

BRAND LOYALTY DETERMINANTS OF
IMPORTED COSMETIC BRANDS AMONG
FEMALES IN MALAYSIA

TEE WEN HUI

BACHELOR OF INTERNATIONAL BUSINESS
(HONS)

UNIVERSITI TUNKU ABDUL RAHMAN

FACULTY OF ACCOUNTACY AND
MANAGEMENT
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BY

TEE WEN HUI

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Name of student:	Student ID:	Signature:
1. <u>Tee Wen Hui</u>	<u>17UKB06320</u>	_____

Date: _____

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LIST OF ABBREVIATIONS

SPSS Statistical Package for Social Science

PREFACE

Cosmetic has become intensively popular in many countries recently. Malaysia is a rising market for cosmetic industry especially the imported cosmetic brands and the industry is getting more attention by especially the females. The growth of trade volume of imported cosmetic brands in Malaysia increases gradually. As there are very few studies regarding the brand loyalty of imported cosmetic brands in Malaysian context, hence this study was conducted to study the brand loyalty of females towards imported cosmetic brands in Malaysia. The topic “Brand Loyalty Determinants of Imported Cosmetic Brands Among Females in Malaysia” was selected for this project. Key determinants (Brand Image, Price, Promotion, Trust and Perceived Quality) were being tested to find out the relationship with brand loyalty towards imported cosmetic brands. The results of findings are published in this project. I hope that this research project can provide a better understanding on the brand loyalty in imported cosmetic industry.

ABSTRACT

Cosmetics have increased demand from the society due to the changing environment. Recently, imported cosmetic brands become more popular in Malaysia due to the changing of trends. The hyper competitive environment in the cosmetic industry makes it a valuable area to study brand loyalty in especially imported cosmetic brands. Brand loyalty is one of the important aspects which is significant for the companies to sustain competitive advantages in the market. In this research, the relationship between brand loyalty and determinants of brand loyalty was studied, with special focus on brand image, price, promotion, trust and perceived quality. The purpose of this research is to identify the determinants that affects brand loyalty of imported cosmetic brands in Malaysia. The data for this research was collected through survey questionnaire. The target respondents are mainly females. The respondents are sampled using the convenience sampling method. 220 sets of data were collected after distributing survey questionnaire in Malaysia and various analyses were carried out using SPSS. This research showed that brand image, promotion, trust and perceived quality have significant relationship with brand loyalty of imported cosmetic brands. This project provides managerial and theoretical implications, as well as the recommendations in order to propose beneficial suggestions for future studies.

CHAPTER 1: RESEARCH OVERVIEW

1.0 Introduction

The research is conducted to examine the brand loyalty determinants of imported cosmetic brand among females in Malaysia. The details with respect to the research overview constitutes the chapter.

1.1 Research Background

Over past two decades, cosmetics product's market has become intensive popular among consumers all around the world. They show increasing attention to their body's appearances in the modern society as the body is the first and most visible place to be attended by others. This growing demand offers a good opportunity for cosmetic companies to promote their brands and increase their sales.

According to Association of Southeast Asian National (2014), cosmetic products are any substance placed human body to clean and perfume them, change the appearance or keep in a good condition. Cosmetics include various categories, such as skin care products, face masks, colored bases, deodorants, perfumes, hair care products, shaving products, products for putting on and removing make-up for whole face, products for teeth, mouth and nail, sunscreen products etc. (Nurhirza, 2017).

Cosmetic market grows rapidly in Malaysia. In 2015, Malaysia's total personal care and cosmetic trade amount was around US\$2.24 billion while over 50% of this

amount which is US\$1.13 billion was met in imports, in which the major exporters are South Korea, Japan, Spain, Italy, Australia, United States, France, New Zealand and Switzerland (Gerstle, 2016). Skin-care products have the largest market share with US\$292 million total import value, followed by cosmetics and toiletries with US\$109 million and skin-wash products valued at US\$104 million (Gerstle, 2016).

Malaysia's population is around 32.58 million while the population of female is 15.75 million which contribute to around half of the population (Department of Statistics Malaysia, 2019). Eventhough the usage of cosmetic product is increasing among both genders, but the dominant user is still female (Krishnan, Amira, Atilla, Syafawani, & Hafiz, 2017).

Consumers may consider buying back the same brand due to the relationship between them and the firms. The consumers' commitment to repurchase and the extent of fidelity of consumers to a brand is normally named as "brand loyalty" (Parmar, 2014). Obasan, Ariyo, & Hassan (2015) stressed that the companies profitability is positively affected by consumers' loyalty to the brands. As a result, brand loyalty is very importance to maintain or increase a firm's profit as loyal consumers will repurchase the products from same brand and even recommend the brand to their friends or family.

1.2 Problem Statement

The revenue in cosmetic industry amounts to US\$329 million in 2019 and is expected to have annual growth rate of 14.7% which results in market value of US\$569 million in 2023 (Statista, 2019). Cosmetics manage to have steady value growth due to the active launch of new brands (Euromonitor, 2019). Therefore, cosmetic industry is very competitive as there are exceed 60,000 types of cosmetics

products in Malaysia (Hassali, *et al.*, 2015). The brand competition among cosmetic firms is fierce. Hence, the cosmetic firms could face difficulties to approach new customers or even to retain existing customers which later resulting in lower customers' loyalty towards their brands.

In every business, revenue is the main key for a company to continue operating their business. For cosmetic industry, sales are generated from the consumers that buy their products while most of the sales come from loyal consumers. However, the company loses 13% of their consumer base annually shows competitive environment in the modern world (Chan & Mansori, 2016). It is very challenging for the foreign cosmetic firms to achieve merely 1% annual growth from both new and regular consumers.

Demand for local cosmetic brands is rising due to halal factor (Badarudin, 2018). According to Department of Statistics Malaysia (2018), approximate 70% of Malaysians are Muslims. They stress on natural ingredients as it is the fundamental step of halal certification for the cosmetic brands (Ayob, Awadh, Jafri, Jamshed, Ahmad, & Hadi, 2016). Therefore, from their perspectives, the local cosmetic brands are more reliable to use because the local cosmetic firms surely understand the wants of Malaysians more than foreign firms.

Many researchers in Malaysia have been focus on the brand loyalty towards cosmetic brands in general but little to none focus specifically on imported cosmetic brands. After the foreign cosmetic firms enter the Malaysian market, they may face difficulties to adapt to the unfamiliar environment. Hence, the foreign cosmetics firms could face the problems to hold the loyalty of consumers that have differences in culture.

1.3 Research Objectives

1.3.1 General Objective

The primary objective of this research is to identify the determinants that affect the brand loyalty towards imported cosmetic brands. This research is to study whether the determinants will influence the brand loyalty towards imported cosmetic brands among females in Malaysia.

1.3.2 Specific Objectives

1. To study the relationship between brand image and brand loyalty of imported cosmetic brands.
2. To study the relationship between price and brand loyalty of imported cosmetic brands.
3. To study the relationship between promotion and brand loyalty of imported cosmetic brands.
4. To study the relationship between trust and brand loyalty of imported cosmetic brands.
5. To study the relationship between perceived quality and brand loyalty of imported cosmetic brands.

1.4 Research Questions

1. How does brand image affect the brand loyalty of imported cosmetic brands?
2. How does price affect the brand loyalty of imported cosmetic brands?
3. How does promotion affect the brand loyalty of imported cosmetic brands?
4. How does trust affect the brand loyalty of imported cosmetic brands?
5. How does perceived quality affect the brand loyalty of imported cosmetic brands?

1.5 Research Significance

Since the competition among cosmetic brands is stiff and the demand for local brands is rising, this study aids the imported cosmetic brands to investigate the determinants that affect the brand loyalty which are brand image, price, promotion, trust and perceived quality. By knowing the determinants, the foreign cosmetic firms can focus on the determinants to gain competitive advantage in such competitive environment. Not only that, foreign firms can also specifically customize their products to fit locally in order to catch Malaysians' eyes. Therefore, the foreign firms can attract and retain consumers to buy and repurchase their products so that their sales can be increased.

Besides, with this study, the foreign cosmetic firms can identify the most common and important brand loyalty determinants, thus they are able to analyse the solidity of the determinants. The most influential determinant can be identified throughout this study. Subsequently, the foreign cosmetic firms can focus on the most influential determinant by designing appropriate and effective strategies to prevent losing consumer base. By holding consumer, the foreign firms can build relationship with the consumers to increase brand loyalty.

There are limited to none past research studies specifically on imported cosmetic industry in Malaysia. Thus, the researcher decided to take the opportunity to conduct this study to identify the determinants of brand loyalty towards imported cosmetic brands as the foreign firms could face many problems due to unfamiliar with Malaysia's culture.

1.6 Conclusion

In conclusion, this chapter presented the research background and the problem statement that lead to objectives and research questions are identified.

CHAPTER 2: LITERATURE REVIEW

2.0 Introduction

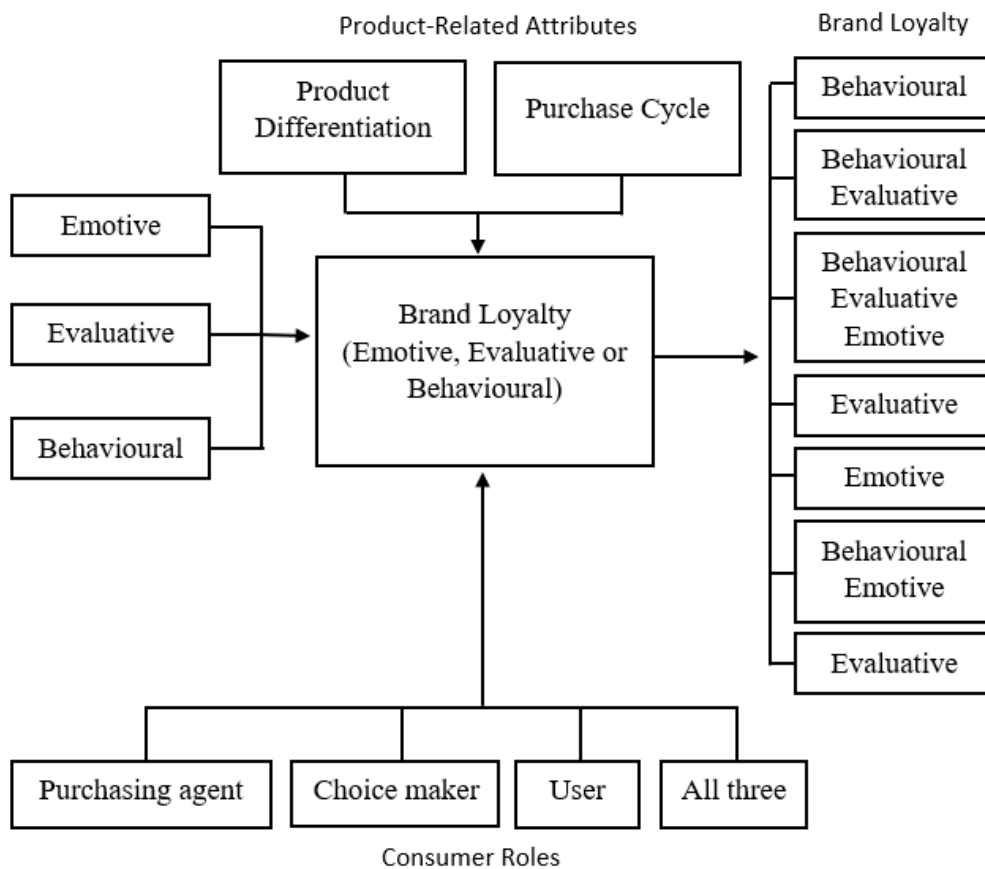
In this chapter, literature review will be discussed. This chapter starts with underlying theories followed by review of variables, proposed conceptual framework and hypotheses development of this research.

2.1 Underlying Theory

Theory of Multidimensional Brand Loyalty is established to describe brand loyalty as biased tendency that contains three tendencies (Sheth & Park, 1974). The first tendency as explained by Sheth & Park, is the emotive tendency which is the feelings that are presented more in favor of a brand, while the second is evaluative tendency where refers to the evaluation of the brand in positive way on a set of characteristics that defines the brand's utility. Sheth & Park stated that the instrumental, utilitarian attitudes and perceived instrumentality component are included in the evaluative tendency. They believed that the emotive tendency and evaluative tendency are learned from past experience with the brand. The independent variable that supported by evaluative tendency is the perceived quality. Sheth & Park suggested that the third dimension is behavioral tendency which refers to the favor-biased responses of consumers to the brand based on its purchase and usage activities. They summarized that behavioral tendency represents time and motion study of the consumers.

The seven types in this model are behavioral, behavioral-evaluative, behavioral-emotive, bahavioral-evaluative-emotive, evaluative, evaluative-emotive and the emotive brand loyalty. They also determined two categories of determinants of brand loyalty which are consumer-related and product-related attributes. All of the tendencies, types and determinants of brand loyalty are shown in Figure 2.1.

