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## DECLARATION

We hereby declare that:

- (1) This undergraduate research project is the end result of our own work and that due acknowledgement has been given in the references to ALL sources of information be they printed, electronic, or personal.
- (2) No portion of this FYP has been submitted in support of any application for any other degree or qualification of this or any other university, or other institutes of learning.
- (3) Equal contribution has been made by each group member in completing the FYP.
- (4) The word count of this research report is 22354 words.

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**LIST OF ABBREVIATION**

ANOVA	Analysis of Variance
DV	Dependent Variable
IV	Independent Variable
r	Pearson's Correlation Value
R	Multiple R
R <sup>2</sup>	Multiple coefficient of determination / R square
SPSS	Statistical Package for Social Sciences
UTAR	Universiti Tunku Abdul Rahman

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## **PREFACE**

The topic of this research is “Malaysian Young Women Preference of Local and Foreign Cosmetic Brand”. This research is a compulsory unit subject, UKMZ 3016 Research Project, for all students pursuing Bachelor of International Business (HONS) in Universiti Tunku Abdul Rahman in order to complete bachelor’s degree.

Nowadays, globalization and technology advancement has brought many changes in the business environment, including cosmetic industry in Malaysia. Most of the young women concern about their appearance and they have taken a huge proportion among all potential cosmetic consumers. Foreign brand cosmetics are gaining popularity among Malaysian consumers. Therefore, it is important for local cosmetic firms to understand the buying behavior and preferences of Malaysian young women for business continuity.

In this research, the researchers will investigate the factors influencing consumers’ cosmetic brand preferences. Several factors will be investigated and the researchers intend to find out the important factors that influence consumer to have preferences over certain cosmetic brand. At the end of this research, the researchers hope that the findings are able to benefit cosmetic firms, marketers and government by providing insight to them into the brand preferences of today’s cosmetic consumers and underlying concern factors of them when purchasing cosmetics. Besides, this research attempts to fill in the gap in providing some theoretical understanding about cosmetic industry in Malaysia context, as there are not many past studies conducted in Malaysian young women’s cosmetic brand preferences.



## **ABSTRACT**

Cosmetic industry has experienced tremendous growth in recent years as the demand for cosmetics is increasing. With globalization and technology advancement, foreign cosmetic brands become increasingly popular and local cosmetic firms in Malaysia could possibly be affected by this trend negatively. Therefore, it is important for local cosmetic firms to pay attention and take note of the factors affecting consumers' brand preferences. For this research, nine independent variables are being identified and investigated as the factors that will affect Malaysian young women's cosmetic brand preferences

In this research, the researchers made use of non-probability sampling techniques to collect data from target respondents. The target respondents are those young women aged between 18 and 35 years old. The sampling location is not limited to certain geographical location, but the researchers obtained most respondents from Klang Valley.

Total 300 sets of questionnaires were successfully collected from target respondents. Primary data, such as questionnaire and secondary data, such as various journals and articles, were used to provide more accurate data for this research. By using SPSS version 19, researchers are able to analyze data and generate results for descriptive analysis, reliability test and inferential analysis. Lastly, the limitations of this research and the recommendations to enhance future research have been discussed in the last part.

## **CHAPTER 1: RESEARCH OVERVIEW**

### **1.0 Introduction**

This chapter will outline the research background and define the research questions. It will also provide clear objectives to be answered by conducting this research.

### **1.1 Research Background**

Cosmetic refers to an item applied by human on face and body in order to be good looking (Oxford Dictionary, 2000). Cosmetic can be divided into skin care products, make up products, hair care products as well as fragrance products. From ancient times to now, every women care about their appearance and therefore, cosmetic is always important in their daily life. Using cosmetic become a trend for people, particularly for women and youth (Krishnan et al., 2017). They use cosmetic in order to appear more attractive and have good image. As a result, the cosmetic industry is growing quickly in developed and developing regions (Hassali, 2015). Studies regarding cosmetic conducted by several researchers have obtained attention from authorities that manage the industry. Cosmetic firms keep putting in effort to fulfil needs and wants of customers with quality and creative cosmetics products. Consumers' needs and wants are different and therefore, this circumstance drives the industry to produce various good products to satisfy demand.

In Asia countries, the cosmetic industry appears to be one of the fastest growing industries (Hassali, 2015). Asia countries' market value is second greatest market after Western countries' market and it has expanded more than \$70 billion dollars (U.S. Department of Commerce, 2014). Hassali (2015) have found several facts and data regarding market value of Asian countries' and Malaysia's market in their research. Firstly, based on the report in 2013, Malaysian have spent approximately \$407 million dollars on cosmetics products and imports fulfil most of the needs. In cosmetic markets, skin care products are the top drivers and they show value of \$229 million dollars, following by eye makeup products with \$20.6 million dollars. In 2013, Malaysia has imported an estimated \$295 million dollars' worth of cosmetics products and the main exporters to Malaysia include US, Japan and Thailand. Besides, the interest of Malaysian customers was found to be affected by advertising and marketing strategy. It is also found that their interest towards luxury brands and foreign cosmetics brands has increased greatly (Hassali, 2015). Recently, presence of halal cosmetics products has been the trend in Malaysian cosmetics market because of large population of Muslims.

Tejal et al. (2013) highlighted that cosmetics are multimillion-dollar businesses nowadays. According to Hassali (2015), people are gradually changing their attitudes of buying cosmetics products. Women emphasize on personal care and those high income female workers show great interest in purchasing luxury cosmetics products. Consumers today seem willing to pay premium prices for premium quality products that provide various advantages, including brightening, moisturizing and so on (Swidi, 2010). The beauty industry in Malaysia is expanding rapidly. From 1995 to 2007, consumers' expense rate on cosmetics has raised 40% from RM1.4 billion to RM1.9 billion (Swidi, 2010). In 2013, total expense on cosmetics has reached \$407 million dollars (Hassali, 2015). It is believed that expense rate of cosmetics will keep raising in future due to globalization, increasing import of cosmetics and awareness of

appearance's importance. Moreover, it could be observed that Malaysians prefer to buy top name brands' cosmetics products that could make them look younger (Hassali, 2015).

In Malaysia, various brands and types of cosmetics are available in domestic market. Normally, these cosmetics products could be found by consumers in supermarkets, department stores, pharmacy, direct sales, specialty stores and shopping malls. Research highlighted that there are more than 60,000 kinds of cosmetics could be purchased by consumers in the marketplace (Hassali, 2015). Additionally, consumers have many options in term of brands. They could choose from local or foreign brands. For instance, local cosmetics brands in Malaysia include Elianto, Silky Girl, SIMPLYSITI, Sugarbelle and others. On the other hand, foreign cosmetics brands that are most popular among consumers and could be commonly seen in Malaysia are those brands from US, Japan and Korea. Estee Lauder, Mary Kay, MAC and NARS Cosmetics are the popular cosmetics brands from US. Besides, Japanese cosmetics brands seem to increasingly gain preferences from consumers, such as Canmake, Kate, Shiseido, Shu uemura and Kiss Me. U.S. Department of Commerce (2016) found that Japanese is always regarded as provider of various options for high quality skin whitening products. Meanwhile, the use of Korean cosmetics products has become a common phenomenon due to the great influence of K-pop and Korean drama (U.S. Department of Commerce, 2016). Most of the people, especially female and teenager, are big fans of Korean artists and loyal audiences of Korean drama. They tend to use the brands used and recommended by these artists and actors in the drama. The famous cosmetics brands in Korea include Etude House, Innisfree, Laneige, Stylenanda and so on.

U.S. Department of Commerce (2016) found that many people would demand for skin protection and whitening function products. Friends, beauty influencers as well as various social networking, such as Facebook, Twitter, Instagram and others, are the

powerful influencers of buying decision. U.S. Department of Commerce (2014) and Ahmad et al. (2015) have proved that the most powerful methods to encourage people to buy cosmetics products are advertisements via various platforms, especially media and magazine. Advertisements of cosmetics brands in Malaysian magazines lead to the popularity among local customers. Hassali (2015) mentioned that people aged from 25-54 are more accepting of foreign brands from US, EU, Australia and Japan (Hassali, 2015). The author also mentioned people living in countries with high income level, normally those study abroad, are open to western cosmetics brands and they use brands from US frequently. Additionally, globalization made foreign products available and easily obtainable in marketplace. At the same time, E-commerce is also gaining popularity. People are able to buy favourite cosmetics brands online. These situations may create problems for local cosmetics brands as consumers could get foreign cosmetics brands easily nowadays, either from local marketplace or through internet.

