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FACTORS AFFECT CUSTOMER SATISFACTION IN PURCHASE DECISIONS OF SKINCARE PRODUCTS AMONG ADULT WOMAN IN MELAKA

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A project report submitted in fulfillment of the requirement for the award of Bachelor Technopreneurship

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JUNE 2015
DECLARATION

‘I declare that thesis entitle ‘Factor Affects Customer Satisfaction in Purchase Decisions of Skincare Products among Adult Woman in Melaka’ is the result of my own research except as cited in the references’

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ACKNOWLEDGEMENT

Syukur Alhamdulillah and thanks to Allah s.w.t, God the Almighty for giving me the strength and time to complete this project. Firstly, I would like to thanks to my supervisor, Dr. Othman bin Aman, in supporting me and understanding me to complete the research. He is the kindest and the most responsible supervisor. He also gives me some advice to complete this research. He also guides me for reserved to manage some challenge which I confuse during the writing of the research. I’d appreciate his help.

Next, I would like to thanks my friends, who are in UTeM for their encouragement during this year and also to my panel, Pn. Adilah binti Mohd Din because of them, I have confidence to face more challenge in this year. Moreover, I also wanted to say thanks to the respondents who filled the questionnaire out. You have donated your precious time to finish the questionnaire and helped me to acquire the data. Your cooperation made the success of this research.

Last, but not least I am grateful to my family members, especially my parents who gave me endless and selflessness support this year. Thanks also my parents because they always give me advices when I feel down to complete this research and always pray for me. This research is dedicated to my family member and I will do my best to face any challenge in the future. This research would not have been possible without the support and encouragement of many individuals.
ABSTRACT

Now days, adult woman are very conscious about facial skin care. Due to weather conditions present uncertainty has made adult woman today are more focused to buy the best facial skin care products. Other than that, the attitude of woman towards beauty obsesses now seen as harmful and dangerous to woman themselves as chemical substances found in beauty products that not only can cause increased facial ugly but can result in death. In this study, the researcher want to determine about the factors affects customer satisfaction in purchase decisions of skincare products among adult woman in Malacca. The researcher was developed the Customer satisfaction in purchase decisions model which is have four factors that are relate to the model such as price, brand, product features and customer’s experiences. Hypotheses will be constructing and test by using p-test and Pearson’s Correlation. The research hope can found that certain factors did have a positive relationship with the factor affects customer satisfaction in purchase decisions of skincare products among adult woman in Malacca.

Keywords: Factors Affects Customer Satisfaction, Purchase Decisions, Skincare Products, Adult Woman

Kata Kunci: Faktor Mempengaruhi, Kepuasan Pelanggan, Membeli Keputusan, Produk Penjagaan Kulit, Wanita Dewasa
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LIST OF ABBREVIATIONS

α = Cronbach Alpha
r e.g = Example
SPSS = Stactical Package for Social Sciences
MITC = Melaka International Trade Centre
H₀ = Hypothesis Null
Hₐ = Hypothesis Alternatif
H₁ = Hypothesis One
H₂ = Hypothesis Two
H₃ = Hypothesis Three
H₄ = Hypothesis Four
KKM = Kementerian Kesihatan Malaysia
BPFK = Biro Pengawalan Farmaseutikal Kebangsaan
CHAPTER 1

INTRODUCTION

1.1 General Overview

The overall research is to understand the factors affect customer satisfaction of purchase decisions of skincare products among adult woman in Melaka. Follow by outlining the problem statement and objective in this research. Research questions are used to guide the whole research and hypotheses used to form a proposed conceptual framework.

1.2 Research Background

In this era of technology and the developing world, woman are more concerned about the skills themselves more attractive because they want to be more confident, added, mostly women with careers. To look beautiful and presentable more elegant and attractive, beauty products used by women to get results that can satisfy the requirements of the hearts of women who desire beauty. (Ifa Sirrhu, 2011)
In Malaysia, cosmetic brands such as Avon, Oriflame, Garnier, L’Orial, Nevea and Adidas are popular among cosmetic consumers. Cosmetic has become a common and popular category among young and adult people as it identifies them with a more relaxed lifestyle, greater versatility and comfort. This has prompted manufacturers like Avon, Garnier and Nevea to begin increasing their business mostly in Asia as it has the potential to give them top volume of sales for their manufactured goods. Many companies, mainly those in the cosmetic industry try to increase brand loyalty among their customers. Brand loyalty is a consumer’s conscious or unconscious decision that is expressed through the intention or behavior to repurchase a particular brand continually. (Reichheld and Sasser 1990)

Based Guidelines for Control of Cosmetic Products in Malaysia, cosmetic products are defined as, “Any substance or preparation intended to be used on the exterior of the human body (skin, hair, nails, lips and external parts of the genitals) or the mucous membranes of the mouth and teeth, with the main purpose to clean, perfume, change the appearance or correct body odors or protecting or maintaining in good condition.” Examples of cosmetic products is a body soap, facial cleanser and cream, sunscreen, shampoo and conditioner, hair care products, toothpaste and mouth rinse liquid, hair dyes, perfumes, deodorants, lipsticks, eye shadow and nail polish. (Erina, 2014).