Figure 2.1: Theory of Multidimensional Brand Loyalty



Source: Sheth, J. N., & Park, C. W. (1974). A Theory of Multidimensional Brand Loyalty. In S. Ward, P. Wright, & A. Abor (Ed.), *Advances in Consumer Research* (pp. 449-459). Boston: Association For Consumer Research.

Based on Figure 2.1, the consumer-related attributes include four categories of roles of consumer which are the purchasing agent, choice maker, user and the combination of all three roles. The product-related attributes include the product differentiation and the purchase cycle. In this research, the researcher focusses on

the product differentiation to determine the determinants of brand loyalty. Product differentiation is the relevant variable to differentiate goods (Sheth & Park, 1974). The independent variables that supported by product differentiation are brand image, price, promotion and trust.

2.2 Review of Variables

2.2.1 Brand Loyalty

Reinartz & Kumar (2003) stated that brand loyalty impacts the company's business performance positively. Even small increase in consumer retention rate can results in bigger increase in net profits of a company (Guillén, Nielsen, Scheike, & Pérez-Marín, 2012). Brand loyalty is biased behavioral reaction conveyed gradually with time by few choice-making units over alternative brands regarding alternative brands out of a set of such brands. (Jacoby & Kyner, 1973). In another word, brand loyalty is deep-rooted commitment or attachment to repurchase a preferred brand continuously in the future (Oliver, 1999). Consequently, from both of the definition, brand loyalty can be classified into behavior and attitude of consumers. Attitudinal loyalty is the consumer's susceptibility of a brand (Jacoby & Chestnut, 1978). It explains a consumer's preference of a brand from alternatives (Jones & Taylor, 2007). It can be the commitment to a company which may not result in any purchase (Kumari & Patyal, 2017). Behavioral loyalty is expressed as the consumers' behavior to to rebuy a brand which can be evaluated and increases the sales volume (Sharp, Rundle-Thiele, & Dawes, 1997). It is the consumer behavior related to certain brand over time (Gremler & Brown, 1996). Baldinger & Rubinson (1996) believed that brand loyalty can be expressed by combining the behavioral with attitudes.

Hence, brand loyalty arises only when behavior is aid by the attitude. Besides, in the study of Rauyruen & Miller (2007), brand loyalty may due to the rational and emotional factors. The rational factor is the attributes of the products whereas emotion factor is the feeling of the consumers. According to Bagram & Khan (2012), rational factor play more crucial part in the consumers' loyalty compared to emotion factor.

Brand loyalty is the one of the fundamental concept for company to operate strategic marketing. Companies can achieve the profitability and compete with other brands with high brand loyalty (Reichheld, Markey, & Hopton, 2000). Most of the companies prefer selling with the greatest net profit. Therefore, it is very important to ascertain the determinants of brand loyalty. If the switching cost is high, consumers may be loyal because it is pricey for the consumer to switch to another brand (Khraim, 2011). Malik, Ghafoor, & Iqbal (2013) stressed that loyal consumers purchase a brand confidently based on their previous experiences without brand evaluation. Thus, consumers may loyal for the reason that they are satisfied with a certain brand (Fornell, 1992).

2.2.2 Brand Image

A brand image is an important factor in creating and maintaining good relationships (Alkhaldeh, Salleh, & Halim, 2016). Brand image is first impression that goes to consumers' mind when a brand is mentioned, therefore it often refers to brand associations (Chan & Mansori, 2016; Yoo & Donthu, 2001). Brand image is associations that normally organized in consumers' memory and serves as perceptions that may indicate the objective reality (Keller, 1993). Keller also stated that brand image influences purchase decision by helping consumers to bring back the information of brand at point of purchase. Brand image is also the

consumers' picture in their minds of the brand and it comprises representative values that consumers can link with the symbolic characteristics of the brand (Bibby, 2011). Brand image can be categorized as two dimensions, which are cognitive and affective aspects (Bianchi & Pike, 2010). The cognitive aspect is the estimation of characteristics of the brand whereas the affective aspect is the emotions or feelings towards the brand (Lin, Morais, Kerstetter, & Hou, 2007).

Brand image creates value to consumers (Aaker, 1991). Hence, a good brand image provides and enhances value of a brand by increasing its favorability and differentiating the brand from competitors (Hsieh, Pan, & Setiono, 2004). The outcome of likeable image drives to increased loyalty, equity, overall performance and consumer buying behavior, thereby providing the particular brand a competitive advantage (Alkhaldeh & Eneizan, 2018; Koo, 2003). Consumers mostly prefer brands with strong image when making purchase decision (Nikhashemi, Paim, Sidin, & Osman, 2013). Basically, consumers use brand image to arrange, process and evoke the data in their minds about the brand to lead purchase behavior (Lee, James, & Kim, 2014). As a result, a proper brand image is essential to clearly tell a company's goal and to differentiate its brand (Chan & Mansori, 2016).

2.2.3 Price

One of the first definition of price is the quantity of goods or money given or received in exchange for another good (Fetter, 1912). In another word, price is defined as what item is sacrificed in order to obtain another product in exchange (Ahtola & Olli, 1984). Price can be considered as the most significant consideration for most of the consumers (Cadogan & Foster, 2000). Price sometimes forces consumers switch to other brands as the price is out of his or her budget. Consumers have strong opinion in the price and

value of the brands as they will compare the prices with others (Keller, 2003). By comparing price with perceived value and cost, consumers' satisfaction can be built and thus will purchase the product if the perceived value is over perceived cost (Khraim, 2011).

Price is factor for the consumers to purchase either local or imported products in Malaysia (Ong, Kitchen, & Chew, 2010). Loyal consumers are willing to pay higher price for favorable brands to avoid risk of changes (Khraim, 2011; Yoon & Kim, 2000). Therefore, the consumers' intention to purchase is not influenced by price as the consumers become less price sensitive. Loyalty discourages consumers from comparing the price with other brands. In contrast, consumers with low brand loyalty will switch to other brands with lower price. Consumers with high price conscious is likely to change to purchase another brand with lower price. Price consciousness is finding and buying the lowest price products (Sproles & Kendall, 1986). It is the consumers' "unwillingness" to pay for a higher price and "exclusive focus" on lower price products (Lichtenstein, Ridgway, & Netemeyer, 1993). Price conscious consumers has lower brand loyalty as they will change their buying decision whenever there is a lower price brand, in which they are not willing to build relationship with only a brand.

2.2.4 Promotion

Promotion is a crucial element in marketing strategy in which to communicate with consumers with respect to offers or discounts (Clow, 2010). Promotion is defined as a marketing activity to inform or persuade consumers about the value of given brand for the purpose of attracting consumers to purchasing the products or service under the brand (Bamigboye, 2001).

The role of promotion is to run the exchange of informing and encouraging the target groups to accept a particular brand by communicating with individuals and groups (Novak, 2011). Advertising is presenting information about a certain brand in mass media, where it significantly affects the consumers' attitudes, images and beliefs to brands and also influences the purchasing behavior (Lovelock, 2010). Thus, Lovelock stated that promotion through advertising helps to set up ideas in the consumers' minds and to differentiate brands from other brands. Advertising is a strong tool to deliver values of brand and it is commonly used by the companies in order to hit sales by telling the consumers about a whole new or upgraded products (Chernatony, 2010). In Malaysia, the promotion in local magazines and the advertising in the international magazines increase the popularity of American and European cosmetic brands among Malaysian (Hassali, *et al.*, 2015).

Sales promotion is used by companies to support advertising and publicity activities to target the consumers (Khraim, 2011). Publicity is a tool of public relations which means the non-personal stimulation of demand for products of a brand by putting news in mass medias that are not funded by the company (Novak, 2011). Advertising, sales promotions and publicity are focusing more on creating awareness of new brands to the consumers. However, the personal selling is two-way flow of communication between the sellers and buyers which is an individualistic approach dealing with the consumers on individual basis (Adesoga, 2016).

2.2.5 Trust

Trust is the perceived trust that the consumers have towards a brand (Chaudhuri & Holbrook, 2001). Trust is also the consumers' willingness to count on the capability of a brand to perform and achieve its stated functions

(Moorman, Deshpandé, & Zaltman, 1993). Trust shows how much a consumer depends on the brand to deliver to its promises (Soomro, 2019). Doney & Cannon (1997) stressed that brand trust involves an assumption regarding the kindness of the company to perform in the best interest of the consumers based on shared targets, goals and values. Brand trust occurs after consumers' assessment of companies' offerings (Kabadayi & Alan, 2012). Doney & Cannon also pointed out that if the beliefs of brands' honesty and reliability delivered to consumers are provided by companies, the brand trust will be created. To build trust, it is very important for the consumers to grab and evaluate the information of the brand (Ahmed, Rizwan, Ahmad, & Haq, 2014). Trust is more obvious when uncertainties, fear of opportunism and information asymmetry occur (Chiu, Huang, & Yen, 2010). Accordingly, the role of trust is to minimize the uncertainties, fear of opportunism and information asymmetry as well as to make consumers feel good and cosy with the brand (Pavlou, Liang, & Xue, 2007).

For the purpose of creating and boosting consumers' trust towards a certain brand, companies need to create and deliver values to consumers. There are two values which are utilitarian and hedonic values (Babin, Darden, & Griffin, 1994). Utilitarian value is that consumers receive from the performance of product their purchased (Babin, *et al.*, 1994). Hedonic value is value that consumers receive in terms of abstract experiences of pleasure (Holbrook & Hirschman, 1982). Therefore, the companies should make the consumers to realize that the utilitarian and hedonic values of the brand in gain brand trust from them (Carroll & Ahuvia, 2006).

2.2.6 Perceived Quality

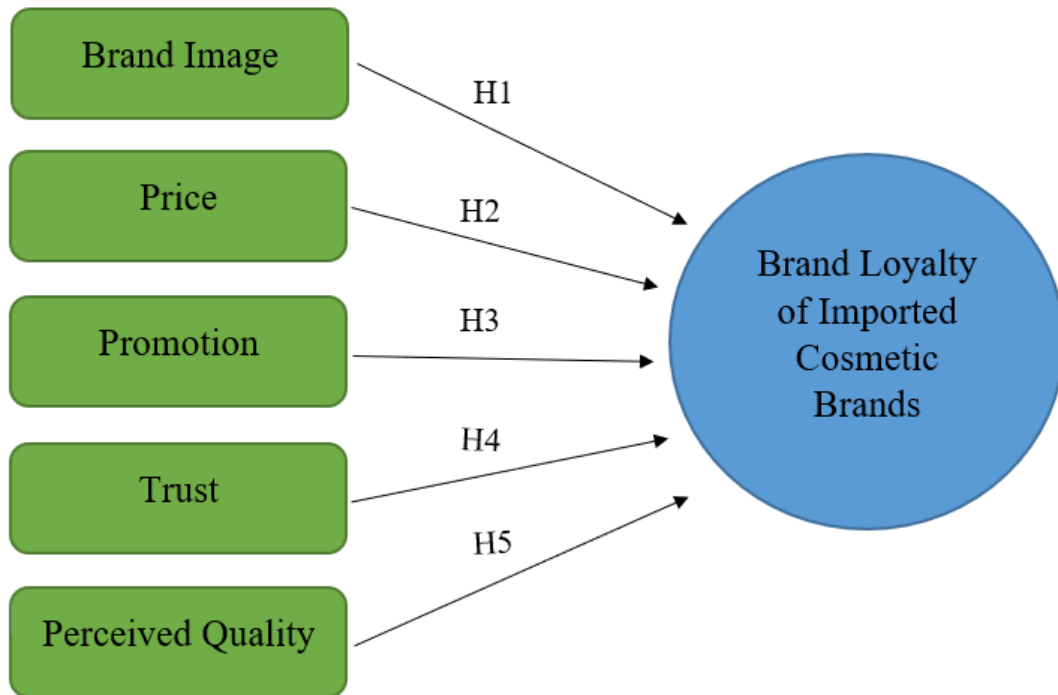
Perceived quality is the consumers' judgement of the superiority of a brand and overall judgement in relation to the aspects of brand values (Zeithaml,

1988; Aaker & Jacobson, 1994). It also refers to attitude of comparison between consumers' expectations and actual performance (Parasuraman, Zeithaml, & Berry, 1985). In point of view of consumers, the perceived quality is the assessment of the current performance of the firms and such action tends to affect consumers' behavioral intentions and attitudes positively in relation to the suppliers (Anderson, Fornel, & Lehmann, 1994). The perceived quality is in fact, an abstract construct in which presenting differences with regards to the objective quality of a brand (Souki & Filho, 2008). The objective quality is to measure the observed features and characteristics, as the number of defects, the price or the durability of a brand (Garvin, 1983). However, the perceived quality is more on relating to a subjective judgement from the consumers instead of objective attributes of the brand (Zeithaml, 1988).