## **1.2 Problem Statement**

Globalization has raised serious concern of local firms towards foreign brands. In Malaysia, local cosmetics brands face a great risk in the intense competition with foreign brands. Ismail et al. (2012) found that local brands loss their competitive edge gradually. Due to this phenomenon, the first research objective is developed, which is to examine the factors that influence Malaysian young women preference of cosmetics brands. Brand awareness, brand image and customer attributes are found to be the main antecedents that have potential significant relationship with consumers' brand preferences (Alamro & Rowley, 2011). These three main antecedents could be further expanded into several factors. Brand awareness consists of the factors including advertising, publicity and word of mouth. Brand image consists of price, quality and

country of origin while customer attributes consists of satisfaction, perceived risk and reference group.

Different people have different preferences for brands. Some people like to buy local brands while some people prefer to buy foreign brands. Globalization brings greater risks to local firms as it gives consumers more choices to choose from. Consumers are not necessary to buy local cosmetics brands. Instead of local brands, they could choose cosmetics brands from other countries. According to Ismail et al. (2012), globalization makes the whole world become single market and helps in trading products and services due to minimization of trade barriers. With globalization, companies in particular country are able to move out of limited local markets and operate business worldwide confidently. As a result, globalization could impose a great impact on firms in various industries, especially in the cosmetics industry. Due to globalization, there is great increase in import of foreign cosmetics brands and thus, consumers have many options for cosmetics. Local cosmetics brands in Malaysia may experience a drop in sales because consumers have low switching cost.

The questions remain as to whether the most potential local consumers, which are Malaysian young women, would prefer local or foreign cosmetics brand as well as what are the important factors of their preferences. This research is important and useful for local firms located in Malaysia. The research has found several factors that have potential relationship with Malaysian young women preference of local and foreign cosmetics brands. By understanding brand preferences of the most consumers and the factors that greatly influence them, local firms may be able to compete with foreign firms.

Additionally, another research objective is to examine the relationship between the influence factors and Malaysian young women preference of cosmetics brands, either

positive or negative relationship. As there is growing global competition, local firms found themselves are at disadvantage (Ismail et al., 2012). This research will investigate the relationship between these factors and Malaysian young women's brand preferences thoroughly so local firms are able to understand relationship between variables and thus, come out with future actions to meet needs and wants of their largest potential customers. The relationship between these variables is important as it would affect firms' business and continual existence. By understanding the actual desires of consumers, the firms are able to serve customers better. If there is significant positive relationship between two variables, firms could increase independent variable to increase dependent variable, which is consumers' preferences. For example, firms could take action to increase brand awareness if it has significant positive relationship with consumers' brand preferences. On the other hand, firms could decrease the independent variable if it has negative relationship with the dependent variable.

When studying literature, it can be realized that there is no much research that reveals the relationship between factors mentioned and consumers' preferences toward local as well as foreign cosmetics brands in Malaysia context. Hence, the research is carried out to investigate the direction of relationship. Many studies found that the factors mentioned have impacts on consumers' preference. According to Patil (2017), brand awareness is the foundation of brand preference and customers tend to prefer the brands they familiar with. Besides, Joseph et al. (2017) highlighted that brand image affects consumers' preferences. Consumers would prefer the brand that makes differences and brings various benefits, such as higher quality and prestige. Moreover, Alamro and Rowley (2011) suggest that consumer attributes, including satisfaction, perceived risk and reference group would have influence on brand preference. The direction of correlation would be further discussed in the later part of this research.

### **1.3 Research Questions**

The questions for this research are as below:

1. What is the factors that influence Malaysian young women preference of cosmetics brands?
2. What is the relationship between the influence factors and Malaysian young women preference of cosmetics brands?

### **1.4 Research Objectives**

The objectives for this research are as below:

1. To examine the factors that influence Malaysian young women preference of cosmetics brands.
2. To examine the relationship between the influence factors and Malaysian young women preference of cosmetics brands.



## **1.5 Hypotheses of the Study**

H1: Advertising has a significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands.

H2: Publicity has a significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands.

H3: Word of mouth has a significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands.

H4: Price has a significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands.

H5: Quality has a significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands.

H6: Country of origin has a significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands.

H7: Satisfaction has a significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands.

H8: Perceived risk has a significant negative relationship with Malaysian young women preference of local and foreign cosmetics brands.

H9: Reference group has a significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands.

## **1.6 Significance of the Study**

The study aims to identify the factors that induce the preference of Malaysian Young Women towards local and foreign cosmetics brands. Cosmetics brands, whether they are local or foreign brands, could use the findings to improve their sales and business as well as identify various ways to induce consumer preference, especially young women. The researchers help cosmetics firms to capture the needs, wants and requirements of young women consumers. The cosmetics firms also benefit from the research to cater to needs and wants of young women consumers. Thus, they are able to achieve higher sales performance. This situation could bring advantage to suppliers as higher sales impels producers to order more raw materials from suppliers to manufacture cosmetics products. Additionally, the findings could benefit start-up firms that plan to create cosmetics brand in future. They could use these findings to prepare for their future actions in advance.

The study mainly focuses on young women due to they are the biggest potential customers of cosmetics brands. Cosmetics is absolutely necessary for every women. Krishnan (2017) proved that cosmetics increase attractiveness and therefore, makeup becomes a popular trend for many people, especially women and youth. Women used to apply cosmetics in their daily life in order to look more presentable and increase their confidence. Cosmetics is also significant for them to build good and presentable image in front of other people (DeLong & Bye, 1990). The study will investigate various important factors, such as advertising, publicity, word of mouth, price, quality, country of origin, satisfaction, perceived risk and reference group, which potentially affect the brand preference of this group of consumers towards cosmetics brands.

Due to globalization, import of foreign cosmetics brands is increasing. This could be the bad news for local cosmetics brands in Malaysia as consumers today have many

choices for cosmetics products. They could choose from local cosmetics products and also a wide range of products from foreign countries. Through this study, local firms are able to have better understanding of how the factors stated might influence Malaysian young women's cosmetic brand preference. This research provide insight to local firms into ways to attract and retain potential consumers as well as ways to compete with foreign firms. The research is vital to marketers as it could assist them in constructing and tailoring their marketing message in order to capture attention and preference of target customers.

## **1.7 Chapter Layout**

A total of five chapters will be included in this research, which are introduction, literature review, methodology, data analysis to discussion as well as conclusion. The details of each chapter are explained below:

### **Chapter 1: Introduction**

In Chapter 1, the research background will be discussed by introducing what was happened and information about the background will be provided. The problem statement, research questions and research objectives to be achieved as well as the hypotheses to be tested will also be listed and explained. Additionally, the significance of study will be briefly explained.

### **Chapter 2: Literature review**

In the literature review, there are a total of nine independent variables and a dependent variable will be discussed by using the relevant past studies conducted by various researchers. Besides, the relationship between the independent variables and dependent

variables will also be investigated thoroughly with the support of evidence obtained from researches and journals. The theoretical framework will be outlined according to the developed hypotheses and it will be used for the purpose of further hypotheses testing.

### **Chapter 3: Methodology**

Chapter 3 will focus on discussing the research design, how the research is carried out, the data collection method, sampling design, research instrument, constructs measurement and data processing as well as data analysis.

### **Chapter 4: Data analysis**

In this chapter, the data collected from respondents will be analysed through three parts which are descriptive analysis, scale measurement and inferential analysis. These three parts will be discussed separately.

### **Chapter 5: Discussion and Conclusion**

In the last chapter, summary and conclusion will be made for the research conducted. In addition, the summary of statistical analysis, discussion for the major findings and the implication of the study will be discussed in the last chapter. Lastly, the limitations of this research due to various reasons will be discussed as well.

## **1.8 Conclusion**

Research background about cosmetics and problem statement is discussed in this chapter. Cosmetics industry as well as various local and foreign brands are served as the basis to further discuss the antecedents of Malaysian young women preference. Malaysian young women preference towards local and foreign cosmetics brands has been introduced as the dependent variable in this research. Meanwhile, advertising, publicity, word of mouth, price, quality, country of origin, satisfaction, perceived risk and reference group have been discussed as the independent variables of this research. In addition, this chapter determines the research objectives, significance of study. The research questions and hypotheses are also stated clearly in this chapter.

## **CHAPTER 2: LITERATURE REVIEW**

### **2.0 Introduction**

This chapter will analyse and discuss the literature review of consumers' brand preference. This chapter is comprised of four sections, including theory background, review of variables, proposed conceptual framework as well as hypotheses development.

### **2.1 Review of Literature**

#### **2.1.1 Consumers' Brand Preference**

Learning consumer behavior is difficult task, and even studying only one aspect of consumer behavior, such as consumer preference towards particular brand, is also challenging. Consumer preference could be explained as personal taste of consumers evaluated by satisfaction level obtained from different goods (Guleria & Parmar, 2018). Meanwhile, brand preference refers to consumers' desire to consume certain brand when other options are also available (Nagananthi & Mahalakshmi, 2016). Brand preferences enable consumers to rate a brand based on degree of satisfaction or helpfulness of brand provided to them. The whole cycle of brand preference leads to the most favorable options.

