
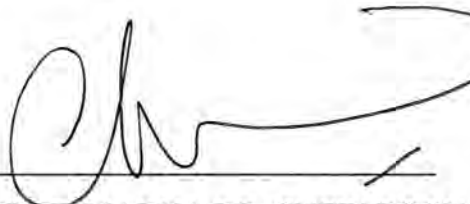


DECLARATION

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THE IMPACT OF PSYCHOLOGICAL FACTOR TOWARD CONSUMER
BUYING BEHAVIOR ON PERSONAL CARE AND COSMETIC
PRODUCTS AMONG YOUNG ADULT,

MD FIKRI BIN MD FAIZAL

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

Faculty of Technology Management and Technopreneurship
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JUNE 2018

DECLARATION

“I declared that this report is the results by my own work except certain explanations
And passage where every part of it is cited with sources clearly stated in References”

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DEDICATION

I would like to dedicate this research to my beloved parents and siblings. Big appreciations to my family who always give me supports in term of moral, motivation, advice and financial. It will not be easy for me to go through the completion of my PSM without their concern and support. Their unconditioned love and encouragement have allowed me to strive and push myself beyond limits that never thought would be possible. With their support, I was able to complete this research paper smoothly. Thank you for always supporting me.

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ABSTRACT

For this research, it is about a study on determining the impact of psychological factor toward consumer buying behavior on personal care cosmetic products among young adult. This research cover at Melaka only. Increased usage of personal and cosmetic products has caused a growing concern about the consumer buying behavior of these products, and to investigate consumers' perspective in Melaka. Hence, this study's aim is to develop a valid and reliable tool for assessing consumer's perceptions, and attitudes & beliefs and learning toward personal care and cosmetic products. The study allowed business to attract the customer by using their own marketing strategy tools. Psychological factor can become such an efficient tool for this business in planning their marketing strategy. Furthermore, psychological factor can give benefits to the owner or the personal care and cosmetic business itself because an efficient marketing strategy tools can make the business become more well-known in the market and also improve in business performance that can lead in increasing business growth. The data will collect using questionnaire from 137 respondents in Melaka. The results of the analysis will show that among all the psychological factor, perception, attitude & beliefs, and learning which that have significant impact on the consumer buying behavior toward personal care and cosmetic products. The results of this study will contribute remarkable conclusion to marketers and manufacturer in Malaysia market.

ABSTRAK

Untuk kajian ini, ianya mengenai pembelajaran untuk menentukan kesan psikologi terhadap tingkah laku pengguna terhadap produk penjagaan diri dan kosmetik dalam kalangan orang belia. Kajian ini hanya dijalankan di Melaka. Peningkatan penggunaan produk peribadi dan kosmetik telah meningkatkan kebimbangan mengenai kelakuan pengguna dalam membeli produk ini, dan untuk menyiasat perspektif pengguna di Melaka. Oleh itu, matlamat kajian ini adalah untuk membangunkan alat yang sah dan boleh dipercayai untuk menilai kesedaran pengguna terhadap, persepsi, sikap & kepercayaan dan pembelajaran mengenai produk penjagaan diri dan kosmetik terhadap pengguna. Kajian ini membolehkan perniaga menarik pelanggan dengan menggunakan strategi pemasaran mereka sendiri. Faktor psikologi boleh menjadi alat yang berkesan untuk perniagaan ini dalam merekabentuk strategi pemasaran mereka. Di samping itu, faktor psikologi dapat memberi manfaat kepada pemilik atau penjagaan diri dan kosmetik itu sendiri sebagai alat strategi pemasaran yang efisien yang boleh menjadikan perniagaan itu lebih terkenal di pasaran serta meningkatkan prestasi perniagaan yang boleh membawa kepada peningkatan pertumbuhan perniagaan. Data akan dikumpul menggunakan soal selidik dari 137 responden di Melaka. Keputusan analisis bakal menunjukkan bahawa di kalangan semua faktor psikologi, persepsi, sikap & kepercayaan dan pembelajaran yang mempunyai kesan yang signifikan terhadap tingkah laku perbelanjaan pengguna terhadap penjagaan diri dan kosmetik. Hasil kajian ini akan menyumbang banyak kesimpulan kepada pemasar dan pengilang di pasaran.

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LIST OF ABBREVIATIONS

H_1	=	Hypothesis Alternative
H_0	=	Hypothesis Null
SPSS	=	Statistical Package for Social Science

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CHAPTER 1

INTRODUCTION

1.1 Introduction

In this chapter will briefly illustrate the research topic as it is being organized in the following way. Starting with the proposal was partitioned into a theoretical part and observational part (empirical). From this point, the theoretical part will examine the impact of psychological factor toward consumer buying behaviour on personal care product and cosmetic in Malaysia. Occasionally, problem statement, research question, research objective, scope and limitation also will be presented in this chapter.