Nowadays, the consumers' perception about a brand is important aspect under consideration of marketers. Perceived quality is one of the primary variables for the companies to get competitive advantages against competitors (Baker & Fesenmaier, 1997). Due to this reason, the companies should concern with the quality perceived by consumers in order to survive and to stand up in a competitive environment (Souki & Filho, 2008). The companies can create the consumers' perception towards brand quality through advertising, publicity, social media and others (Ahmed, *et al.*, 2014). Perceived quality also brings value to purchasing decision (Low & Lamb, 2000). Perceived quality adds value to consumers and leads them to buy the brand in which it is a crucial point of differentiation (Balaji, 2011).

2.3 Proposed Conceptual Framework

Figure 2.2: Proposed Conceptual Framework



Source: Developed for the research

Figure 2.2 above shows the proposed framework that used in this research. In this research, the independent variables such as brand image, price, promotion, trust and perceived quality are determined whether they would be influential determinants that affect the brand loyalty of imported cosmetic brands.

2.4 Hypotheses Development

2.4.1 Relationship Between Brand Image and Brand Loyalty

There are many past studies which identifying whether brand image has influence on brand loyalty. The research of Andreani, Taniaji, & Puspitasari (2012) showed that brand loyalty is influenced by brand image significantly. Another research from Sondoh, Omar, Wahid, Ismail, & Harun (2007) stated that brand image affects brand loyalty significantly. A prior study concluded that brand image has significant positive effect on loyalty and purchase intentions (Brunner, Stöcklin, & Opwis, 2008). Not only that, few past studies reaffirmed significant positive relationship between brand image and brand loyalty (Souiden & Pons, 2009; Saeed, *et al.*, 2013).

Few studies declared that brand image has insignificant relationship with brand loyalty. Past researches concluded brand image does not has a significant relationship with brand loyalty (Zhang, Fu, Cai, & Lu, 2014; Ramaseshan, Rabbanee, & Hui, 2013). The following hypothesis is proposed:

H₁: There is significant relationship between brand image and brand loyalty of imported cosmetic brands.

2.4.2 Relationship Between Price and Brand Loyalty

Price is important in affecting consumers decisions in developing loyalty with certain brand (Anuwichanont, 2011). Moisescu & Allen (2010) conducted a research to learn the relationship among the brand loyalty and its five aspects, one of the five aspects is the price. Wong & Sidek (2008) studied the relationship between the determinant of brand loyalty such as price with brand loyalty in Malaysia. Dhurup, Mafini, & Dumasi (2014) Past researchers studied the association between price and brand loyalty and the result revealed a significant positive relationship between price and brand loyalty (Dhurup, Mafini, & Dumasi, 2014; Akhtar, Ahmed, Jafar, Rizwan, & Nawaz, 2016). Study of Khraim (2011), the findings showed that the price has positive impact on brand loyalty in which the consumers with high brand loyalty are not price-sensitive, so that the consumer will repurchase the same brand even with high price.

There are some researchers who stress the insignificant relationship between price and brand loyalty. Based on the study of Pratama & Suprpto (2017), the result showed that price does not significantly impact on brand loyalty. According to Lee & Murphy (2005), price is one of the top switching factors that would influence consumers to switch to another brand, which is lower brand loyalty. Few past studies concluded that price is positively associated with brand switching, which stated that price has negative influence on brand loyalty (Afzal, et al., 2013; Awan, Nadeem, & Faisal, 2016). Anyhow, majority have found out that there is positive relationship between price and brand loyalty. Therefore, the hypothesis is proposed as follow:

H₂: There is significant relationship between price and brand loyalty of imported cosmetic brands.

2.4.3 Relationship Between Promotion and Brand Loyalty

Promotion is very important to not only tell consumers about new offers but also helps firms in increasing consumers' loyalty as well as triggers brand switching behavior among consumers to the firm's brand (Kim, Park, & Jeong, 2004). Hence, promotion has both positive and negative effects on brand loyalty. Past studies showed that promotion plays important role in affecting consumers to be brand loyal consumers and exhibited a positive relationship between promotion and brand loyalty (Khraim, 2011; Shaharudin, et al., 2010; Palazón-Vidal & Delgado-Ballester, 2005). This emphasis then supports the findings of Yoo, Donthu, & Lee (2000) study in which stated that brand association is positive to brand loyalty.

Mendez, Bendixen, Abratt, Yurova, & O'Leary (2015) Past researches suggested that promotion has some latent negative effects such as high price sensitivity which results in decreasing brand loyalty (Mendez, Bendixen, Abratt, Yurova, & O'Leary, 2015; Papatla & Krishnamurthi, 1996). They stressed that when consumers' price-sensitivity increases, their brand loyalty decreases while brands use price promotion. Since most of the studies show promotion has a positive relation to brand loyalty, the following hypothesis is proposed:

H₃: There is significant relationship between promotion and brand loyalty of imported cosmetic brands.

2.4.4 Relationship Between Trust and Brand Loyalty

According to Morgan & Hunt (1994), trust is a crucial element in increasing brand loyalty. Many researchers have studied the relationship between trust and brand loyalty and said that trust is the most important determinant of brand loyalty (Aydin & Özer, 2005; Dehdashti, Kenari, & Bakhshizadeh, 2012; Rubio, Villaseñor, & Yagüe, 2017). Based on the study of Delgado-Ballester, Munuera-Aleman, & Yague-Guillen (2003), trust impacts directly and positively on brand loyalty. Consequently, consumers with high brand trust are ready to stay loyal to a certain brand (Mabkhot, Shaari, & Salleh, 2017). Study of Lee, Moon, Kim, & Mun (2015) found out that brand trust is positively towards brand loyalty through investigating simplicity and interactivity on usability in South Korea.

In contrast, there are few scholars found out that trust has insignificant effect on brand loyalty. A study of Soomro (2019) rejected his/her hypothesis of “The Brand Trust has a positive relation to Brand Loyalty” which showed an insignificant relationship between trust and brand loyalty. Majority of the past studies are concluding brand trust has positive relation to brand loyalty, therefore the hypothesis is proposed as following:

H4: There is significant relationship between trust and brand loyalty of imported cosmetic brands.

2.4.5 Relationship Between Perceived Quality and Brand Loyalty

Many past studies observed that there is notable effect of brand quality on brand loyalty (Chen & Tseng, 2010; Bagram & Khan, 2012). Yee & Sidek (2008) distributed and tested on 100 participants and demonstrated a positive connection between loyalty and quality in Malaysia. Besides that, few researches aimed to study the role of perceived quality in building consumers' brand loyalty and showed that perceived quality has a favorable impact on brand loyalty (Erdoğan & Büdeyri-Turan, 2012; Rasheed & Anser, 2017). The results obtained in the study of Alhaddad (2015) concluded that perceived quality has significant positive affect on both brand image and brand loyalty.

On the contrary, Boo, Busser, & Baloglu (2009) found no significant influence of brand quality and brand image on loyalty. Also, Liu, Liu, & Lin (2013) revealed that brand quality is not significant related to brand loyalty. Based on a prior study conducted by Kinuthia, Keren, Burugu, Muthomi, & Mwihaki (2012), the result showed that quality is negatively associated with brand loyalty. Based on the arguments above, the hypothesis is proposed as follows:

H₅: There is significant relationship between perceived quality and brand loyalty of imported cosmetic brands.

2.5 Conclusion

In this chapter, the variables derived from past researches are discussed to establish proposed conceptual framework of this research. The relationships between each independent variable (brand image, price, promotion, trust and perceived quality) with dependent variable (brand loyalty) are investigated and the hypotheses are developed based on the discussions.

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CHAPTER 3: METHODOLOGY

3.0 Introduction

This chapter will discuss on the methodology used in this research which consists of research and sampling designs, data collection methods, instrument of research and proposed data analysis tools.

3.1 Research Design

3.1.1 Quantitative Research

According to Aliaga & Gunderson (2002), quantitative research is described as a research method that explaining an issue or a phenomenon through collecting data in numerical form and analyzing the data using mathematical methods or statistics. It allows the collected data to be quantified and put into statistical analysis to support alternative knowledge claims (Williams, 2007). This research has been chosen in conducting this research to examine the impact of brand image, price, promotion, trust and perceived quality on brand loyalty towards imported cosmetic brands as this research method provides information through numerical data which allows researcher to better understand of which daterminants have the most important effect on brand loyalty of imported cosmetic brands.

3.1.2 Descriptive Research

The definition or purpose of descriptive research is discovering and describing the relationships or associations between selected variables (Woods & Catanzaro, 1988). This study is a descriptive research as this research finds out the brand loyalty determinants of imported cosmetic brands in Malaysia. This research allow researcher to explore, evaluate and explain the relationship between independent variables and dependent variables.

3.1.3 Causal Research

Causal research aims to determine cause and effect, thus involving one or more independent variables and their associations with one or multiple dependent variables (Oppewal, 2010). Since this research is investigating whether the independent variables will have impact on brand loyalty, it is categorized as causal research.

3.2 Sampling Design

3.2.1 Target Population

In the research, target population will be the imported cosmetics consumers aged above 18, while gender is a controllable variable which means only

female adults are targeted. Only female gender is targeted because based on the study of Krishnan, *et al.* (2017), females are found to be more interested in cosmetics as compared to males. This outcome is supported by Hassali, *et al.* (2015) as they stated that females show greater importance on personal grooming. Adults are independent, self-sufficient and have mature thinking (Wood, *et al.*, 2018). Thus, they are considered to have better understanding and own opinion on the imported cosmetic brands.

3.2.2 Sampling Frame and Sampling Location

Sampling frame is all of the element from the sample drawn from the target population, every unit has equal probability to be selected as respondents (Zikmund & Babin, 2010). However, since non-probability sampling is chosen, therefore there is no sampling frame available for this study.

This research is conducted in whole Malaysia. Total 250 questionnaires were distributed to females who had used imported cosmetic products. The total population in of females in Malaysia is around 15.75 million (Department of Statistics Malaysia, 2019). Therefore, there are huge number of female respondents available to provide reliable information on imported cosmetic brands leads the researcher to choose Malaysia as the location to collect sample.

3.2.3 Sampling Elements

The sampling element focuses on individual who are qualified to be in the target population. The questionnaires will be distributed to the individuals and answered individually.

3.2.4 Sampling Technique

Non-probability technique is chosen in this research where the samples are selected based on their own opinion or convenience and the probability of the unit selected is unknown (Zikmund & Babin, 2010). Among all non-probability techniques, convenience sampling has been used. Convenience sampling is a sampling where the units of target population who are easy accessible (Dörnyei, 2007). Using convenience sampling allows the researcher to obtain data in less time-consuming and less expensive ways in order to save time and cost.

3.2.5 Sampling Size

According to Green (1991), a proposed formula of $N=50+8m$, In which N is the minimum number of questionnaire and m is the number of independent variables, is to used calculate the minumum number of questionnaires that should be distributed. In this study, the number of independent variables is 5, thus the minimum sample size needed will be $50+8(5)=90$. Therefore in order to comply with the theory, a total number of 250 questionnaires were distributed to the target population.

3.3 Data Collection Method

3.3.1 Primary Data

In the research, the questionnaires method has been chosen to collect primary data as it is simple and reliable. The questionnaires are distributed randomly to the qualified participants that used imported cosmetic brands through softcopies in Google Form.

3.4 Research Instrument

3.4.1 Questionnaire Design

Self-administered questionnaire is done through structured question and will be conduct on internet through Google Form. The language used to design the questionnaires is English as it is the appropriate language to communicate to respondents. The questionnaires used only one open-ended question which is age and the rest are close-ended questions that provide several alternative answers. The questionnaires adopted for this research are made up of three parts.

Part A focuses on the demographic information, which consists of 5 questions regarding the demographic information of the respondents' age, race, relationship status, income/allowance per month and occupation status.

With this information, the researcher can classify the respondents and understand them more accurately and properly. Part B is general information of the respondents which consists of 5 questions which are the general information about the consumers' usage and knowledge of imported cosmetic brands. Part C is the construct measurement which relates to the brand image, price, promotion, trust and perceived quality and brand loyalty. 27 questions relate to both variables in this study are constructed. Respondents are required to provide their opinions based on the questions. Five-point Likert scale (1-Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree) is used in this part to evaluate the degree of agreement of the respondents on the variables.

3.4.2 Pilot Testing

Pilot test has been conducted to ensure the accuracy and reliability as well as to find potential problems in the questionnaire and correct it (Saunders, Lewis, & Thornhill, 2010; Pratt & Gau, 2008). According to Isaac & Michael (1995), the best sample size for pilot test is in between 10 to 30 respondents and the respondents are required to provide feedback. 30 copies of questionnaire were distributed face-to-face for easier collection of feedback in the research. After conducting pilot test, some amendments have been done such as restructure of questions, additional options for questions, providing examples for the ease of understanding and changing the format of age question. The Cronbach's Alpha is to test whether the data is reliable.