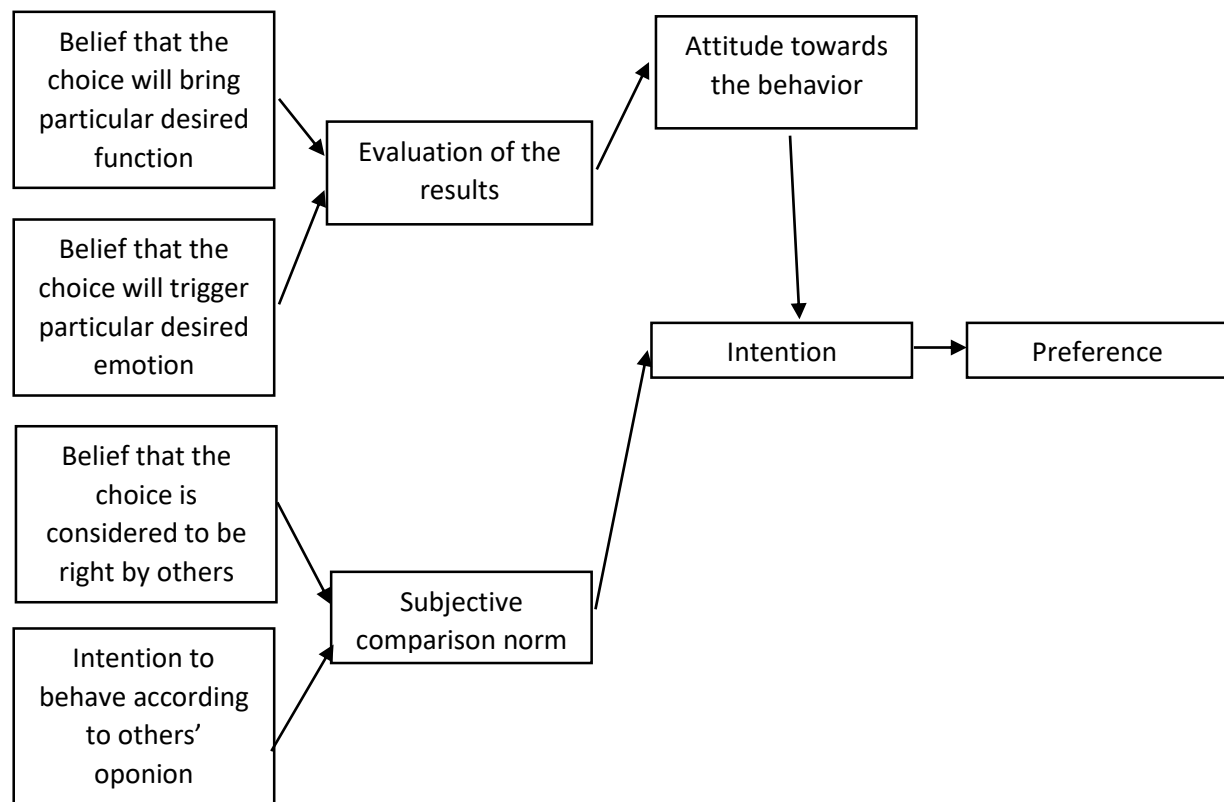
Isik and Yasar (2015) suggested that there are various factors that result in consumer's brand preference. The firms should understand that brand preferences are not necessary based on consumers' salary and products' price. The consumers may have preference towards particular cosmetic brand over another brand, but their income could not afford that particular cosmetic brand they prefer. In short, the purchase ability of consumers could not be used to indicate brand preference.

According to Voicu (2013), brand preference is a positive incentive indicated by emotional compatibility towards a brand. Brand preference has relationship with a value of things, which are able to satisfy consumers' needs and wants and. It could be stimulated by brand status, brand name and brand image. It also could be stimulated by product characteristics, such as lipstick colour and packaging. Some researchers tend to mix up consumer preference and consumer choice, but in fact, they bring different meanings. Choice is an action while preference is a mindset. When consumers perceive brand as having premium quality and keep supporting the brand, lifelong relationship between brand and consumers is developed and eventually leads to consumers' deeply-rooted brand preferences (Voicu, 2013). For instance, if a consumer think foreign cosmetic brands have premium quality and keep using foreign brands' products for many years, the consumer could be said to have preference towards foreign brands over local brands.

Understanding consumers' brand preferences is essential for firms and business continuity. For example, when a firm finds out that most consumers prefer particular brand, the firm could investigate the strengths of particular brand and thus, find out the reasons of consumers' brand preferences. After that, the firm could improve its brand from the observation of other competitors. Referring to Figure 2.1, the concept of rational choice has outlined a model for better

comprehension of how the brand preferences are formed. Levin and Milgrom (2004) found that the concept of rational choice begins with the idea that everyone have preferences and people tend to make choice based on their preferences. If the firms intend to know consumers' brand preferences, they need to identify consumers' desired function and desired emotion by purchasing brand. The firms also have to identify consumers' personal standards used to evaluate brand. In the era of globalization, it is significant for firms to gain insight into how consumers choose between local and foreign brands as well as factors for brand preference (Özsomer, 2012).

Figure 2.1: Model of Consumer Preference Formation



Source: Schiffman, L., Kanuk, L. (n.d.). *Developing customer insight: The determination of customer preference*, International Communication Research. <https://www.slideshare.net/MuthuShree/customer-preference-formation-1205>



### **2.1.2 Advertising**

Advertising refers to paid and impersonal communication process via different media tools used by companies to provide product knowledge and influence the intended audience (Dunn et al., 1978). According to Arens et al. (1996), advertising becomes increasingly important as business war not only depends on price and quality, but also depends greatly on advertising. Iqbal (2013) found that advertising constitutes people's daily life. Therefore, advertising is a useful and relative inexpensive way to deliver messages to uncountable consumers (Agrawal, 2012). Advertising could be used as main tool to build brand awareness and lead to final buying decision (Kotler, Keller & Koshy, 2009). Anjana (2018) also suggests that advertising is vital to create brand awareness and it is proved to affect consumers' purchase decision.

Advertising could be performed through television, radio, magazines, billboard, internet, social media and celebrity endorsement. Social media is effective way to make consumers aware of the brand because there is increasing usage of various social media, including Facebook, Instagram, Twitter and so on. However, Wells, Burnett and Moriarty (1995) found that television is also traditional tool that provides a powerful customer based advertising because of its broad market coverage and customers' favourable perception towards television advertising as compared to other advertising tools. In addition, many companies invite famous celebrities to increase brand awareness (Petty, Cacioppo & Schumann, 1983). Kotler et al. (2009) suggests that firms usually use four types of advertisement to increase brand preference, including informative, persuasive, reminder and reinforce advertisements. Informative advertisement is used when introducing new product while persuasive advertisement is a comparative advertisement used to gain customers' preferences (Kotler et al., 2009). On the other hand, reminder advertisement is

used as a reminder to maintain relationship with consumers while reinforce advertisement is used to convince consumers that their purchase decisions are right.

### **2.1.3 Publicity**

Publicity refers to action done to obtain attention from media and then, the media distributes information to public (Karema et al., 2016). It is unpaid form of marketing communication used to gain favourable and positive feedback from consumers by putting important news in media. Cole (1996) found that publicity means the news about company and brand being mentioned in the press. Publicity can be defined as the condition of being widely known and a tool used to draw public attention and preference (Merriam Webster's Dictionary, 2009). Being widely known indicates noticeability, interest and recognition. Karema et al. (2016) stated that publicity is normally free of charge and therefore, it aids in creating consumers' trust toward organization. Generally, people tend to trust unpaid form of promotion rather than paid form. They think a person might promote and say good thing about the brand because they receive money from company.

According to Apuke (2018), publicity is main component of public relations. The author also found that publicity is often used to build awareness for new products or services launched by company. However, company should always pay attention to target audience of publicity (Aula, 2010). The target audience depends on the type of product and service being placed in the media. For instance, if the company sells cosmetics products, young women are likely to

be target audiences. Ehrenberg, Barnard, Kennedy, and Bloom (2002) found that publicity can be done via various ways, including print media, television, radio, social media, speech, events and so on. Aula (2010) also stated that there are 2 main forms of publicity, which are online publicity and offline publicity. Online publicity is carried out through internet-based medium, such as email, website pop-ups, blogs, Facebook and Instagram. Meanwhile, offline publicity is carried out without internet, including magazines, newspapers, billboards, TV, radio and face-to-face communication.