1.2 Background of Study

Nowadays all cosmetic and body care companies are more concerned about an individual consumer behaviour especially in purchasing behaviour. At the same time, competitiveness among company is thriving where this competition enables the company to identify the specific and unique traits that are appealing to customers. At the same this, it helps the companies to gain more information about what does a consumer or an individual feel about their products or brands. Equivalent to, (Kotler and Keller, 2011) which stated that a manufactures services provided with competitive advantage over its competitor in several aspects when it is extremely important for

them to focus on the important of consumer buying behaviour and the way consumer choose their products and services.

For example, when the companies use well the information or knowledge that were gain by studying in consumer buying behaviour and in brief, that companies have able to set the best strategies and providing the finest products as to fulfil their consumer need and want. Wholly human living on earth who have the potential to buy were known as consumer. Gradually, the study of the behaviour that consumers display in searching for, buying, utilizing, assessing, and discarding of products and services that they expect will achieving their need can be defined as consumer behaviour (Schiffman, 2007). Despite all of this, understanding consumer behaviour is completely is impossible, because it is so closely related to the human mind (Tanja Lautiainen, 2015).

However, forecasting how a human behaves in purchasing situations can be estimated through previous decisions as to obtain the information or to effortlessly grasp the feature of consumer behaviour as seen at the supermarket area since at supermarket all product and brands were there. On the meantime, it was easily to access and examine the consumer behaviour at that kind of open place. The study of consumer behaviour also will help to explain and describe the buying behaviour or consumer purchase in decision making. So far, the factor that affect the consumer choices or consumer buying behaviour in selecting goods are eventually was the price, sales location, type of good and features that were offered by companies or sellers.

Consequently, in this study researcher will be more focusing on the impact of consumer psychological factor as according to consumer buying behaviour through the personal care and cosmetic products purchased. The researcher has chosen local market as a research subject on this research. Initially, consumer in the local market would typically make the purchasing decision. It is interesting to study in what way the consumer has ended up selecting the specific product or brand and what are the effect of the psychological factors in this case.

1.3 Problem Statement

There are too many numbers of consumer where they were mostly had lack of knowledge on how to make a proper decision while purchasing product (Deepak Sharma, 2013). This will distress the personal care and cosmetic seller who does not understand their consumer buying behaviour. Subsequently, an understanding of consumer behaviour is important for any organization before launching a product to the market. In all, if the organization failed to analyse how a customer will respond to a particular product, the company will have to face losses.

Consumer behaviour is a very complex because each consumer has different mind and attitude towards purchase, consumption and disposal of product (Solomon, 2009). Later on, understanding the theories and concepts of consumer behaviour would help to market the product or services successfully. Moreover, studying consumer behaviour has provide numerous benefits in countless aspects. As there is persistent change in the living standards, trend, fashion and change in technology, consumer's attitude towards the purchase of product varies simultaneously (Kumar, 2004).

Since understanding these factors is of utmost importance because the marketing of product is basically dependent on these factors. Thus, consumer behaviour serves as a successful tool for marketers in meeting their sales objectives. Unwisely, too many personal care and cosmetic company in Malaysia that not understand about Malaysian people buying behaviour has caused them to expense on unneeded marketing strategy that will increase the cost of marketing as well as the expenses of the company. This statement had been supported by (Ligo Koshy, 2017) where he stated that to persuade the consumer's attention towards the personal care and cosmetic products, apparently, it is important for the companies to have a very deep understanding about the target market and to plan some excellent strategies for marketing this to the target market.

As according to (Malaysia's health, Ministry of Health, Malaysia, 2006) that there are more than 60,000 types of personal care and cosmetic product available in the local market in Malaysia. This show that the competition of this field had been so tough between the company. Therefore, promoting for the brand products is increasing

in order to achieve the highest marketing for certain products. In addition, the uncommon discount for the expensive cosmetics that contributes to maintaining the cosmetics market to be active among consumers. Currently, Malaysian consumers influenced by the promotion offer in the market and looking for cosmetics when they are given a discount especially with premium products. The huge numbers of brand cosmetics faced a high competition with the new products as well as other products which are available in pharmacies, drug store and promotion store. Nevertheless, the advertisements throughout the media and magazines are the most effective ways to increase the purchasing rate of cosmetics products among the people.

1.4 Research Question

- i. What are the psychological factor that will affect consumer buying behaviour while purchasing personal care and cosmetic products?
- ii. What are the main factor that most influencing psychological factor towards consumer buying behaviour of personal care and cosmetic products.
- iii. What are the relationship between psychological factor and consumer buying behaviour when made buying decision of personal care and cosmetic products?