Table 3.1: Reliability Analysis of Pilot Test

Variables	Number of Items	Cronbach's Alpha Value	Results of Reliability
Brand Image	4	0.860	Very Good
Price	4	0.821	Very Good
Promotion	4	0.812	Very Good
Trust	5	0.814	Very Good
Perceived Quality	4	0.821	Very Good
Brand Loyalty	6	0.834	Very Good

Source: Developed for the research

Based on Table 3.1, all of the Cronbach's Alpha value for all variables are above 0.81 which are adequate in this research. Therefore, no question were dropped from the pilot test.

3.5 Construct Measurement

3.5.1 Measurement Scale

3.5.1.1 Nominal Scale

For this research, nominal scale is used for 3 questions in Part A which are race, relationship status and occupation status. Not only that, the questions

“have you ever used imported/foreign cosmetic brands? If yes, please state your preferred brand”, “how do you know about your preferred brand?” and “please state the place you purchase the imported cosmetic product” in Part B are also nominal scale. Nominal scale is used for a total of 6 questions because the value of items cannot be measured numerically.

3.5.1.2 Ordinal Scale

In Part A, ordinal scale is used for the income level question, while in Part B, the question asking on the frequency of buying imported brand and monthly spending on imported cosmetic brands use ordinal scale as the items of the questions are non-metric and arranged in increasing order. According to Wu & Leung (2017), Likert scale cannot perform calculations therefore it is an ordinal scale. The questionnaires in Part C uses the ordinal scale where the scales provided are 1 to 5 which indicate Strongly Disagree, Disagree, Neutral, Agree and Strongly Agree. Using interval scale can evaluate the intensity of the relationship between the items of each variable.

3.5.1.3 Ratio Scale

There is only one question uses ratio scale which is age question in Part A.

3.5.2 Origins of Constructs

Table 3.2: Origins of Constructs

Constructs	Sources
Brand Image	Chan & Mansori (2016)
Price	Chan & Mansori (2016) Khraim (2011)
Promotion	Chan & Mansori (2016)
Trust	Chaudhuri & Holbrook (2001)
Perceived Quality	Yoo, Donthu, & Lee (2000)
Brand Loyalty	Ji & Wood (2007)

Source: Developed for the research

Past survey instruments from several literature had been adopted for the construct of questionnaire. The origins of the constructs are shown in Table 3.1.

3.6 Data Processing

3.6.1 Questionnaire Checking

This process is to ensure that the quality of the items of questionnaires and the data collected after distribution of questionnaires. All data are checked carefully and repeatedly in order to find mistake or error made.

3.6.2 Data Editing

This process involves editing and correcting errors found in the questionnaires. To increase the accuracy and consistency of the data, the raw data will be edited first if there is any error.

3.6.3 Data Coding

In this process, a number will be assigned to every data so that the data is clearer to the researcher. For instance, in the Part C of the questionnaire, the scale from “strongly disagree” to “strongly agree” is decoded from 1-5.

3.6.4 Data Transcribing

The data collected will be transcribed by the researcher into the computer. In this research, the data will be keyed-into Statistical Project of Social Science (SPSS) 23.0 software to conduct the data analysis.

3.6.5 Data Cleaning

By using SPSS, any ambiguous data will be detected, and the data will be replaced, modified or deleted to ensure the consistency of the data collected.

3.7 Proposed Data Analysis Tools

3.7.1 SPSS

The function of SPSS version 23 is to analyze the data collected as it aids in quantitative data analysis in an efficient way. Besides, SPSS is also used to generate information into tables and graphs as it can manage large amount of data and perform the analyses in short time.

3.7.2 Descriptive Analysis

Descriptive analysis is used to describe the raw data collected from the survey questionnaires of 220 respondents to interpret the input data in a meaningful way. It also presents the data using frequency distribution; measures of dispersion, central tendency and shape. It will be used to present the demographic information (age, race, relationship status, income/allowance per month and occupation status) and the general information (preferred brand, source of knowing preferred brand, the frequency, monthly spending and place to purchase the preferred brand) of the respondents.

3.7.3 Scale Measurement

3.7.3.1 Reliability Test

Cronbach's Alpha determines the reliability and validity of the six constructs which are brand image, price, promotion, trust and perceived quality and brand loyalty of imported cosmetic brands. Reliability is a measure of internal consistency (Saunders, *et al.*, 2009). The internal consistency shows the homogeneity of the measure which ranges between 0-1, the higher the value shows higher the internal consistency (Sekaran & Bougie, 2009).

Table 3.3: Range of Cronbach's Alpha Coefficient Size

Cronbach Coefficient Alpha (α)	Indication
<0.60	Poor
0.61-0.70	Fair
0.71-0.80	Good
0.81-0.95	Very good

Source: Zikmund, W. G., Babin, B. J., Carr, J. C., & Griffin, M. (2010). *Business research methods* (8th ed.). Ohio: South Western.

According to Cortina (1993), an alpha of 0.70 is acceptable but 0.80 or greater is preferred. Therefore, the cut point of Cronbach's Alpha in this research is 0.80 which means that the result is reliable and consistent with an alpha of 0.80 and above.

3.7.4 Inferential Analysis

3.7.4.1 Chi-Square Test of Independence (χ^2 Test)

According to Mchugh (2013), the χ^2 test is non-parametric statistic for testing hypotheses of non-metric datas and consists of two variables. Since the construct measurements are ordinal scale, χ^2 will be used to identify the significant predictor of brand loyalty from brand image, price, promotion, trust and perceived quality. There are five independent variables in this research, each variable will be tested individually towards dependent variable.

According to Cramer & Howitt (2004), the level of rejecting the null hypothesis is usually set as 5 or lesser out of 100. Thus, the research adopts this rule of thumb of p-value in all the inferential analysis in this research. Thus, if the p-value is less than 0.05, the hypothesis will be accepted, which shows that there are significant relationship between the independent variables and dependent variable.

3.7.4.2 Spearman's Rank Correlation Coefficient (Spearman's rho)

Spearman's rho is a non-parametric that measures the relationship between variables, using ranked data to calculate the correlation (Rebekić, Lončarić, Petrović, & Marić, 2015). Since ordinal data is ranked data, Spearman's rho is used to identify the positive or

negative relationship between independent variables and dependent variable. Spearman coefficient ranges from -1 to +1, where -1 shows perfect negative relationship, +1 shows perfect positive relationship and 0 shows perfect monotonic relationship (Schober, Boer, & Schewarte, 2018).

Table 3.4: Interpretation of Correlation Coefficient

Correlation Coefficient	Interpretation
Values between 0 and ± 0.3	Weak relationship
Values between ± 0.3 and ± 0.7	Moderate relationship
Values between ± 0.7 and ± 1.0	Strong relationship

Source: Ratner, B. (2009). The correlation coefficient: Its values range between +1/-1, or do they? *Journal of Targeting, Measurement and Analysis for Marketing*, 17(2), 139-142.
doi:<https://doi.org/10.1057/jt.2009.5>

3.8 Conclusion

This chapter discussed the research methodologies used in this research. A summary of research and sampling designs, data collection methods, research instrument, construct measurements, data processing and proposed data analysis tools were discussed in this chapter.

CHAPTER 4: DATA ANALYSIS

4.0 Introduction

This chapter describe in detail the analyses of the results generated by SPSS version 23 which are connecting to research questions and hypotheses proposed.

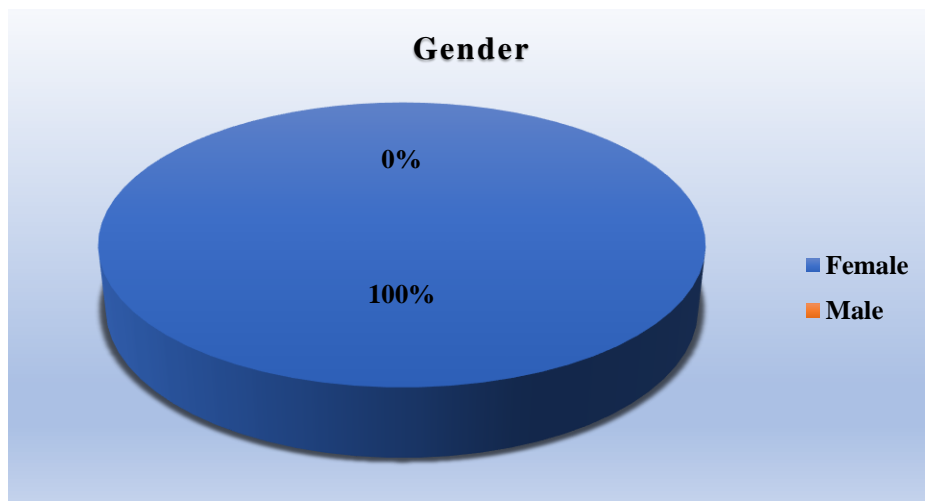
4.1 Survey Response Analysis

The surveys were distributed randomly through convenience sampling method. 250 surveys are collected in total in Malaysia. All questionnaires collected are filled completely and only 220 sets of surveys are valid.

4.2 Descriptive Analysis

4.2.1 Respondents' Demographic Profile

Figure 4.1: Gender of the Respondents



Source: Developed for the research

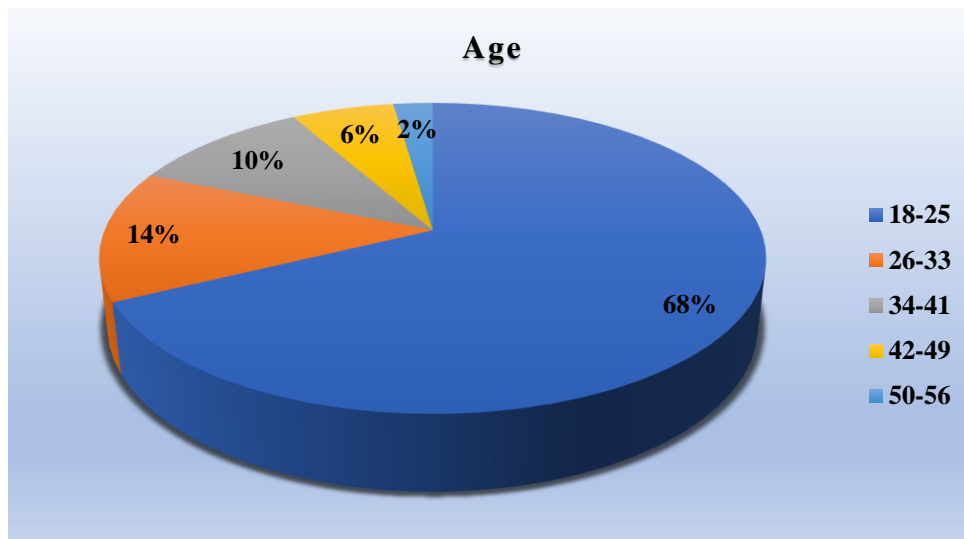
Table 4.1: Gender of the Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	220	100.0	100.0	100.0
	Total	220	100.0	100.0	100.0

Source: Developed for the research

Figure 4.1 and Table 4.1 show the gender of the respondents. All of the 220 respondents are females which consists of 100%.

Figure 4.2: Age of the Respondents



Source: Developed for the research

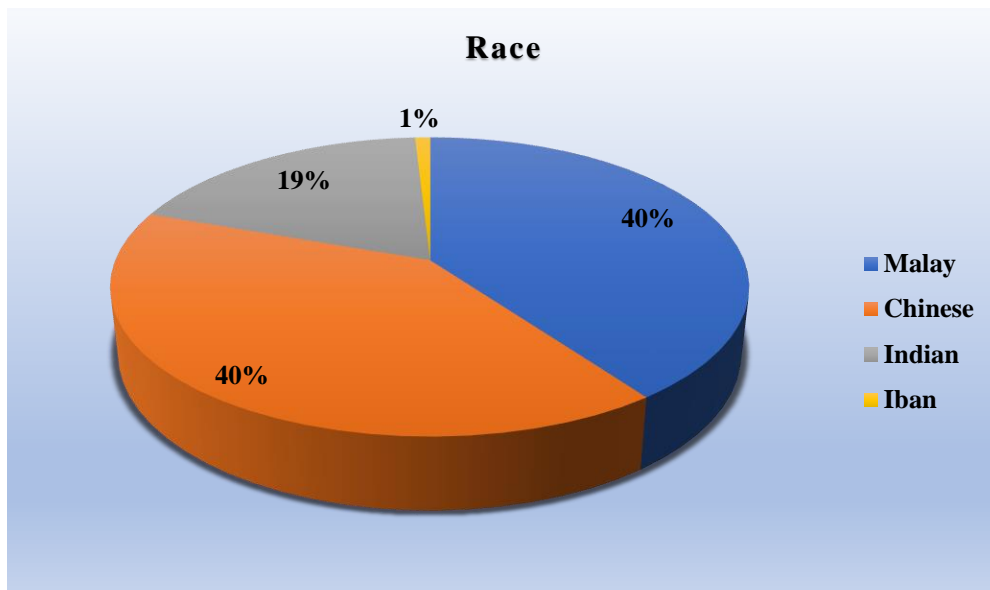
Table 4.2: Age of the Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25	149	67.7	67.7	67.7
	26-33	30	13.6	13.6	81.4
	34-41	23	10.5	10.5	91.8
	42-49	13	5.9	5.9	97.7
	50-56	5	2.3	2.3	100.0
	Total	220	100.0	100.0	

Source: Developed for the research

According to Figure 4.2 and Table 4.2, majority respondents aged from 18-25 which is 67.7%, followed by 13.6% for the age group between 26-33 years old, 10.5% for 34-41 age group, 5.9% for 42-49 age group, and the 50-56 age group that carries 2.3%.

