in this high competitive market.

The research will determine which factors of cosmetic packaging are the most significant and influence the consumer buying behavior at cosmetic retail.

1.7 Summary

In this chapter, the researcher provided background of study, problem statements, research questions and research objective. Scope, limitations and significant of the study were covered by this chapter. Researcher would base on these introductions and carries on to second chapter which discussed about the part of literature review.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter highlight the influence of cosmetic packaging towards customer buying behavior which focuses in term of cosmetic product at cosmetic retail. This study was using the various materials as a guideline which is from text book, journal, article, thesis, printed medium and others. The information collected from various reference materials was helpful to creating the conceptual framework.

2.2 Marketing

According to Kotler (2014) state marketing plays an important role to manage the relationship between customer and marketer towards profitable terms. The concept of marketing is to attract new customer by promising superior value and to keep customer satisfaction.

Alvin J. Silk (2006) state the successful marketing refers to organization that have a wide knowledge towards firm strategic direction and deep knowledge among customer satisfaction, strength and weakness of competitors and great skill to collaborates with other organization to achieve customer profitably.

According to Mullins and Walker (2016) state marketing attempts to measure and anticipate the needs and wants of a group of customers and respond with a flow of

need-satisfying goods and services. The most important characteristic of marketing as a business function is its focus on customers and their needs. This is a focus that all managers, not just marketers in order to ensure their organizations can build and sustains a healthy 'top line'

2.3 Marketing Mix

According to Alvin J. Silk, (2006) Neil Borden of Harvard Business School used the term marketing mix to described the set of activities comprising a firm's marketing program. He specified twelve mix elements including merchandising product planning, pricing, branding, channels of distribution, personal selling, advertising, promotions, packaging, display, servicing, fact finding and analysis and physical handling.

Over time, an aggregation and grouping of these elements has become popular. The 4P's of product, price, promotion and place are often used to set out the marketing mix in an easy to recall way.

According to Kotler, (2014) marketing mix is one of major concepts in modern marketing. The marketing mix is the set of tactical marketing tools that the firm blends to produce the response it wants in the target market. The marketing mix consists of everything the firm can do to influence the demand for its product. The set of tactical marketing tools includes product, price, place and promotion that the firm blend to produce the response it wants in the target market.

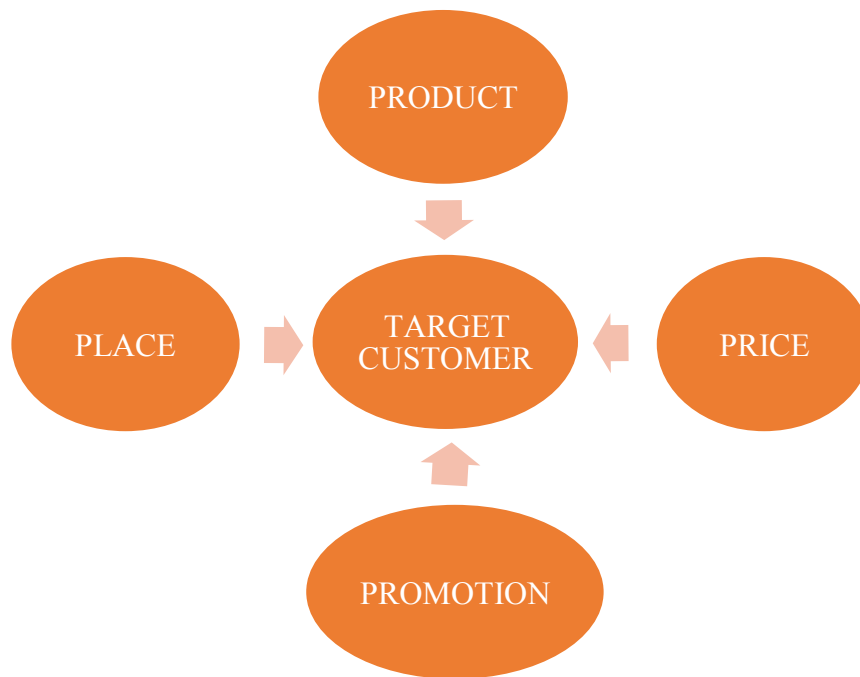


Diagram 2.1: Marketing mix diagram (Kotler, 2014)

- Product means the goods and services combination the company offers to the target market.
- Price is the amount of money customers must pay to obtain the product.
- Place includes company activities that make the product available to target consumers.
- Promotion refers to activities that communicate the merits of the product and persuade target customers to buy it.

2.4 Product

According to Alvin J. Silk (2006) product decisions start with an understanding of what a product is namely, the product offering is not the thing itself, but rather the