1.5 Research Objective

- i. To study the psychological factor that affect consumer buying behaviour in personal care and cosmetic products.
- ii. To investigate the most influencing psychological factor towards consumer buying behaviour of personal care and cosmetic products.
- iii. To analyse the relationship between psychological factor and consumer buying behaviour when made buying decision of personal care and cosmetic products.

1.6 Scope and Limitation

In this section, this study will enlighten the scope, limitation and key assumption for the effecting psychological factors influence consumer buying behaviour.

1.6.1 Scope

The researcher undertakes this research in Malaysia that including three big hypermarkets in Bandar Melaka. This study will emphasis on the consumer buying decision. Additionally, this study will collect the data of 150 respondents that purchasing the product or brand from that places and this scope will assist the researcher to understand and getting data. Researcher believed that the various dimensions have a strong connection as regards of the consumer buying decision or consumer purchase in local market.

1.6.2 Limitation

Evidently, as according to BCPS (2014), limitations are the impact of the researcher control. They are the inadequacies, conditions or impacts that can't be controlled by the researcher that place confinements on specialist system and conclusion that implies impediments are can be potential shortcoming in this research.

When conduction these study, several limitations had found by the researcher. Time limitations and geographical factor is one of the limitations for conducting this research. Researcher only has 24 weeks to conduct this research and because of the time limit, this research was conducted only on small population that is going to conduct in Malaysia.

Presumably, when conducting this study, researcher had faced difficulty in accessing secondary information. The researcher had to spend some money in advance in order to read or access some journals, statistics and online reports. It seems likely that researcher also struggle to search for journals as well as related articles because deficiency of materials from the previous researches regarding this study.

Lastly, the questionnaires were distributing by hand and also by online such as spreading through social media. When conducting online survey respondents will faced hard time to answer the questions because of not familiar with the meaning of questions or statement and researcher were not able to explain it. Some respondent may interpret the question or statement meaning inversely and responded based on their understanding.

1.7 Summary

To sum up, in this chapter it is have been explained in general of the consumer buying decision in local market. Therefore, in this chapter also have or stated the research question, research objective, scope, limitations, and key assumption. Further on chapter two, researcher will be discussing about the literature review regarding this research and study.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

All of humans that were living on earth are known as consumers, we usually consuming things that we need of our daily use. Basically, we buy these products as according to our needs, preferences and buying power. These products can be consumable goods, durable goods, specialty goods or industrial goods. In our globalizing world, the competition among the companies who producing the same goods and services have intensified and the consumer, who is considered the principal focus point in a modern business approach that quickly become the most important factor. Consequently, recognising the consumer's preference becomes an obligation for companies. In this chapter, the psychological factors which have a considerable influence on consumer buying behaviour in personal care and cosmetic industry are examined in theoretical way.

2.2 Psychological Factors

A person acts as according to his or her perception of the situation that they face. Each person receives thousands of sensory stimuli like light, colour, sound, smell, taste and texture per day. **Perception** is the process through which these sensations are selected, organized and interpret to form a meaningful picture of the world. People

have a probability to form different perceptions of the identical stimuli due to three perceptual processes which are selective attention, selective distortion and selective retention. At this selective attention process an individual will only focus on a few stimuli that he was exposed each on every day.

Consumers might disregard many stimuli in the environment and only focus on those related to their current interest. For an instance, a consumer who desires to have a new dream car will be paying more attention to car advertisements instead of advertisements about houses developments. Selective distortion was used to describe how people will interpret information in the way that they were previously believed as supporting reason. Every individual already has diverse perception based on own experience. **beliefs and attitudes**. Selective distortion leads people to various situations that are compatible with their beliefs and values.

In the case of the brands commercials, the message that the brands attempt to communicate will not be accepted easily by consumers as the information was received by countless different consumers with difference acceptance level. When people were exposed to a gigantic amount of information and stimuli, they are not able to retain all of it. Selective retention is something that is relating to the mind of a person whereby people will be more precisely remember messages which are closer to their interests, values and beliefs, than those that are in divergence with their values and beliefs. Hence, they will strain to their best to select what to retain in their memory while narrowing and thinning the flow of the information they received.

A person practically will retain from particular stimuli or situation. This can be seen when consumers remember virtuous facts about brand they favour and then simply overlook the whole thing of the rival brand. (Kotler & Armstrong, 2010) When people are **motivated**, they are ready to act. Learning comes from action where learning also can illustrate changes in a person's behaviour that emerge from their personal experience. By right, people essentially can learn by observing others without having their own personal experience because learning is something that can happen even in an unconsciously state of mind.