Figure 4.3: Race of the Respondents



Source: Developed for the research

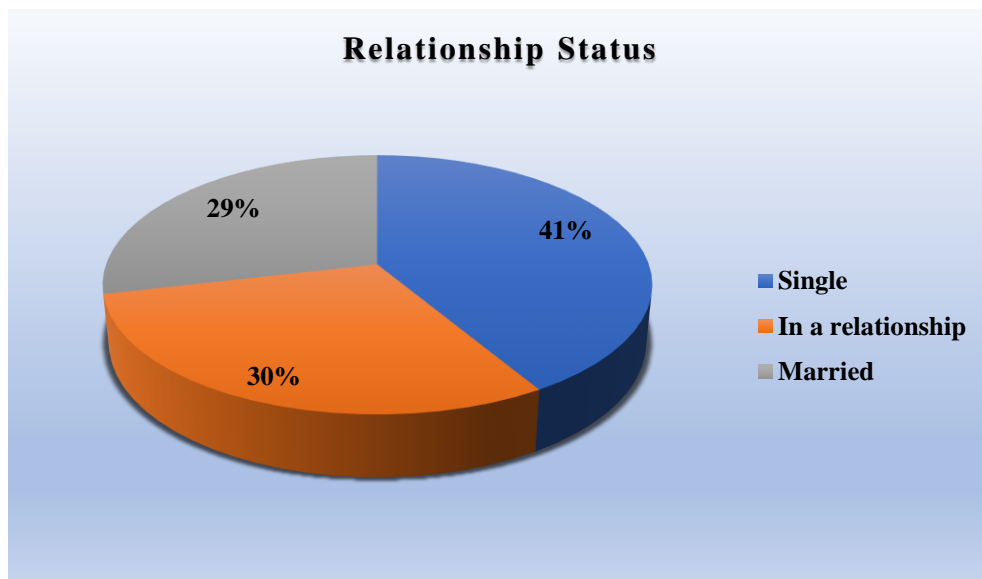
Table 4.3: Race of the Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Malay	88	40.0	40.0	40.0
Chinese	89	40.5	40.5	80.5
Indian	41	18.6	18.6	99.1
Others	2	.9	.9	100.0
Total	220	100.0	100.0	

Source: Developed for the research

Based on Figure 4.3 and Table 4.3, out of 220 respondents, the majority respondents are Chinese and Malay which consists of 40.5% and 40.0% respectively. Indian respondents contribute 18.6% of the respondents and followed by other races with 0.9%.

Figure 4.4: Relationship Status of Respondents



Source: Developed for the research

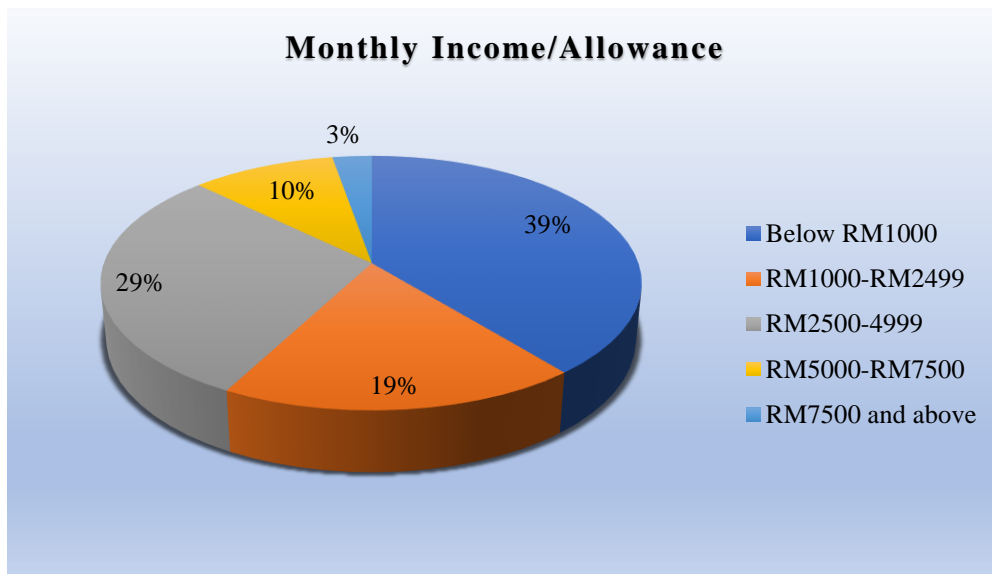
Table 4.4: Relationship Status of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Single	91	41.4	41.4	41.4
In a relationship	66	30.0	30.0	71.4
Married	63	28.6	28.6	100.0
Total	220	100.0	100.0	

Source: Developed for the research

Figure 4.4 and Table 4.4 shows the relationship status of the respondents. Most of the respondents is single (41.4%), followed by respondents that in a relationship (30.0%). The remaining 28.6% is from the respondents who are married.

Figure 4.5: Monthly Income/Allowance of Respondents



Source: Developed for the research

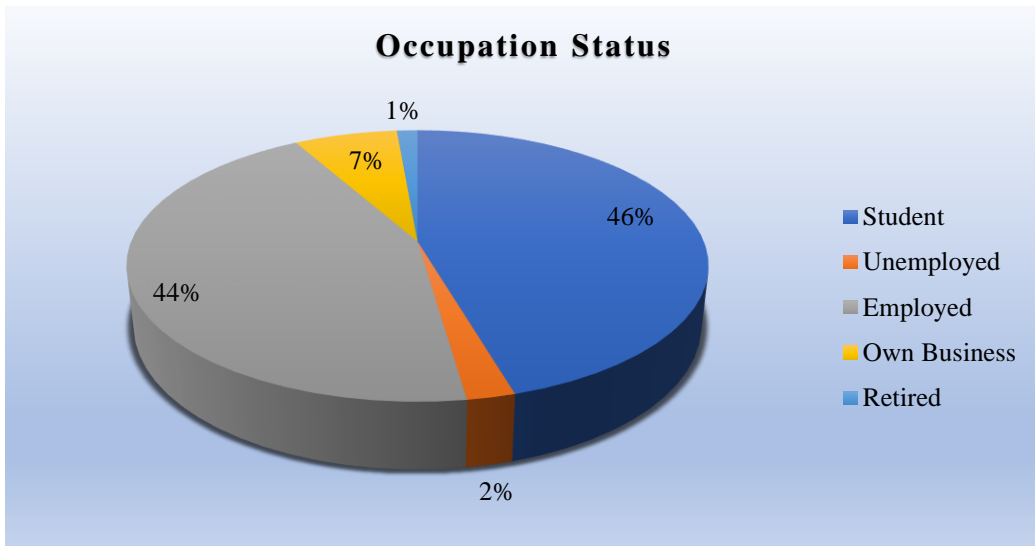
Table 4.5: Monthly Income/Allowance of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Below RM1000	86	39.1	39.1	39.1
RM1000-RM2499	41	18.6	18.6	57.7
RM2500-RM4999	65	29.5	29.5	87.3
RM5000-RM7499	22	10.0	10.0	97.3
RM7500 and above	6	2.7	2.7	100.0
Total	220	100.0	100.0	

Source: Developed for the research

According to Figure 4.5 and Table 4.5, majority of the respondents' monthly income are below RM1000 which consists of 39.1% while 29.5% of the respondents earn RM2500-RM4999 per month. Next, 18.6% of the respondents falls into the range of RM1000-RM2499, 10.0% of the respondents falls into the range of RM5000-RM7499 and only 2.7% of respondents have RM7500 and above of monthly income.

Figure 4.6: Occupation Status of Respondents



Source: Developed for the research

Table 4.6: Occupation Status of Respondents

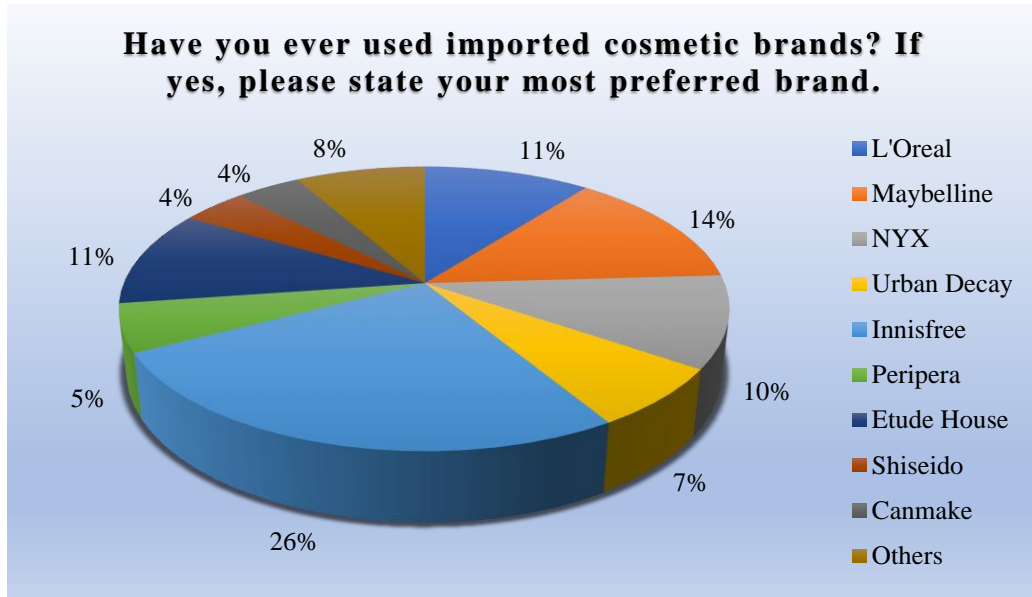
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Student	100	45.5	45.5	45.5
Unemployed	5	2.3	2.3	47.7
Employed	97	44.1	44.1	91.8
Own Business	15	6.8	6.8	98.6
Retired	3	1.4	1.4	100.0
Total	220	100.0	100.0	

Source: Developed for the research

As shown in Figure 4.6 and Table 4.6, most of the respondents are students, which made up of 45.5% of 220 respondents, followed by respondents that are employed with 44.1%, respondents with own business which comprises 6.8%, respondents that are unemployed with 2.3% and the remaining 1.4% are retiree.

4.2.2 Respondents' General Information

Figure 4.7: Preferred Brand of Respondents



Source: Developed for the research

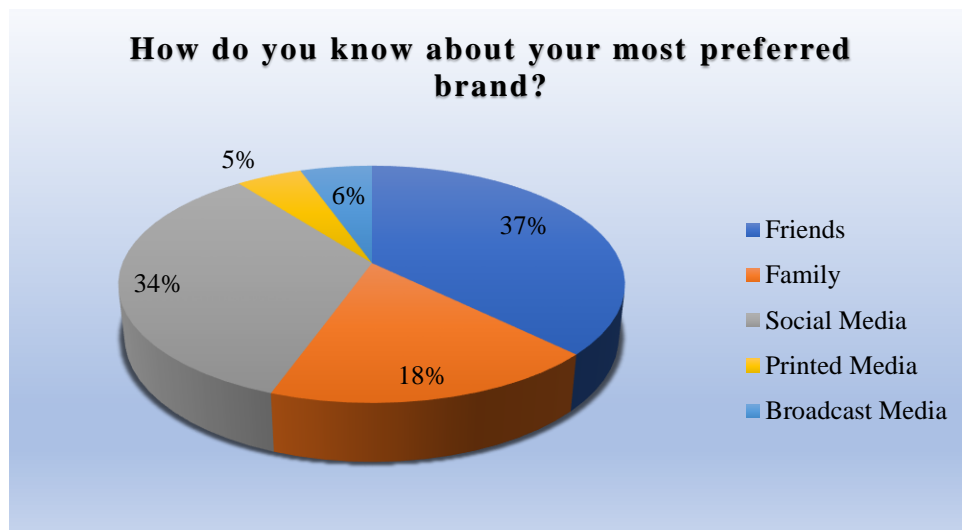
Table 4.7: Preferred Brand of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid L'Oreal	23	10.5	10.5	10.5
Maybelline	30	13.6	13.6	24.1
NYX	23	10.5	10.5	34.5
Urban Decay	15	6.8	6.8	41.4
Innisfree	57	25.9	25.9	67.3
Peripera	12	5.5	5.5	72.7
Etude House	24	10.9	10.9	83.6
Shiseido	9	4.1	4.1	87.7
Canmake	9	4.1	4.1	91.8
Others	18	8.2	8.2	100.0
Total	220	100.0	100.0	

Source: Developed for the research

Figure 4.7 and Table 4.7 shows the most preferred brand of the respondents. 25.9% of the respondents prefer Innisfree which is the majority while 13.6% of the respondents prefer Maybelline. Next, Etude House users contribute 10.9% of total respondents, followed by L’Oreal and NYX users with 10.5% respectively, other brands’ users with 8.2%, Urban Decay users with 6.8%, Peripera users with 5.5% and the remaining 4.1% are Shiseido and Canmake users respectively.