#### **2.1.4 Word of Mouth**

Word of mouth refers to way of communication between two or more parties, relating to product or service (Arndt, 1967). Word of mouth helps to transfer information among people. As the competition among firms becomes intense, firms started to search for various ways to attract consumers to buy their products and create competitive advantages as well as brand preferences toward their brands. One of the powerful competitive advantages can be created by company is positive word of mouth by consumers that are satisfied with the brand. Day (1971) stated that favourable word of mouth has more influences on consumers as compared to other advertising techniques. According to Hawkins et al. (2004), consumers have the tendency to purchase brand according to word of mouth and others' experiences regarding usage of particular brand.

Word of mouth is a form of information and knowledge sharing, either from organization to consumers or between consumers. Word of mouth could be performed through face to face meeting, instant messages, blog, website, social

media and others. From the past studies, it shows that word of mouth was widely regarded as extremely effective and efficient marketing method (Godes et al., 2005; Hogan et al., 2004). The effectiveness of this method is also proven by Kotler et al. (2014), saying that word of mouth enables companies to transfer information to customers at high speed and minimum cost. Therefore, many companies should place greater emphasis on word of mouth as Hanaysha (2016) suggested that consumers think it is important and reliable for them, comparing to other forms of marketing communication.

### **2.1.5 Price**

Kotler and Armstrong (2010) stated that price is the sum of money that consumers spend to obtain something value, in terms of good or service. Price is significant extrinsic feature that is essential when making purchase (Keller, 1993). Most people tend to consider price when they think of the brand they should buy. McFadden (1996) found that consumers allocate high importance to price when assessing various options and making purchase decision, in comparison to other features. Price could be categorized into two types, which are objective price and perceived price. Objective price refers to actual price paid for product. Meanwhile, perceived price refers to individual's belief regarding the correlation between price and quality of brand (Donald, Lichtenstein & Scot, 1989). Nguyen and Gizaw (n.d.) suggested that consumers tend to have different perceptions toward price and these perceptions have influenced consumer behaviour positively and negatively.

Many consumers are likely to purchase product offered at lower and affordable price. According to Keller (2013), consumers will compare price of various brands before they decide to buy the product. This is due to many consumers are price conscious and price sensitive, especially young people. Price is the main consideration of young people and it influences their purchase preferences because they have limited financial ability and their expenses are most likely paid by their parents (Sultan, Memmon & Amhed, 2016). As a result, a lot of companies respond to this circumstances by providing product in lower price but promise to maintain quality and this respond affects consumers' purchase behaviour positively (Awan & Fatima, 2014). Unfortunately, there are many people that use price to indicate quality (Ebrahim, 2013). They tend to relate lower price with lower quality and vice versa. Most people seek for quality brand that is able to maximize their satisfaction if the economic condition is good. Besides, loyal consumers are willing to pay premium price for the brand that gains their preferences at most of the time.

### **2.1.6 Quality**

Quality refers to assessment of brand value and benefits provided (Zeithaml, 1988). Kang (2006) also explained quality as consumers' view of dissimilarity between actual performance and expectation. Quality could be divided into two types, which are actual quality and perceived quality (Anselmsson et al., 2007). Actual quality means users assess the brand or product according to the visible features while perceived quality refers to users' perception and feeling towards brand or product quality. Consumers tend to rate the quality through both intrinsic and extrinsic features (Collins & Lindley, 2003). Extrinsic features are features associated with the goods but they are not part of the goods, such as

brand name, price range, advertisement and so on. Meanwhile, intrinsic features are tangible features associated with the goods, such as lip balm's flavour, ingredients used for setting powder and so on. According to Nguyen and Gizaw (n.d.), Consumers usually use extrinsic features to assess product as they are more aware of these features in their daily life.

Perceived quality is important when consumers possess little or totally no information regarding the good (Perera & Dissanayake, 2013). Perceived quality refers to customers' assessment towards distinction of brand and product (Zeithaml, 1988). Different people will have different perception of quality towards brand and product. Saleem et al. (2015) found that perceived quality has direct impact on consumers' buying intention. If the customers perceive a brand as having high quality, they would prefer to buy the brand. When making purchase, customers tend to make comparison of the quality of several brands in similar price range (Jin & Yong, 2005). Besides, perceived quality is related to brand's country of origin. Schooler (1965) found that consumers tend to think goods from less developed countries have no quality. On the other hand, goods from developed countries are perceived as having premium quality.

### **2.1.7 Country of Origin**

Nagashima (1970) has conducted study about country of origin and explained the definition of "Made in\_" as image, prestige and general impression that organizations and customers possessed towards country's goods. Hsieh (2004) divided country of origin into 3 categories, which are overall impression of

country, whole product-country impression and particular product-country impression. Overall impression of country is associated with conventional image and common viewpoint towards particular country (Hsieh, 2004). For instance, people might think United States as rich and highly advanced country. On the other hand, whole product-country impression occurs when people assess “made in” logo, such as electronics made in United States. Meanwhile, particular product-country impression is stimulated when customers assess a brand. For example, Volkswagen made in Germany.

Zhang (1996) explained country of origin as knowledge concerning to the place where product is manufactured. Besides, Zanoli et al. (2013) defined country of origin as characteristic or quality that is unable to be realized by customers instantly when observing the product unless it is printed on product packaging. In the era of globalization, country of origin could act as non-imitable competitive advantage (Baker & Ballington, 2002) and therefore, product differentiation could be created (Carter et al. 2006). Based on Puduri et al. (2009), it could serve the purpose of competing against those imported goods effectively. Customer ethnocentrism is important mediating factor in assessment of country of origin (Rosenbloom & Haefner, 2009). Customer ethnocentrism leads to intuitive preference resulting in buying domestic goods rather than foreign goods. Balabanis and Diamantopoulos (2004) found that it can be defined as “home country preference”. This kind of preference is beneficial to local company.

### **2.1.8 Satisfaction**

Satisfaction is defined as individual's feeling of delight or dissatisfaction due to comparison made between perceived benefits and product expectation (Kotler & Keller, 2016). According to Tse and Wilton (1988), customer satisfaction refers to customers' response caused by judgment of perceived discrepancy between previous expectations and actual fulfilment. Armano (2009) found that customer satisfaction is significant matter for companies. Customers are important for survival and continuity of companies as they are sources of profits. All companies intend to improve their market share and maximize profits while minimize their expenses. Strategy regarding customer satisfaction has become main consideration for the past decades (Oliver, 1997). During the era of marketing in 1950s, customers were the emphasis of all companies (Armano, 2009). Companies were not focusing on the goods they can produce easily just as the companies make during the era of production. Instead, they were making only goods that customers willing to buy. It is believed that if the company produce goods that are able to satisfy customers, it could build customer loyalty and eventually lead to greater profit margin.

Satisfaction occurs when adoption of goods satisfies needs and wants of customers (Adegbola, 2010). For most companies, customer satisfaction has become guideline for marketing strategies and actions. Satisfaction completely relies on the assessment of customers regarding whether the company's products and services meet customers' requirements (Oliver, 1997). However, customer satisfaction should be regarded as way of making company performance better, instead of regarding it as company target (Martensen et al., 2000). According to Jones and Sasser (1995) and Reichheld (1996), customer satisfaction helps in fulfilling strategic goals and has great direct impact on company's profits. Customers that are satisfied have greater possibility to buy



the same product again (Reichheld, 1996). If the customers are satisfied with the product, they will repurchase and recommend to their friends and family. As a result, brand awareness and company profits will increase greatly.

### **2.1.9 Perceived Risk**

Bauer (1960) was the first researcher that proposed theory regarding risk in context of marketing. This theory was further developed by Cunningham (1967), who suggested there are 2 elements in consumers' perceived risk when purchasing goods, including one's personal feeling about the negative result that will occur and the total loss incurred due to the negative result. Besides, Stone and Winter (1987) stated that risk is prediction of loss, in which the higher prediction of loss, the higher risk involved. Dowling and Staelin (1994) separated perceived risk into 2 categories, which are product class risk and product specific risk. Product class risk is the risk associated with product category while product specific risk is the risk associated with particular brand or good sold. Perceived risk is significant in consumers' purchase decision (Park & Jun, 2003). Perceived risk can be interpreted as ambiguity regarding possible result of action and dissatisfaction from the result.

Perceived risk can be divided into various types, such as functional risk, physical risk, psychological risk, social risk, financial risk and time risk. Functional risk is associated with performance of the good sold. When an individual perceives ambiguity related to quality level of good sold, there will be performance risk (Jacoby & Kaplan, 1972). If the person buy the good for first time and has no knowledge about it, the functional risk will increase.