All cosmetic products sold in Malaysia must be notified by KKM, BPFK before the product can be manufactured, imported, distributed or sold in Malaysia. Only cosmetic products notified can be manufactured or imported into Malaysia market legally. Cosmetic products notified do not mean that the product has been approved by the KKM. Notification is the process by which products the company responsible for marketing the cosmetic product to make a declaration in respect of information products to BPFK before they market these products in the Malaysian market. (Erina, 2014).

According to the article of Utusan Malaysia_Kesihatan (2014), the question arose whether the product being advertised, especially in the social recognition or approval authorities such as the National Pharmaceutical Control Bureau (BPFK) and the Ministry of Health (KKM). In addition, the use of a type of heavy metal
mercury which is used to brighten the face is effective but has side effects such as damage to the kidneys and nervous system. (Utusan Malaysia_Kesihatan, 2014).

Most of the skincare products are used two types of materials such as hydroquinone and mercury in skincare products. Hydroquinones are corrosive chemicals and powder form. That can be impacts long-term use may cause effects on the kidneys, liver and leukemia (blood cancer). Mercury is the chemical form of a thick liquid. The type of this chemical is heavy metal that is hazardous to the skin, such as skin corrosive and skin cancer also can be effects of long-term use of mercury can cause brain damage, kidney disease, cancer, Alzheimer's and Parkinson's. (Utusan Malaysia, 2014).

1.3 Statement of Research Problem

Now days, adult woman are very conscious adult facial skin care. Due to weather conditions present uncertainty has made adult woman today are more focused to buy the best facial skin care products. However, whether they are aware of the factors that can influence their buying decisions and give satisfaction to them? Whether the products they buy have reasonable prices? Whether women today are more brand-conscious than other factors of this skin care product?

Other than that, whether women today realize that there are many issues in the news about the effects and consequences of the use of skin care products or beauty products that do not have the approval of the Kementerian Kesihatan Malaysia (KKM)? This factor is related to the characteristics of the product itself. Are adult woman today make a purchase based on or refer to existing testimony? All these things were clarified in this study.

Other than that, the attitude of women towards beauty obsesses now seen as harmful and dangerous to women themselves as chemical substances found in beauty products that not only can cause increased facial ugly but can result in death. Therefore, this topic was covering the use of beauty products and the law is
responsible for the regulation of beauty products. Analysis of the victim beauty products also was reviewed and scrutinized. The study was focus more on beauty products such as body slimming beauty products, botox and also confirmed some beauty products contain harmful chemicals. (Ifa Sirrhu, 2011).

According to the article of Harian Metro (2007), Melaka attracted to 'greatness' ads locally produced cosmetics, a woman had to endure when his face turned ugly after six months of using the cream cleanser products company. Mother of two children, Nor'aini Mohamad Hashim, 29, of Limbongan here, using three types of facial cleanser since mid-January. As a result, his face now peeling, bitchy and full of red bumps and pus. Unfortunately, he is now living in a state of distress due to innuendo surrounding community. Nor'aini, now depressed and embarrassed by the implication that people looking grouchy face it. But also that it is now the title of queen of the products that use it. (Harian Metro, 2007)

She said it started after he bought a second set of facial cleanser which worth RM210 from sales representatives of the company at a shopping center in the city. Set contains cleansing cream, care, respite and three bottles of cream for night use. She told the first set, and after a few weeks the skin produces small bumps. Things are communicated to the parties responsible for the Haiti representative of the product sales and but otherwise it is the response of the material to produce acne. Company representatives also suggested he use the relief creams, cleaners and care for your skin free from acne. (Harian Metro, 2007)

Due to the coveted beauty, Gina cream involved and using the cream for six months and had already spent more than 10 bottles of cream clearance size 10 milliliter, each costing RM46. However, the skin of his face deepened, but the dealer continues to recommend him to use the material. Because the skin is worse, she has stopped using it. Action has been taken to refer to a skin specialist doctor and file a claim through the Consumer Claims Malaysia. (Harian Metro, 2007)
1.4 Research Question

This research addresses the following research questions:

a. What is the factor affects between price and customer satisfaction in purchase decisions of skincare product among adult woman in Melaka?

b. What is the factor affects between brand and customer satisfaction in purchase decisions of skincare product among adult woman in Melaka?

c. What is the factor affects between product features and customer satisfaction in purchase decisions of skincare product among adult woman in Melaka?

d. What is the factor affects between customer experiences and customer satisfaction in purchase decisions of skincare product among adult woman in Melaka?

1.5 Objectives of the Research

The purpose of this research is to solve the problem statement as stated above by outline the general objective, which was developed into individual specific objectives.