Figure 4.8: Way of Knowing the Preferred Brand of Respondents



Source: Developed for the research

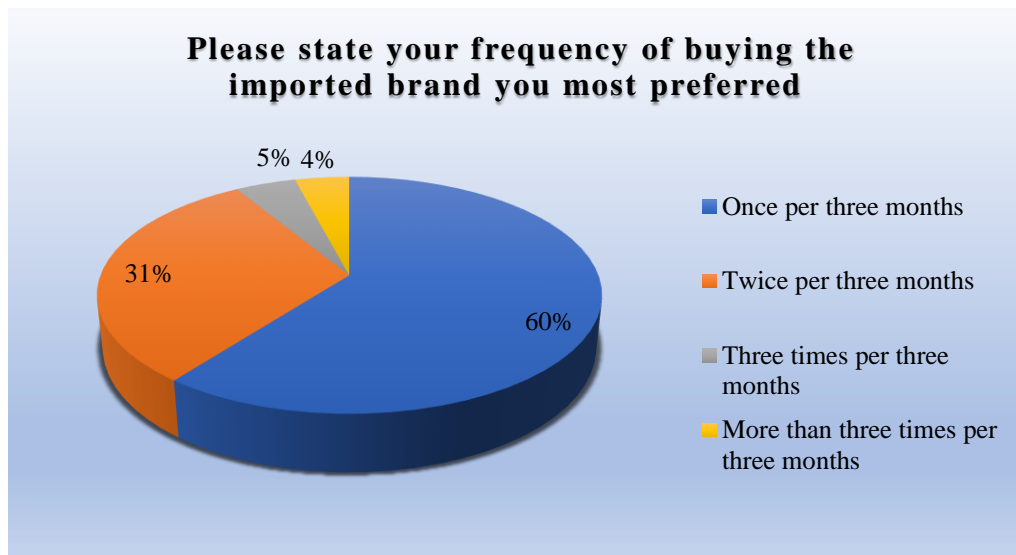
Table 4.8: Way of Knowing the Preferred Brand of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Friends	82	37.3	37.3	37.3
Family	40	18.2	18.2	55.5
Social Media	75	34.1	34.1	89.5
Printed Media	11	5.0	5.0	94.5
Broadcast Media	12	5.5	5.5	100.0
Total	220	100.0	100.0	

Source: Developed for the research

According to Figure 4.8 and Table 4.8, most of the respondents know their most preferred brand from their friends which consists of 37.3% while the printed media carries least percentage which is 5.0%. 34.1% of the respondents aware of their most preferred brand from social media whereas 18.2% of the respondents know from their family members. The remaining 5.5% of the respondents are knowing from broadcast media.

Figure 4.9: Buying Frequency of Respondents



Source: Developed for the research

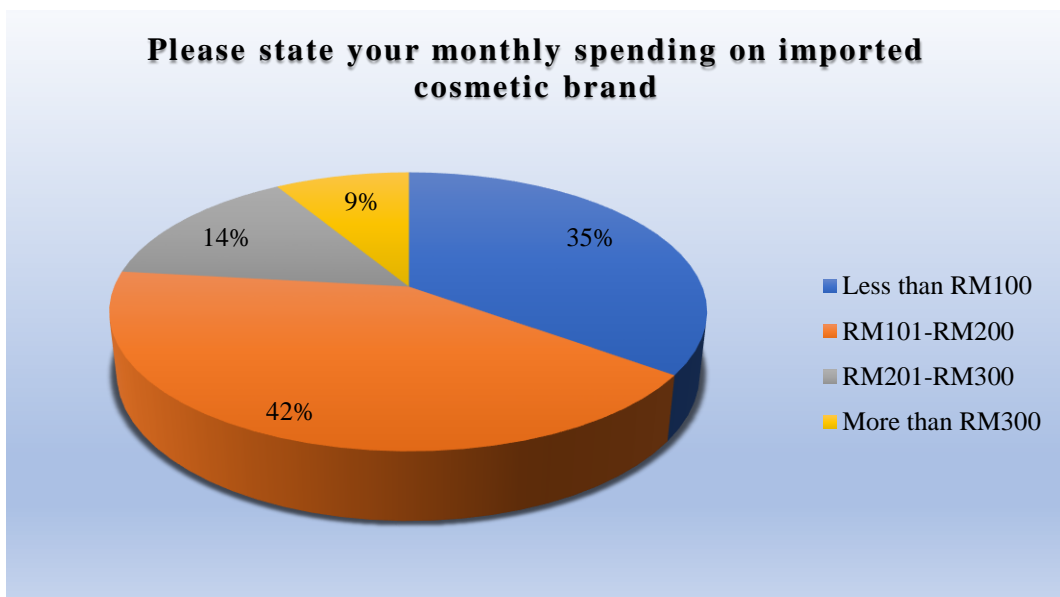
Table 4.9: Buying Frequency of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Once per three months	133	60.5	60.5	60.5
Twice per three months	68	30.9	30.9	91.4
Three times per three months	10	4.5	4.5	95.9
More than three times per three months	9	4.1	4.1	100.0
Total	220	100.0	100.0	

Source: Developed for the research

Based on Figure 4.9 and Table 4.9, the respondents mostly buy their preferred brand once per three months with 60.5%. 30.9% of respondents buy the brand twice per three months which consists of 30.9% while only 4.5% of respondents buy three times per three months. The least percentage which is only 4.1% of respondents buy more than three times per three months.

Figure 4.10 Monthly Spending of Respondents



Source: Developed for the research

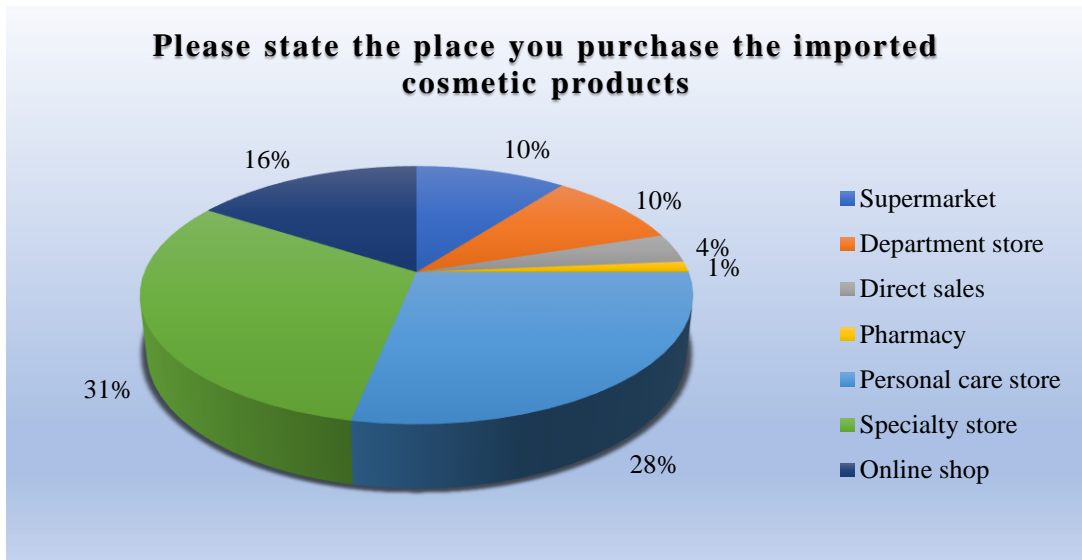
Table 4.10: Monthly Spending of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Below RM100	77	35.0	35.0	35.0
RM101-RM200	92	41.8	41.8	76.8
RM201-RM300	32	14.5	14.5	91.4
More than RM300	19	8.6	8.6	100.0
Total	220	100.0	100.0	

Source: Developed for the research

Figure 4.10 and Table 4.10 shows the monthly spending on preferred brands of respondents. Most respondents (41.8%) spends RM101-RM200 on cosmetic brands monthly, followed by spending below RM100 (35%) and spending RM201-RM300 (14.5%). The remaining 8.6% of respondents spend more than RM300 on cosmetic brands.

Figure 4.11: Place of Purchasing the Brands



Source: Developed for the research

Table 4.11: Place of Purchasing the Brands

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Supermarket	23	10.5	10.5	10.5
Department store	21	9.5	9.5	20.0
Direct sales	8	3.6	3.6	23.6
Pharmacy	3	1.4	1.4	25.0
Personal care store	62	28.2	28.2	53.2
Specialty store	68	30.9	30.9	84.1
Online shop	35	15.9	15.9	100.0
Total	220	100.0	100.0	

Source: Developed for the research

As shown in Figure 4.11 and Table 4.11, majority of the respondents buy cosmetic products from specialty store with percentage of 30.9 whilst the second most place of purchase is personal care store such as Watsons and Guardian, with percentage of 28.2. 15.9% of respondents purchase cosmetic products from online shop such as Hermo and Althea, and 10.5% of respondents buy from supermarket. Besides, 9.5% of respondents buy from department store, 3.6% of respondents buy from direct sales and the rest 1.4% of respondents purchase from pharmacy.

4.3 Scale Measurement

4.3.1 Reliability Analysis

Table 4.12: Results of Reliability Test

Variables	Number of Items	Cronbach's Alpha Value	Results of Reliability
Brand Image	4	0.836	Very Good
Price	4	0.831	Very Good
Promotion	4	0.819	Very Good
Trust	5	0.811	Very Good
Perceived Quality	4	0.819	Very Good
Brand Loyalty	6	0.816	Very Good

Source: Developed for the research

Based on Table 4.12, all variables show alpha of above 0.81, which indicate very good reliability and internally consistent in determining brand loyalty of imported cosmetic brands.

4.4 Inferential Analysis

4.4.1 Chi-Square Test of Independence (χ^2 Test)

Table 4.13: Pearson Chi-Square Test

	Pearson Chi-Square Value	df	Asymptotic Significant (2-sided)	N of Valid Cases
Brand Image	107.228	48	0.000	220
Price	50.440	48	0.377	220
Promotion	89.457	48	0.000	220
Trust	86.488	18	0.000	220
Perceived Quality	157.052	48	0.000	220

Source: Developed for the research

According to Table 4.13, the asymptotic significant for brand image, promotion, trust and perceived quality are below 0.05 which means the variables are significant towards brand loyalty. However, price has p-value of 0.377 which is higher than 0.05, in which it is not significant to brand loyalty of imported cosmetic brands.

4.4.2 Test of Significant

Table 4.14: Test of Significant

Constructs	Significant Value
Brand Image	0.000
Price	0.377
Promotion	0.000
Trust	0.000
Perceived Quality	0.000

Source: Developed for the research

H₁: There is significant relationship between brand image and brand loyalty of imported cosmetic brands.

According to Table 4.14, since the significant value of brand image (0.000) is below 0.05, H₁ is accepted. Thus, this concludes that there is significant relationship between brand image and brand loyalty of imported cosmetic brands.

H₂: There is significant relationship between price and brand loyalty of imported cosmetic brands.

According to Table 4.14, since the significant value of price (0.377) is above 0.05, H₁ is rejected. This concludes that there is no significant relationship between price and brand loyalty of imported cosmetic brands.

H₃: There is significant relationship between promotion and brand loyalty of imported cosmetic brands.

According to Table 4.14, since the significant value of promotion (0.000) is below 0.05, H₁ is accepted. This indicates that there is significant relationship between promotion and brand loyalty of imported cosmetic brands.

H₄: There is significant relationship between trust and brand loyalty of imported cosmetic brands.

According to Table 4.14, since the significant value of trust (0.000) is below 0.05, H₁ is accepted. This proves that there is significant relationship between trust and brand loyalty of imported cosmetic brands.

H₅: There is significant relationship between perceived quality and brand loyalty of imported cosmetic brands.

According to Table 4.14, since the significant value of perceived quality (0.000) is below 0.05, H₁ is accepted. Therefore, this concludes that there is significant relationship between brand image and brand loyalty of imported cosmetic brands.