Additionally, financial risk emerges when there is possibility of fiscal loss after buying good (Jacoby & Kaplan, 1972). If there are great expenses needed for first payment and also repairing fees, the financial risk will be great (Hutton & Wilkie, 1980). Social risk refers to the risk of others' unfavourable image towards the person using particular product while psychological risk relates to customers' dissatisfaction with the possession of product (Gurbuz et al., 2017). There is possibility that the product does not match with individual's image. Besides, physical risk refers to the risk of suffering from health problem by using the good bought. Lastly, Gurbuz et al. (2017) defines time risk as the possibility of time lost because of choosing wrong product.

#### **2.1.10 Reference Group**

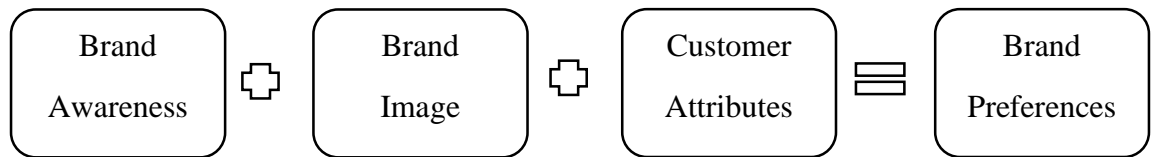
Reference group is a group or people that could provide advice and recommendation for an individual (Ismail et al., 2012). Friends and family are significant reference group and they are likely to affect the purchase decision of an individual. For instance, if they recommend a cosmetic brand to a woman, she would probably purchase the recommended cosmetic brand whenever she wants to purchase cosmetics. This circumstance is supported by Murali et al. (2005), saying that influence of reference group or social influence is significant when consumers are making decision. However, reference group also could affect an individual negatively. Ismail et al. (2012) found that people might have pressure for compliance with reference group. Many people tend to concern about perception of reference group or others people in their society towards them, so they might purposely change their behaviour to suit in the group and keep good image.

Reference group is also associated with social influence. Social influence could be defined as the ways of others' action or opinion influence an individual's behaviour (Abrahamse & Steg, 2013). Social influence could be divided into 3 types, including conformity, compliance and internalization. Conformity happens when a person changes way of thinking and behaving to suit into social group while compliance happens when a person agrees on others' influences and wish to increase others' favourability (McLeod, 2007). Internalization happens when group's belief becomes part of a person in his life. Deutsch and Gerard (1955) and Rehman (2011) found that people are most likely to be affected by social and group influence. Therefore, consumers tend to purchase brand that is preferred by the group they belong to or the reference group. They seek to enhance their image through the use of the brand (Rehman, 2011). Social influence could affect consumers' brand preferences, judgment towards brand quality and eventually affect their purchase decision (Rehman, 2011).

## 2.2 Review of Relevant Theoretical Models

### 2.2.1 Basic Model by Alamro and Rowley (2011)

Figure 2.2: Basic Model by Alamro and Rowley (2011)

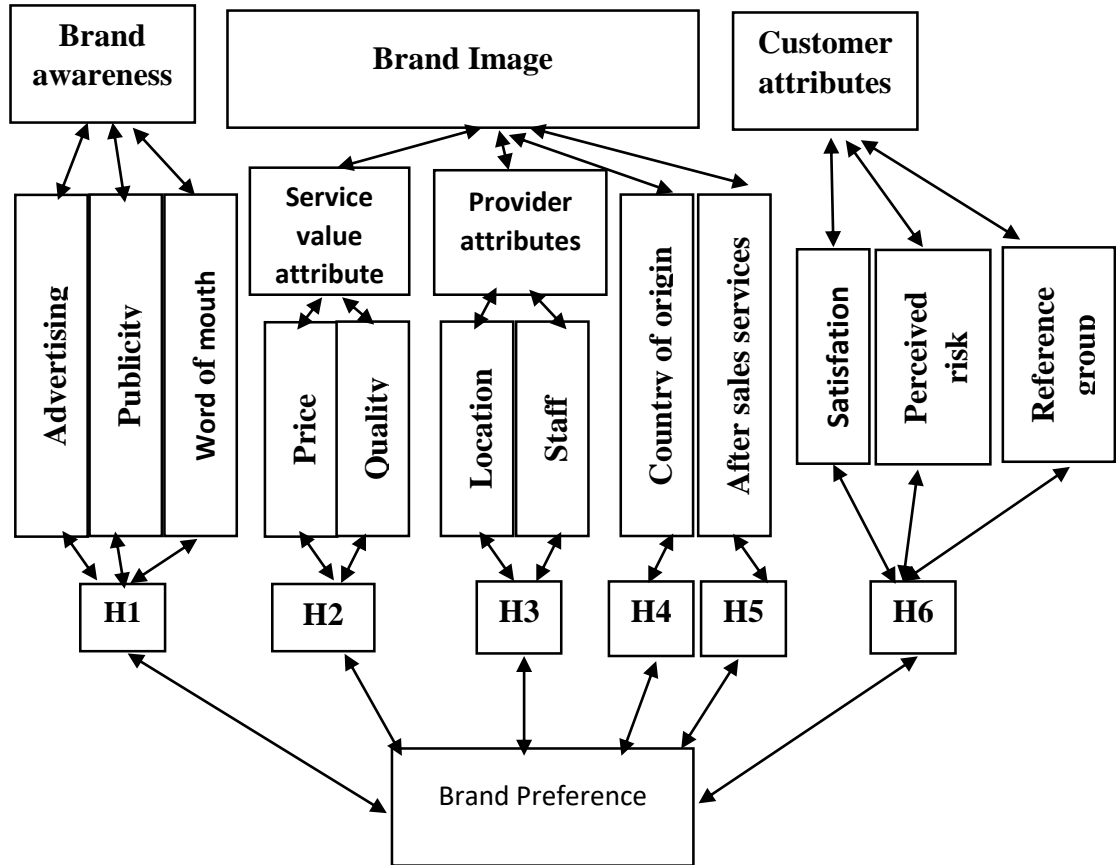


Source: Alamro, A., Rowley, J. (2011). Antecedents of Brand Preference for Mobile Telecommunications Services. *Journal of Product & Brand Management*, Vol. 20 No. 6, pp. 475-486. <https://www.emeraldinsight.com/doi/abs/10.1108/1061042111166621>

Alamro and Rowley (2011) have developed the basic model to investigate the antecedents of consumers' brand preferences toward telecommunications service brands. In basic model, Alamro and Rowley (2011) proposed that brand awareness, brand image and customer attributes are the main antecedents of consumers' brand preferences. The researchers in the study have found there are important relationships between the independent variables and the dependent variable, brand preferences.

## 2.2.2 Conceptual Model by Alamro and Rowley (2011)

Figure 2.3: Theoretical Framework by Alamro and Rowley (2011)



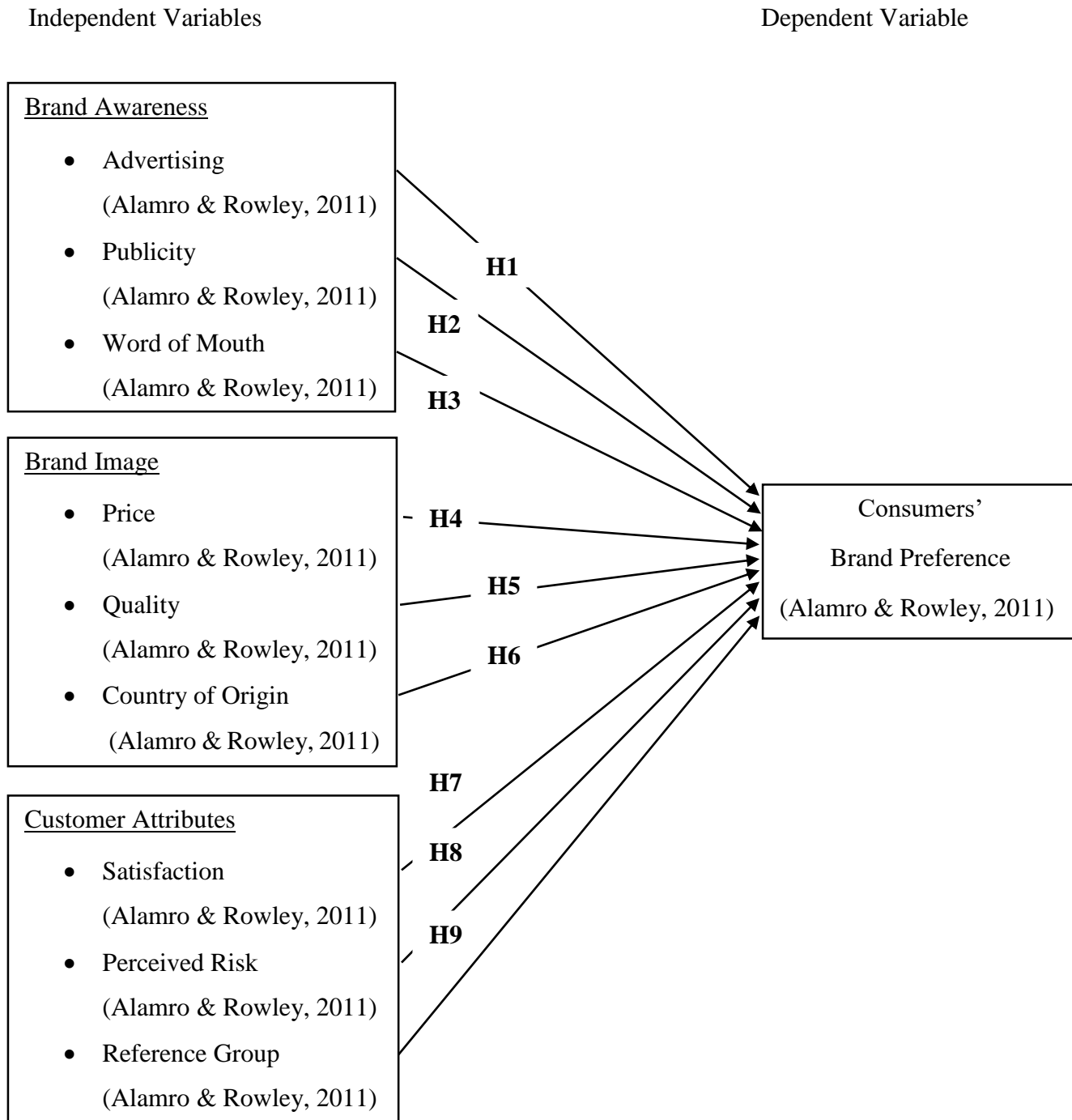
Source: Alamro, A., Rowley, J. (2011). Antecedents of Brand Preference for Mobile Telecommunications Services. *Journal of Product & Brand Management*, Vol. 20 No. 6, pp. 475-486. <https://www.emeraldinsight.com/doi/abs/10.1108/10610421111166621>