1.5.1 General Objectives

The main objective of this study is to identify the factors affect customer satisfaction in purchase decisions of skincare products among adult woman in Melaka. It tries to examine and interpret whether the factors was affect the customer satisfaction in purchase decisions among adult woman.
1.5.2 Specific Objectives

a. To determine the relationship between price and customer satisfaction in purchase decisions of skincare products among adult woman in Melaka.

b. To examine the relationship between brand and customer satisfaction in purchase decisions of skincare products among adult woman in Melaka.

c. To investigate the relationship between product features and customer satisfaction in purchase decisions of skincare products among adult woman in Melaka.

d. To analyze the relationship between customer’s experiences and customer satisfaction in purchase decisions of skincare products among adult woman in Melaka.

1.6 Scope of Study

The scope of this study is focus around the Melaka areas which are at Central Malacca, AEON Bandaraya Melaka, Malacca International Trade Centre (MITC), Mahkota Parade and Dataran Pahlawan. This location was chosen to be the main scope of this study is due to be areas of focus groups of adult woman. In addition, there are many kiosks beauty, spa and also stockiest selling skin care products. Apart from that, this location is not only visit by local adult women, but also adult woman from among foreign tourists.

1.7 Significant of the Study

The importance of this study is to determine the factors affect customer satisfaction in purchase decisions of skincare products among adult woman in Melaka. There are several factors that can help us in having a better understanding of
adult woman customer satisfaction towards the skincare products purchasing decision. The factors include brand, price, product features and customer’s experiences.

1.8 The Definition of Terms

1.8.1 Customer Satisfaction

The level of satisfaction is providing by the goods or services of the company as measured by the number of repeat customers. Customer satisfaction is an abstract concept and involves such factors as the quality of the product, the quality of service provided, the atmosphere of the location where the product or service is purchased, and the price of the product or service.

1.8.2 Purchase Decision

Consumers identify their needs, collect information, evaluate alternatives, and make the purchase decision. These actions are determined by psychological and economic factors, and are influenced by environmental factors such as cultural, group, and social values.

1.8.3 Skincare Products

According to the Biology Online (2005), maintenance of the hygienic of the skin under optimal conditions of cleanliness and comfort. Effective in skin care are proper washing, bathing, cleansing, and the use of soaps, detergents, oils, etc. In
various disease states, therapeutic and protective solutions and ointments are useful. The care of the skin is particularly important in various occupations, in exposure to sunlight, in neonates, and in decubitus ulcer. (Caspion, 2005)

1.8.4 Adult Woman

Adult female has one sense who is an adult female person. Woman has four senses, which are an adult female person, woman as a class, a human female who does housework and a female person who plays a significant role in the life of a particular man.

1.9 Summary

This chapter outlines the foundation and overview of the research which allow readers to have a clearer picture of the factors affecting customer satisfaction in purchase decisions of skincare products among adult women in Malacca. First, it started with the introduction of the research background, problem statement, research objectives, research questions, hypotheses of the study, significance of the study, and chapter layout. This information was developed and discussed in Chapter 2.
CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

In previous chapter, the background of research, problem statement, research objective, research question, hypotheses and significant of the study has identify. Therefore, literature review of this research was discussed in this chapter and the four independent variables which include price, brand, product features and customer experiences were determined.

Literature review enables us to identify the important variables in the research, conceptualize the theoretical framework and hypotheses development. In addition, the conceptual framework was proposed in graphical form in order to provide a better concept in the study. Finally, conclude and summarize the chapter.
2.2 Literature Review

2.2.1 Customer Satisfaction

Customer satisfaction is the feedback from the assumption or perception, evaluation, and psychological reactions of customers or users to result from the expected use or purchase of any products or services available in the market. There is general agreement that satisfaction is a person’s feelings of pleasure or disappointments resulting from comparing a product’s perceive performance (or outcome) in relation to his or her expectation. (Kotler, 2003).

Customer satisfaction is one of the most important issue concerning business organization of all types, which is justify by the customer oriented philosophy and the principles of continues improvement in modern enterprise. For the reason, customer satisfaction should be measured and translated into number of measurable parameter. Customer satisfaction measurement may be considered as the most reliable feedback, providing client preferences and experiences in an effective, direct, meaningful and objective way. (Kotler, 2003).

Customer satisfaction is a complex construct. It has been defined in various ways (Kanji and Moura, 2002; Fecikova, 2004). Recently, researchers have argued that there is a distinction between customer satisfaction as related to tangible products and as related to service experiences. This distinction is due to the inherent intangibility and perishable nature of services, as well as the inability to separate production and consumption. Hence, customer satisfaction with services and with goods may derive from, and may be influenced by, different factors and therefore should be treated as separate and distinct (Veloutsou et al., 2005).

The disconfirmation paradigm in process theory provide the grounding for the vast majority of satisfaction studies and encompasses four construct expectation, performance, disconfirmation and satisfaction (Caruana et al., 2000). This model suggests that the effects of expectation are primarily through disconfirmation, but