4.4.3 Spearman's Rank Correlation Coefficient (Spearman's rho)

According to **Appendix 1.9**, the p-values of brand image, promotion, trust and perceived quality are 0.000 which indicate that they are significant towards brand loyalty at 0.05 level (2-tailed) yet price shows insignificant relationship (0.224) with brand loyalty. The strongest correlation coefficient is 0.521 for trust, followed by 0.498 for perceived quality, 0.447 for brand image and 0.350 for promotion. The values show that there are moderate positive relationships between them and brand loyalty. Price shows positive relationship as well but only a little value with 0.082. This indicates price has weak positive relationship with brand loyalty.

4.5 Conclusion

This chapter analyzed respondents' profile using descriptive analysis and reliability of six constructs using Cronbach's alpha. The associations between independent variables and dependent variable are analyzed using Chi-square and Spearman's rank correlation coefficient.

CHAPTER 5: DISCUSSION, CONCLUSION AND IMPLICATIONS

5.0 Introduction

This chapter will focus on discussion conclusion and implications of the research.

5.1 Summary of Statistical Analysis

5.1.1 Descriptive Analysis

5.1.1.1 Respondents' Demographic Profile

Among 220 female respondents, 67.7% of respondents are under the age group of 18-25 years old and most of them are Chinese (40.5%) and single (41.4%). Majority of the respondents are students (45.5%) with monthly income/allowance below 1000 (39.1%).

5.1.1.2 Respondents' General Information

Among 220 respondents, 25.9% of them prefer Innisfree and 37.3% know the brand from their friends. Majority of the respondents spend RM101-RM200 (41.8%) on their preferred brands and purchase once per three months (60.5%) from specialty store (30.9%).

5.1.2 Scale Measurement

Among six constructs, brand image has the highest coefficient of 0.836, followed by price with 0.831, promotion and perceived quality with 0.819 respectively, brand loyalty with 0.816 and trust with 0.811. The results show above 0.81, which means all constructs are reliable and internal consistent.

5.1.3 Inferential Analysis

5.1.3.1 Chi-Square Test of Independence (χ^2 Test)

The result of χ^2 test shows that there are significant relationships between independent variables (brand image, promotion, trust and perceived quality) and dependent variable (brand loyalty) as the significant levels are 0.000 respectively, which is lower than 0.05. However, there is no significant relationship between price and brand loyalty as the significant level is 0.377, which is above 0.05.

5.1.3.2 Spearman's Rank Correlation Coefficient (Spearman's rho)

The result of Spearman's Rank Correlation Coefficient shows that there are moderate positive relationships between independent variables (brand image, promotion, trust and perceived quality) and brand loyalty. Result also shows that price has weak positive relationship with brand loyalty. The strongest correlation coefficient for trust is 0.521, followed by 0.498 for perceived quality, 0.447 for brand image, 0.350 for promotion and the weakest is 0.082 for price.

5.2 Discussion of Major Findings

Table 5.1: Summary of Hypotheses and Results

Hypotheses	Results	Accept/Reject
H ₁ : There is significant relationship between brand image and brand loyalty of imported cosmetic brands.	p=0.000	Accepted
H ₂ : There is significant relationship between price and brand loyalty of imported cosmetic brands.	p=0.377	Rejected
H ₃ : There is significant relationship between promotion and brand loyalty of imported cosmetic brands.	p=0.000	Accepted
H ₄ : There is significant relationship between trust and brand loyalty of imported cosmetic brands.	p=0.000	Accepted
H ₅ : There is significant relationship between perceived quality and brand loyalty of imported cosmetic brands.	p=0.000	Accepted

Source: Developed for the research

5.2.1 Brand Image

H₁: There is significant relationship between brand image and brand loyalty of imported cosmetic brands.

According to Table 5.1, the result shows that there is significant relationship between brand image and brand loyalty of imported cosmetic brands. The result is supported by previous study of Sondoh, *et al.*(2007), where the researchers stressed that brand image is very important to influence consumers' loyalty towards a brand in cosmetic industry. This is because brand image is the consumers' perception of a brand and strong image of a brand build connection with consumers and create a reason for consumers to repurchase the brand (Keller, 1993; David, 1991). A favourable brand image would lead to loyalty as it gain better position in market and competitive advantage as well as increase market share (Park, Jaworski, & MacInnis, 1986; Kandampully & Suhartanto, 2000). Conversely, a negative brand image will create bad consumers' perception towards the brand and stop them from rebuying the brand.

5.2.2 Price

H₂: There is significant relationship between price and brand loyalty of imported cosmetic brands.

According to Table 5.1, the result shows that there is insignificant relationship between price and brand loyalty of imported cosmetic brands. This result is with the study of Pratama & Suprpto (2017), which indicated that price is not a significant factor in influencing the consumers' loyalty

towards a brand. This is because the respondents are mostly with high loyalty as majority of them are students with below RM1000 monthly income but they are still willing to spend RM101-RM200 monthly. High loyalty consumers are less price sensitive, thus they do not concern whether price increases or decreases (Khraim, 2011). In fact, they are more concern about the quality of products and also to avoid risk of changes as they expect to received higher quality when they pay more (Yoon & Kim, 2000).

5.2.3 Promotion

H₃: There is significant relationship between promotion and brand loyalty of imported cosmetic brands.

According to Table 5.1, the result shows that there is significant relationship between promotion and brand loyalty of imported cosmetic brands. The result is consistent with study of Khraim (2011), where the researcher concluded that promotion plays significant role in influencing brand loyalty in cosmetic industry. Promotion is used to build connection with consumers and to encourage repurchase of a product (Clow, 2010). The communication builds up consumers' perception towards the brands either good or bad perception. This helps to establish perceptions in consumers' minds to create values for consumers to differentiate brands against others. (Lovelock, 2010). By gaining the competitive advantage, the consumers will repurchase the same brand and thus increase their loyalty towards the brand.

5.2.4 Trust

H4: There is significant relationship between trust and brand loyalty of imported cosmetic brands.

According to Table 5.1, the result shows that there is significant relationship between trust and brand loyalty of imported cosmetic brands. The result is supported by the result of study of Rubio, Villaseñor, & Yagüe (2017), where trust is affecting brand loyalty significantly. Brand trust is important to determine brand loyalty as it strengthens on integrity and reliability of a brand (Chatterjee & Chaudhuri, 2005). This means the higher the consumers' trust towards a brand, the more reliable of a brand. Besides, this is also due to the consumers' commitment towards the products as this commitment can obtain satisfaction towards the brand, which will generate loyalty to the brand (Tjiptono, Chandra, & Diana, 2005).

5.2.5 Perceived Quality

H5: There is significant relationship between perceived quality and brand loyalty of imported cosmetic brands.

According to Table 5.1, the result shows that there is significant relationship between perceived quality and brand loyalty of imported cosmetic brands. The result is consistent with the study of Bagram & Khan (2012), which observed that perceived quality has significant impact on brand loyalty. Perceived quality brings value to purchase decision and adds value to consumers which will increase their satisfaction (Balaji, 2011). Increasing satisfaction will lead to increasing brand loyalty and therefore triggers the

consumers to repurchase the brand. Besides, perceived quality makes consumers believe the brand and allows companies to charge premium price, therefore price is not a considerations for consumers towards brand loyalty.

5.3 Implications of the Study

5.3.1 Managerial Implications

Brand image is significant towards brand loyalty of imported cosmetic brands. Therefore, the companies should formulate strategy to increase or maintain positive reputation in consumers' mind such as doing corporate social responsibility. Corporate social respnsibility can beautify the brand image so that the consumers would stay loyal to the brands.

Price is insignificant to brand loyalty towards imported cosmetic brands. The companies should aware of this to price according to the cost and quality of the products instead of keep lowering the price to attract and retain consumers. The managers should plan to implement differentiaton or strategy instead of cost leadership as the loyalty consumers concern more about the quality but not the price.

Promotion affects brand loyalty in imported cosmetic brands significantly. Hence, the companies should do more promotion such as advertising and sales promotion yet assure the quality of promotion to keep the perception of consumers' towards the brand in good condition. As an example, the advertising of the brand should be meaningful, attractive and informative so

that the advertisement is understandable and favorable which makes the consumers feel that they are valued and appreciated by the company.

Trust is significant towards brand loyalty of imported cosmetic brands. The companies should concern about this determinants to increase their brand value so that the consumers would trust their brand more. The managers should plan to add value to the brand such as being accessible by consumers, having reliable products and being honest to consumers.

Perceived quality significant influences brand loyalty towards imported cosmetic brands. Therefore, the companies would have to increase and maintain the quality of the products. These will lead to retention of consumers as the consumers like high and consistent quality products. The managers can carefully supervise the procedure of manufacturing the products to assure the quality and to eliminate the defeated products. Consequently, the consumers would think that the companies are considerate towards them and stay loyal with the companies.

5.3.2 Theoretical Implications

This study provides the present and future knowledge in theoretical perspective. The other researchers are benefited by this research as there are limited numbers of research study specifically on imported cosmetic brands in Malaysia.

Besides, the new proposed framework can be used as resource and reference for future related research. It allows others to gain better understanding about the brand loyalty of Malaysian towards imported cosmetic brands and helps

them to understand the key determinants that affect the brand loyalty. The framework and findings developed from this study reduce the research gap in examining the determinants of brand loyalty towards imported cosmetic brands among females in Malaysia and also act as foundation for imported cosmetic brands to study.

5.4 Limitations of the Study

Time constraint is one of the limitations. The time to conduct this research is only given 6 months which is slightly short. Therefore, the sample size is limited to only 250 respondents which are not sufficient to represent the whole population in Malaysia and not reliable. Limited of time may also limit the ability of researcher to discover more related issues that were discussed by past researchers.

This research targets a quite big range of age which across few generations such as Baby Boomers, Generation X, Generation Y and Generation Z. Differences between generations happen due to ageing, life experience and stages as well as career stages (Cennamo & Gardner, 2008). Therefore, there will be different opinions between generations.

The limitation that need to be taken note is this study use only questionnaire to collect the data. The ability to observe the perspective of target respondents is limited through questionnaire as it cannot study the respondents' expression, thinking, emotions, attitudes and behavior. As a result, it is very difficult to know the respondents' psychological states and personal traits that will affect the data provided.

The study only tested on five independent variables which are brand image, price, promotion, trust and perceived quality, which is more focus on product attributes. There may have other variables that are also important to brand loyalty of imported cosmetic brands in Malaysia from other perspective such as consumers attributes.

5.5 Recommendations for Future Research

Future researchers are suggested to narrow down the age range such as targeting only one category of generation. This will provide more accurate data for each generation and hence benefits the firms to understand the needs and wants for a generation.

Future researchers are advised to use qualitative research such as setting up group or face to face interviews. These allow researchers to explain the research background and objectives to respondents so that they can have more understanding about the research. Data of emotions, personality and behaviour can be collected by interviewer in which quantitative survey cannot offer. Using interviews can answer enquires and collect feedback on the spot as well as obtain more accurate data.

It is highly recommended for future research to add more product attribute determinants such as store environment, product quality, product design, service quality from study of Khraim (2011). Future researchers can also include consumers' attributes such as brand experience and commitments (Maheshwari, Lodorfos, & Jacobsen, 2014). Mediator such as consumers' satisfaction can also be included (Chan & Mansori, 2016).

Not only that, future researchers are encouraged to narrow down the range of industry of research such as to specifically study halal cosmetic industry. The

demand for halal cosmetics are rising recently (Badarudin, 2018). As the majority of Malaysians are Muslim, they demand more halal cosmetics that they can use safely and legally. Halal cosmetics market is estimated to be US\$945.8 million in Southeast Asia (Hassali, *et al.* 2015). This proves that Halal cosmetic products may be a good business opportunity in the future which is worth to study thoroughly and deeply.

5.6 Conclusion

As conclusion, the objectives of this research have been accomplished in which the determinants of brand loyalty towards imported cosmetic brands has been examined. The overall result of this study show that all independent variables have significant relationship with brand loyalty of imported cosmetic brands except price. Besides, theoretical and managerial implications, limitations of the study and recommendations are being suggested.

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APPENDICES

Appendix 1.1: Survey Questionnaire



UNIVERSITI TUNKU ABDUL RAHMAN

FACULTY OF ACCOUNTANCY AND MANAGEMENT

BACHELOR OF INTERNATIONAL BUSINESS (HONS)

Dear respondents,

My name is Tee Wen Hui and I am a final year student of Bachelor of International Business (Hons) from Universiti Tunku Abdul Rahman (UTAR) and are currently conducting a research as part of my final year project. The purpose of this research is to examine the **determinants—brand image, price, promotion, trust and perceived quality that will influence brand loyalty towards imported cosmetic brands among females in Malaysia.**

There are **THREE (3)** sections in this questionnaire. I appreciate your assistance to answer **ALL** questions in **ALL** sections to the best of your knowledge.