To further investigate the factors that affect consumers' brand preferences toward telecommunications service brands, the conceptual model was developed by Alamro and Rowley (2011). Brand preference act as a dependent

variable in this study. The model presented above and hypotheses applied in this study are in accordance with the past research, which proposed that there are three antecedents of consumers' brand preference, which are brand awareness, brand image and customer attributes (Alamro & Rowley, 2011). These three elements could be divided into a total of 12 sub-elements. Under brand awareness, there are three sub-elements, act as the independent variables in this study, including advertising, publicity and word-of-mouth. Besides, brand image is made up of various independent variables, including price, quality, location, staff, country of origin and after-sales services. Meanwhile, customer attributes consist of satisfaction, perceived risk and reference group. By using structural equation modeling, the authors found all of the independent variables mentioned positively affect brand preference.

## 2.3 Proposed Theoretical / Conceptual Framework

Figure 2.4: Proposed Theoretical / Conceptual Framework



Source: Developed for the research

The proposed theoretical/conceptual framework above is served as a foundation of this research. By using the models developed by Alamro and Rowley (2011) as a reference, modification is made and this framework is designed for the research that aims to investigate the relationship between the independent variables and dependent variable in Malaysia context. The dependent variable is consumers' brand preference while the independent variables are the factors that possibly affect the consumers' brand preference. Nine important independent variables are proposed in the research, which are advertising, publicity, word of mouth, price, quality, country of origin, satisfaction, perceived risk and reference group. In this research, Malaysian young women are targeted in order to study the relationship between the independents variables and the dependent variable.



## **2.4 Hypotheses Development**

### **2.4.1 The Relationship between Advertising and Consumers' Brand Preference**

Advertising is effective way to create consumers' awareness, persuade them to make purchase and eventually create preference towards the brand over others. According to Chakravarti and Janiszewski (2005), advertising enhances customers' brand preferences through influencing their viewpoint on brand features and raising their brand awareness. Bhai et al. (2017) found that advertising has important role in brand preference. In the era of modernization, most people would be influenced by advertising and thus, many companies focus on communicating with consumers through various ways of advertising to create their brand preference.

Several researchers found that advertising has major influences on customers' brand preferences. Advertising helps in increasing brand equity (Yoo et al., 2000) and in turn, improving brand preference (Malik et al., 2013). Besides, Latif (2011) found that advertising helps in forming customers' emotional attachment toward brand that connects customers with brand and it will remain in customers' mind for long period of time. As a result, customers will have preferences toward particular brand. Imam (2013) found that women tend to be more emotional and influenced by advertising frequently, as compared to men. Therefore, if the advertisement of cosmetic brand is attractive, female consumers are potentially attracted by the advertisement and look favourably towards the brand. Consequently, whenever they want to buy cosmetics, they will prefer to buy that particular cosmetic brand.

Inviting celebrities to promote brand is an effective advertising method. According to Khan and Rohi (2013), celebrities have distinctive features and they influence consumers' purchase decision significantly. Research has proved that if company invites celebrities for brand promotion, it influences consumers' response and buying intention effectively, as compared to the use of other promotion methods (Byrne et al., 2003). Besides, the result of research carried out against young Malaysians shows that celebrity endorsement definitely has effect on consumers' buying intention (Lay-Yee et al., 2013). Therefore, if a famous and influential celebrity is invited to endorse a cosmetic brand, consumers that like the celebrity invited tend to have preferences toward particular brand. Based on Ibrahim and Gomez (2018), mass media is significant and international brands that make huge investments in advertising usually gain higher consumers' preference. In short, when the consumers aware of a cosmetic brand and see it frequently through various advertising medium, their preferences toward the brand would be high.

Therefore, the hypothesis will be:

H1: There is a significant positive relationship between advertising and Malaysian young women preference of local and foreign cosmetic brand.

#### **2.4.2 The Relationship between Publicity and Consumers' Brand Preference**

According to Grace and O'Cass (2005), publicity is significant to affect customers' brand preferences. This is due to publicity has strong impact in generating customers' brand reaction, either favourable or unfavourable

reaction (Bansal & Voyer, 2000). Hauss (1993) found that marketing communication that has characteristics of great media coverage could affect customers' attitudes and therefore, trigger brand preference potentially. Publicity is an uncontrolled communication that has great media coverage and high reliability (Mangold et al., 1999). Most consumers think publicity is more reliable than advertising because publicity is usually unpaid. Bansal & Voyer (2000) and Swanson & Kelley (2001) found that due to this reason, unpaid publicity could help in building brand preference effectively. Besides, unpaid publicity also brings more effective sales performance as compared to advertising (Ennew et al., 2000). Previous research has shown that publicity triggers more favourable brand assessment than other forms of marketing communication (Skard & Thorbjørnsen, 2014).

Based on past studies, publicity supports the formation of brand awareness, brand perception and customer attributes. Brand awareness is important antecedent of brand preference and publicity aids in building brand awareness. Based on Aaker's theory (1991), brand awareness generates value in customer's thought by providing brand familiarity and leads to brand preference. Brand awareness is important due to consumers normally prefer to choose the brand they aware of. Aaker (1991) stated that when there is increase in brand exposure, the liking of consumers towards brand also tend to increase. Therefore, if a brand is able to generate free publicity and increase brand exposure, people are more likely to stick to the brand as preferred choice as they are more familiar with it as compared to other brands. Generally, people will not buy the brand that they never heard of, especially cosmetic products used on their face. In conclusion, publicity could affect brand preference and this statement is also supported by Berry (2000) as well as Grace and O'Cass (2005), highlighting that publicity is key factor in forming consumers' brand preferences.

Therefore, the hypothesis will be:

H2: There is a significant positive relationship between publicity and Malaysian young women preference of local and foreign cosmetic brand.

### **2.4.3 The Relationship between Word of Mouth and Consumers' Brand Preference**

According to Mangold et al. (1999), word of mouth has greater reliability. Due to this reason, word of mouth could drive consumers' brand preference (Bansal & Voyer, 2000; Swanson & Kelley, 2001). It is proved to have more influences than advertising (Ennew et al., 2000). Hanaysha (2016) also found that word of mouth is more important and credible communication method for consumers due to they have less interest towards advertisement and other traditional media. Therefore, positive word of mouth has great possibility to drive the purchase of cosmetic products. For example, if a person has positive experience with certain brand and recommend to the people around them, others will also form preferences toward the brand (Gilliland, 2017). This cycle is regarded as word of mouth marketing. Gilliland (2017) found that this method is effective because 92% of customers trusts recommendation from people around them, especially their friends and family members, rather than other marketing methods.

According to the model developed by Berry's (2000) that highlighted the significance of word of mouth, there are various types of word of mouth such as people's conversation regarding the product as well as an unexpected incident, as when, for instance, actor in drama uses the product. If the actor in

the drama uses lipstick of certain brand, the audiences might have preferences toward the brand when considering to purchase lipstick. Word of mouth helps in building brand perception in the mind of consumers. Sweeney et al. (2008) suggested that word of mouth is desirable in creating consumers' favourable perception and thereby, inducing brand preference. This is due to consumers tend to think that word of mouth is reliable and truthful (Swanson & Kelley, 2001; Sweeney et al., 2008). Therefore, many customers rely on word on mouth when shaping their preferences toward certain brand (Grace & O'Cass, 2005). In conclusion, when there is positive word of mouth for the brand, consumers will have preferences toward that particular brand as it is trustable in consumers' mind.

Therefore, the hypothesis will be:

H3: There is a significant positive relationship between word of mouth and Malaysian young women preference of local and foreign cosmetic brand.

#### **2.4.4 The Relationship between Price and Consumers' Brand Preference**

Foster and Cadogan (2000) found that price becomes the main consideration for most customers. It could influence the preferences of consumers toward a brand greatly. Krishnamurthi and Raj (1991) found that, in the past research, brand preferences have proved the important role of price. According to Me´ndez, Oubin~a and Rubio (2011), price is influences consumers' brand preference significantly. The price range of cosmetic brand is crucial when consumers make purchase decision. If the price range of a cosmetic brand is

reasonable and the product of that particular cosmetic brand is considered as value for money, consumers would prefer to purchase the brand.

Researchers observed that when the customers recognize there is a difference in price offered by local and foreign brands, it starts to influence their preference for local and foreign brands (Ismail et al., 2012). According to Schuiling and Kapferer (2004), local brands normally are cheaper than foreign brands and thus, customers will think that local brands are worth-buying. From this circumstances, it could be said that if the customers found the price of local cosmetics are cheaper than foreign cosmetics, they may have preferences towards local brands instead of foreign cosmetic brand. Besides of local brands, people may also seek for foreign brands offered in affordable price. Nowadays, young women have the tendency to buy Korean branded cosmetics because of their affordable price as they think Korean cosmetics are cheaper as compared to other countries' brands, such as United States, European Union and so on (U.S. Department of Commerce, 2016).

However, some people tend to think that price indicates brand quality. If the price is cheaper as compared with others, it is perceived as having low quality. Meanwhile, higher price indicates higher quality for consumers (Bao et al, 2011). As a result, cosmetic brands that have lower price range may be perceived as having poor quality while those brands that have higher price are perceived as having premium quality. This kind of assumption could affect the consumers' brand preference as well. Consumers will tend to think that local cosmetic brands have bad quality due to most local cosmetic brands offer lower price than foreign cosmetic brands. Hayakawa (1976) proposed that price is an independent variable that needs to be included in the practical model that aims to evaluate consumer s' brand preference. Nowadays, people think that lower

price indicates lower quality and therefore, the brand preference is lower when price is lower.

Hence, the hypothesis will be:

H4: There is a significant positive relationship between price and Malaysian young women preference of local and foreign cosmetic brand.

### **2.4.5 The Relationship between Quality and Consumers' Brand Preference**

Afsar (2014) suggested that when consumers perceive the brand as having premium quality, their trust towards the brand will increase and thereby, brand preference also will increase. Therefore, it could be said that perceived quality affects consumers' brand preferences directly. Alhedhaif et al. (2016) found that if the cosmetic brand have achieved consumers' expectation and satisfaction, the cosmetic brand is regarded as having high quality. The cosmetic brand that has higher perceived quality usually gains consumers' preference. Therefore, quality may be explained as brand ability to meet consumers' needs and wants as well as achieve their satisfaction (Alhedhaif et al., 2016). The ability of satisfying consumers would eventually lead to brand preference. Buyers of cosmetics are more likely to be quality conscious and brand conscious as compared to buyers of other products. Priyanga and Krishnaveni (2016) found that female customers stay loyal to a brand when they found the quality of the cosmetic brand is high. Cosmetic brand that has premium quality assists in boosting consumers' confidence, increasing purchase intention and gaining consumers' preferences. According to Latha

(2017), there are increasing consumers who willingly pay extra to buy cosmetic products with premium quality, especially young adults, because they wish to improve their appearance through these premium beauty products.

In less developed countries, foreign brands gain more preferences than local brands due to the higher perceived quality of brand (Bajaj, 2007). However, people in developing countries have stereotypes towards foreign brands. From a survey, Bajaj (2007) has discovered that consumers ranked the Japanese brands as having the highest quality, followed by German brands and Swiss Brand. There is increasing demands for cosmetic products of Japanese brands in Asian countries due to Japanese brands are widely known as having high quality of cosmetic products (R., 2017). On the other hand, Xie et al. (2015) also found that some customers prefer local brands because they perceived the brand quality is adjusted according to local cultures and preferences. Generally, customers prefer to choose quality brand to decrease the risk of consuming it. In Malaysia, there are large population of Muslims and increasing demand of halal cosmetics (Kaur et al., 2018) due to they perceive these halal cosmetics as having premium quality and safe to be used (Mohezar et al., 2016). In context of international brands that are globally available, consumers relate these brands with excellent quality (Ismail et al., 2012). This is because they think international brands are widely accepted. To conclude, high perceived quality is significant factor affecting consumers' brand preference. The higher the perceived quality of a brand, the higher preferences of consumers toward the brand.

Therefore, the hypothesis will be:

H5: There is a significant positive relationship between quality and Malaysian young women preference of local and foreign cosmetic brand.



#### **2.4.6 The Relationship between Country of Origin and Consumers' Brand Preference**

Lim & O'Cass (2001) and Yasin et al. (2007) proved that country of origin is significant in the formation of brand preference. Consumers tend to relate seller's brand with particular country and this influences their brand judgments (Han, 1990). Therefore, consumers will have the tendency to prefer particular countries because of the culture and disfavour other countries (Keller, 2003; Nowlis & Simonson, 1997). In past research, Aaker (1991) have found the significance of country of origin on brand preference. Country of origin can helps in providing reliability, forming high quality and unique image in customers' mind (Aaker, 2001). Aaker (2001) also found that due to particular country has image of making the best in particular type of product, the brand from that particular country is believed to provide better quality. For instance, Japanese has known as a good provider for products of whitening skin and therefore, consumers may prefer Japanese products for whitening function (U.S. Department of Commerce, 2016). Besides, if the customers have favourable image towards the country, they tend to regard its product in the same way. Nowadays, K-pop and K-drama has strong influences all around the world on almost everything, including cosmetics (U.S. Department of Commerce, 2016). As a result, many people have preferences towards Korea and also Korean brand.

Some consumers may prefer local brands made in home country due to the local brands are able to fit into local needs and wants because they know the local consumers better. Besides, local brands trigger a sense of local identity (Xie et al., 2015; Dimofte et al., 2008). For instance, Filipino customers have preferences towards local brands due to the reasons mentioned above.

Additionally, consumer ethnocentrism also leads to local brand preference. The greater the level of ethnocentrism, the greater the preference towards local brands (Ibrahim & Gomez, 2018). On the other hand, some consumers may prefer foreign or global brands. According to Alden et al. (1999), customers prefer brands from Western countries due to higher perceived quality and higher social prestige. Customers in developing countries normally try to imitate western lifestyles and thus, they tend to buy foreign brands to pursue similar lifestyles (Peterson & Jolibert, 1995). For cosmetic products, customers prefer to use the foreign cosmetics instead of domestic cosmetics (Marjanlou & Sehhat, 2017). Based on the research by Kinra (2006), consumers relate foreign brands to higher quality and prestige, so they will have preferences over foreign brands. As a conclusion, country of origin greatly affects brand assessment (Schweiger et al., n.d.) and also brand preference (Yasin et al., 2007). The more favourable the quality and image of the country of origin, the greater the brand preference of consumer.

Therefore, the hypothesis will be:

H6: There is a significant positive relationship between country of origin and Malaysian young women preference of local and foreign cosmetic brand.

#### **2.4.7 The Relationship between Satisfaction and Consumers' Brand Preference**

Customer attributes such as satisfaction could influence brand preference in direct way (Alamro & Rowley, 2011). The significance of satisfaction can be seen clearly because when the customers are happy with the goods, they are

likely to keep consuming them. According to Hellier et al. (2003), customer satisfaction is important antecedents of brand preference. Hellier et al. (2003) explained customer satisfaction as fulfilment and gratification caused by brand experience. Hellier et al. (2003) also suggested that satisfaction is a result from experience and it affects brand preference greatly. Consumers that are satisfied with the brand experience have the tendency to repurchase it. Besides, the model constructed by Grace and O’Cass (2005) shows satisfaction as customer reaction, either positive or negative, towards performance of brand marketing and brand clue. The reaction leads to the development of overall impression of customers toward the brand and the customers decide whether they patronize the brand.