This questionnaire has been easily designed for you to complete it in about 10 minutes. You will be asked to respond to all statements in the questionnaire and your answers will be kept private and confidential.

For any further questions or queries, please do not hesitate to contact me at +60169668707. Thank you for participating in this survey study.

SCREENING QUESTION

Please tick (✓) or fill in the blank for each of the questions below. Each question can only choose **ONE** answer.

1. Please state your gender:

Female

Male

PART A: Demographic Information

Please tick (✓) or fill in the blank for each of the questions below. Each question can only choose **ONE** answer.

1. Please state your age:

18 years old – 30 years old

31 years old – 40 years old

41 years old – 50 years old

51 years old and above

2. Please state your race:

Malay

Chinese

Indian

Others: _____ (please specify)

3. Please state your relationship status:

- Single
- In a relationship
- Married

4. Please state your income/allowance per month:

- Below 1000
- RM1000 – RM2499
- RM2500 – RM4999
- RM5000 – RM7499
- RM7500 and above

5. Please state your occupation status:

- Student
- Unemployed
- Employed
- Own Business
- Retired

PART B: General Information

Please tick (✓) or fill in the blank for each of the questions below. Each question can only choose **ONE** answer.

1. Have you ever used imported/foreign cosmetic brands? If yes, please state your preferred brand (only choose **ONE**):

- L'Oreal
- Maybelline
- NYX
- Urban Decay
- Innisfree
- Peripera
- Etude House
- Shiseido
- Canmake
- Others

2. How do you know about your preferred brand?

- Friends
- Family
- Social Medias (Facebook, Instagram, YouTube etc.)
- Printed Media (Newspapers, Magazines)
- Broadcast Media (TV, Radio)

3. Please state your frequency of buying the imported brand you preferred:

- Once per three months
- Twice per three months
- Three times per three months
- More than three times per three months

4. Please state your monthly spending on imported cosmetic brands:

- Less than RM100
- RM100 – RM200
- RM201 – RM300
- More than RM300

5. Please state the place you purchase the imported cosmetic products:

- Supermarket/Hypermarket
- Department store
- Direct sales
- Pharmacy
- Personal care store
- Specialty store

PART C: Construct Measurement

For each of the statement given below, kindly circle the number that represents your opinion the most.

Strongly Disagree (SD)	Disagree (D)	Neutral (N)	Agree (A)	Strongly Agree (SA)
1	2	3	4	5

A. Brand Image

No.	Statements	SD	D	N	A	SA
1.	I believe that the imported cosmetic brands I choose have high reputation for quality.	1	2	3	4	5
2.	I believe that the imported cosmetic brands I choose is outstanding and give me a good impression.	1	2	3	4	5
3.	The imported cosmetic brands come to my mind immediately when I want to purchase cosmetic products.	1	2	3	4	5
4.	The value of the imported cosmetic brands gives me confidence to its products.	1	2	3	4	5

B. Price

No.	Statements	SD	D	N	A	SA
1.	I find myself comparing the prices of even small imported cosmetic items.	1	2	3	4	5
2.	I will compare the price of each imported cosmetic product before buying.	1	2	3	4	5
3.	Increase in price does not hinder me to purchase.	1	2	3	4	5
4.	The imported cosmetic brands provide good value for money.	1	2	3	4	5

C. Promotion

No.	Statements	SD	D	N	A	SA
1.	Advertisements of the imported cosmetic brands are appealing.	1	2	3	4	5
2.	Advertisements of the imported cosmetic brands attract me to buy.	1	2	3	4	5
3.	Advertisements of the imported cosmetic brands provide relevant information about the products.	1	2	3	4	5
4.	Point-of-purchase (window displays) of the imported cosmetic brands are very attractive.	1	2	3	4	5

D. Trust

No.	Statements	SD	D	N	A	SA
1.	I trust the imported cosmetic brands.	1	2	3	4	5
2.	I rely on the imported cosmetic brands.	1	2	3	4	5
3.	The imported cosmetic brands are honest.	1	2	3	4	5
4.	The imported cosmetic brands are safe to use.	1	2	3	4	5
5.	The imported cosmetic brands meet my expectations.	1	2	3	4	5

E. Perceived Quality

No.	Statements	SD	D	N	A	SA
1.	I think that imported cosmetic brands are of very high quality.	1	2	3	4	5
2.	I think that imported cosmetic brands are of very consistent quality.	1	2	3	4	5
3.	I think that imported cosmetic brands offer excellent features.	1	2	3	4	5
4.	I think that imported cosmetic brands are very reliable.	1	2	3	4	5

F. Brand Loyalty

No.	Statements	SD	D	N	A	SA
1.	I consider the imported cosmetic brands my first choice instead of buying local cosmetic brands.	1	2	3	4	5
2.	I say positive things about the imported cosmetic brands to other people.	1	2	3	4	5
3.	I have or would recommend the imported cosmetic brands to someone who seeks my advice.	1	2	3	4	5
4.	I do not bother looking at local cosmetic brands, the imported brands are good enough for me.	1	2	3	4	5
5.	If the imported cosmetic brands rise their prices, I would continue buying their products.	1	2	3	4	5
6.	I intend to buy imported cosmetic brands in near future.	1	2	3	4	5

**Thank you for your precious time and
cooperation in completing this questionnaire.
All responses will be kept private and confidential.**

Appendix 1.2: Reliability Analysis of Brand Image Variable**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.836	.841	4

Item Statistics

	Mean	Std. Deviation	N
BI1	3.99	.844	220
BI2	3.90	.889	220
BI3	3.53	1.057	220
BI4	3.81	.902	220

Inter-Item Correlation Matrix

	BI1	BI2	BI3	BI4
BI1	1.000	.589	.553	.658
BI2	.589	1.000	.506	.547
BI3	.553	.506	1.000	.562
BI4	.658	.547	.562	1.000

Summary Item Statistics

	Mean	Minimum	Maximum	Range	Maximum / Minimum	Variance	N of Items
Item Means	3.809	3.532	3.991	.459	1.130	.040	4
Item Variances	.858	.712	1.118	.405	1.569	.032	4

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
15.24	9.204	3.034	4

Appendix 1.3: Reliability Analysis of Price Variable**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.831	.826	4

Item Statistics

	Mean	Std. Deviation	N
P1	3.19	1.084	220
P2	3.93	.878	220
P3	2.87	1.088	220
P4	2.81	1.153	220

Inter-Item Correlation Matrix

	P1	P2	P3	P4
P1	1.000	.489	.609	.598
P2	.489	1.000	.391	.347
P3	.609	.391	1.000	.821
P4	.598	.347	.821	1.000

Summary Item Statistics

	Mean	Minimum	Maximum	Range	Maximum / Minimum	Variance	N of Items
Item Means	3.199	2.814	3.927	1.114	1.396	.263	4
Item Variances	1.115	.771	1.330	.559	1.726	.058	4

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
12.80	11.835	3.440	4

Appendix 1.4: Reliability Analysis of Promotion Variable**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.819	.820	4

Item Statistics

	Mean	Std. Deviation	N
PR1	3.55	.966	220
PR2	3.42	1.037	220
PR3	3.35	1.056	220
PR4	3.45	1.044	220

Inter-Item Correlation Matrix

	PR1	PR2	PR3	PR4
PR1	1.000	.666	.506	.491
PR2	.666	1.000	.586	.421
PR3	.506	.586	1.000	.522
PR4	.491	.421	.522	1.000

Summary Item Statistics

	Mean	Minimum	Maximum	Range	Maximum / Minimum	Variance	N of Items
Item Means	3.443	3.350	3.545	.195	1.058	.007	4
Item Variances	1.053	.934	1.114	.180	1.193	.007	4

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
13.77	10.916	3.304	4

Appendix 1.5: Reliability Analysis of Trust Variable**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.811	.812	5

Item Statistics

	Mean	Std. Deviation	N
T1	3.86	.856	220
T2	3.42	.936	220
T3	3.58	.838	220
T4	3.75	.879	220
T5	3.73	.858	220

Inter-Item Correlation Matrix

	T1	T2	T3	T4	T5
T1	1.000	.462	.470	.481	.508
T2	.462	1.000	.468	.357	.449
T3	.470	.468	1.000	.587	.401
T4	.481	.357	.587	1.000	.456
T5	.508	.449	.401	.456	1.000

Summary Item Statistics

	Mean	Minimum	Maximum	Range	Maximum / Minimum	Variance	N of Items
Item Means	3.668	3.423	3.859	.436	1.127	.029	5
Item Variances	.764	.702	.875	.174	1.247	.005	5

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
18.34	10.874	3.298	5

Appendix 1.6: Reliability Analysis of Perceived Quality Variable**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.819	.821	4

Item Statistics

	Mean	Std. Deviation	N
PQ1	3.82	.805	220
PQ2	3.74	.824	220
PQ3	3.64	.914	220
PQ4	3.51	.797	220

Inter-Item Correlation Matrix

	PQ1	PQ2	PQ3	PQ4
PQ1	1.000	.631	.470	.540
PQ2	.631	1.000	.491	.539
PQ3	.470	.491	1.000	.538
PQ4	.540	.539	.538	1.000

Summary Item Statistics

	Mean	Minimum	Maximum	Range	Maximum / Minimum	Variance	N of Items
Item Means	3.676	3.509	3.823	.314	1.089	.018	4
Item Variances	.699	.635	.835	.201	1.316	.009	4

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
14.70	7.250	2.693	4

Appendix 1.7: Reliability Analysis of Brand Loyalty Variable**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.816	.821	6

Item Statistics

	Mean	Std. Deviation	N
BL1	3.58	1.033	220
BL2	3.60	.847	220
BL3	3.59	.885	220
BL4	2.80	1.062	220
BL5	3.04	.962	220
BL6	3.75	.938	220

Inter-Item Correlation Matrix

	BL1	BL2	BL3	BL4	BL5	BL6
BL1	1.000	.589	.505	.306	.454	.535
BL2	.589	1.000	.605	.407	.424	.472
BL3	.505	.605	1.000	.300	.380	.460
BL4	.306	.407	.300	1.000	.450	.225
BL5	.454	.424	.380	.450	1.000	.391
BL6	.535	.472	.460	.225	.391	1.000

Summary Item Statistics

	Mean	Minimum	Maximum	Range	Maximum / Minimum	Variance	N of Items
Item Means	3.393	2.800	3.755	.955	1.341	.144	6
Item Variances	.917	.717	1.129	.412	1.575	.025	6

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
20.36	17.190	4.146	6

Appendix 1.8: Chi-Square Test of Independence Analysis**Chi-Square Tests (Brand Image)**

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	107.228 ^a	48	.000
Likelihood Ratio	104.944	48	.000
Linear-by-Linear Association	42.622	1	.000
N of Valid Cases	220		

a. 49 cells (77.8%) have expected count less than 5. The minimum expected count is .06.

Chi-Square Tests (Price)

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	50.440 ^a	48	.377
Likelihood Ratio	48.121	48	.468
Linear-by-Linear Association	1.742	1	.187
N of Valid Cases	220		

a. 49 cells (77.8%) have expected count less than 5. The minimum expected count is .35.

Chi-Square Tests (Promotion)

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	89.457 ^a	48	.000
Likelihood Ratio	90.574	48	.000
Linear-by-Linear Association	23.647	1	.000
N of Valid Cases	220		

a. 48 cells (76.2%) have expected count less than 5. The minimum expected count is .12.

Chi-Square Tests (Trust)

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	86.488 ^a	18	.000
Likelihood Ratio	96.825	18	.000
Linear-by-Linear Association	56.114	1	.000
N of Valid Cases	220		

a. 13 cells (46.4%) have expected count less than 5. The minimum expected count is .59.

Chi-Square Tests (Perceived Quality)

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	157.052 ^a	48	.000
Likelihood Ratio	138.458	48	.000
Linear-by-Linear Association	52.558	1	.000
N of Valid Cases	220		

a. 49 cells (77.8%) have expected count less than 5. The minimum expected count is .06.

Appendix 1.9: Spearman's Rank Correlation Coefficient

Correlations

Spearman's rho	Brand Image	Price	Promotion	Trust	Perceived Quality	Brand Loyalty
Brand Image	1.000	-.133 ^{**}	.357 ^{**}	.563 ^{**}	.463 ^{**}	.447 ^{**}
Price		1.000	-.112	.039	-.061	.082
Promotion			1.000	.392 ^{**}	.402 ^{**}	.350 ^{**}
Trust				1.000	.555 ^{**}	.521 ^{**}
Perceived Quality					1.000	.498 ^{**}
Brand Loyalty						1.000
Correlation Coefficient						
Sig. (2-tailed)						
N	220	220	220	220	220	220
Correlation Coefficient						
Sig. (2-tailed)						
N	220	220	220	220	220	220
Correlation Coefficient						
Sig. (2-tailed)						
N	220	220	220	220	220	220
Correlation Coefficient						
Sig. (2-tailed)						
N	220	220	220	220	220	220

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).