Moreover, the findings show that customer satisfaction helps in customer retention and growing brand preference. For instance, Cronin and Taylor (1992) found that customer satisfaction forms favourable brand reaction (e.g. brand preference) and customer dissatisfaction forms unfavourable brand reaction. In the research of Martensen (1997) regarding the satisfaction and loyalty of youth aged 8 to 12 towards mobile phones, the significance of satisfaction to brand preference was presented. Therefore, it can be concluded that if the consumers are satisfied with the usage of particular cosmetic brand, they are likely to repurchase the brand because of their preferences toward the brand. Consumers make their brand choice by analysing the degree of satisfaction they obtain from various brands (Shankar et al., 2008; Chinomona, 2013). According to Chen and Chang (2008), consumers that are satisfied with the brand quality will prefer that brand in future while unsatisfied consumers will switch to other brands. In conclusion, satisfaction affects brand preference greatly as when there is higher satisfaction, the consumers are likely to have greater preference toward the brand.

Therefore, the hypothesis will be:

H7: There is a significant positive relationship between satisfaction and Malaysian young women preference of local and foreign cosmetic brand.

### **2.4.8 The Relationship between Perceived Risk and Consumers' Brand Preference**

Alamro and Rowley (2011) found that customer attributes, such as perceived risk, could influence customers' brand preferences directly. According to Mieres et al. (2006), perceived risk is associated with buying decisions regarding brand. The past study suggested that the risk will turn into the major component taken into consideration of buying decision only if it is perceived by consumers (Maciejewski, 2011). Perceived risk is able to affect brand preference that is deeply rooted in consumers' mind and thus, affect consumers' brand buying decision as brand preference will translate into consumers' action. The past study suggested that the greater risk involved in choosing a brand, the lesser preference towards the brand (Dunn et al., 1986; Mieres et al., 2006).

The brand buying decision may involve functional risk, physical risk, psychological risk, social risk, financial risk and time risk (Laroche et al., 2003). The consumers may expect low quality level of brand and dissatisfaction after using the brand. Thus, they will have lower preferences toward that particular brand. It is also possible for consumers to spend more money to buy other brand of product to replace current brand they used because of the poor quality and therefore, they incur financial loss. This situation also leads to consumers' lower brand preferences. Besides, particular brand of product may lead to

negative image or health problem, especially the products used on skin. For instance, individual may suffer from skin rashes after using particular brand of cosmetic product. Individual also may receive peculiar looks from others by using some brands. The circumstances mentioned lead to lower brand preferences.

Maciejewski (2011) found that consumers often will consider the risk factor and involve this factor before taking their actions. If consumers think they have the likelihood of suffering loss, they will not regard the brand as preferred choice. Instead, they will choose the brand that has lower perceived risk. Therefore, it can be concluded that when the consumers perceive lower risk of brand purchase decision, they are more likely to stick to the brand as preferred choice. It is supported by the principle of perceived risk, stating that in most of the situations, the brand that has lowest perceived risk leads to the greatest preference (Mitchell, 1992).

Therefore, the hypothesis will be:

H8: There is a significant negative relationship between perceived risk and Malaysian young women preference of local and foreign cosmetic brand.

#### **2.4.9 The Relationship between Reference Group and Consumers' Brand Preference**

Social influence refers to pressure from team to follow and obey that affects brand preferences (Rehman, 2011). Chan and Botelho (2016) stated that when

a person from the group chooses different brand with other group members, it differentiates the person from group. Therefore, many people prefer to buy same brand as group they belong or reference group because they are afraid of being excluded and they desire for social affiliation. According to Kukkonen (2011), people always change their way of acting and thinking to suit their reference group. People tend to behave according to other people, so that they will obtain social acceptance from others (Kukkonen, 2011). For instance, if a group of friends always support and purchase Korean brand cosmetics, the person from the group will also have the preference towards Korean brand cosmetics due to the person wants to gain acceptance and favourability from the social group. Englis and Soloman (1997) stated that people that belong to a group that greatly affect them will try to behave based on the group norms through using the brands matched with group preferences for sense of presence.

Khan and Rohi (2013) found that opinions of family and friends are growing important in affecting consumers' brand preference and brand choice. This is due to family and friends are the reference group for most people. The research shows that customers' brand preference and brand choice are affected by the reference group (Bearden and Etzel, 1982). This situation is especially obvious on women. Limbad (2013) has proved that reference group becomes significant factor in influencing purchase behaviour of women. When family and friends of a woman think that particular cosmetics brand is good and recommend to her, she tend to have the preference to buy the brand.

Besides, most of the people care about perception of other people. They concern about their own image and they wish to gain favourability from others. Consequently, they would prefer to buy the brand that is able to enhance self-image and status. Kapferer (1997) found that customers have preferences toward foreign brands because they are linked to greater prestige. This

viewpoint is also supported by Kinra (2006), saying that foreign brands are preferred as customers associate foreign brands to higher prestige and status. Moreover, people increasingly prefer non-local brands, particularly those made in Western countries, because of their impact on social status (Alden, et al., 1999). To conclude, reference group could influence consumers' brand preferences greatly. When people around consumers buy certain brand or encourage them to buy it, the brand preferences will be higher as this behaviour is accepted in their society.

Therefore, the hypothesis will be:

H9: There is a significant positive relationship between reference group and Malaysian young women preference of local and foreign cosmetic brand.

## **2.5 Conclusion**

This chapter explained each independent variables and dependent variable based on the collective definition provided by past studies. The relationships between the variables are explained and a theoretical framework is proposed to illustrate them. The next chapter will explain the methods that the researchers will use in data collection.

## **CHAPTER 3: METHODOLOGY**

### **3.0 Introduction**

In this chapter, the research methodology, sampling methods and instrument used for this research will be discussed in detail.

### **3.1 Research Design**

#### **3.1.1 Quantitative Research**

Quantitative research method is chosen in this study. According to McLeod (2017), quantitative research is a method that gathers data in numerical form, which could be divided into categories, arranged in rank order or measured in units of measurement. Bryman (2001) also found that quantitative research focuses on numbers and figures when gathering and evaluating data. By using numerical data, results could be measured and evaluated from a population and hypothesis testing could be used to test the theoretical framework. The use of numerical data is regarded as efficient and effective as it helps in saving a lot of time and resources (Yong et al., 2014). A questionnaire was designed and used to collect data from target respondents. In the questionnaire, Likert scale questions are used with answers ranging from 1 (strongly disagree) to 5 (strongly agree). The questionnaire helps in identifying and evaluating the factors influencing Malaysian young women preference of cosmetics brands.



### **3.1.2 Descriptive Research**

Descriptive research explains about the attributes of population and provides answer to questions regarding who, what, where, when as well as how (Zikmund et al., 2010). It is significant to use descriptive research in order to: (1) describe the characteristics of target respondents; (2) anticipate the number of people that will make certain behaviour; (3) gain insight into perception of product features; (4) investigate relationship between marketing variables; and (5) make prediction about market conditions (Malhotra, 2010). According to Hair et al. (2007), information obtained from past studies can be applied as foundation to evaluate the variables in future studies. Besides, Zikmund et al. (2010) also found that the researchers normally gain knowledge from the studies conducted in the past and further developed the research more precisely for certain phenomenon. This study explains about advertising, publicity, word of mouth, price, quality, country of origin, satisfaction, perceived risk, reference group and consumers' preferences of cosmetics brands. Hair et al. (2007) stated that researchers can make descriptive research via observation, interview as well as questionnaire composed of structured questions. The survey approach, which uses standardized questions and measurement scales, was adopted in this research. In this study, questionnaire was created with the references of past research to carry out a survey on the factors that influence the Malaysian young women to buy local and foreign cosmetics brands. In addition, descriptive research can be categorized into cross-sectional and longitudinal studies. This study is a relatively short term research so it is considered as cross-sectional study.

### **3.1.3 Causal Research**

Causal research design is used to identify the cause-and-effect relationships between independent variables and dependent variable (Zikmund et al., 2013). The central focus of this research is to identify the significant factors influencing consumers' cosmetics brand preferences. This research can be regarded as causal research because this research aims to investigate whether the independent variables (advertising, publicity, word of mouth, price, quality, country of origin, satisfaction, perceived risk, reference group) influence the dependent variable (Malaysian young women preference towards local and foreign cosmetics brands).

## **3.2 Data Collection Methods**

### **3.2.1 Primary Data**

Primary data refers to new information gathered from sources associated with the study conducted in direct way (Kumar et al., 2013). Several methods could be used to collect primary data and questionnaire method is used by the researchers in this research. The questionnaires were printed out and distributed to target respondents, who are Malaysian young women aged 18-35. Researchers searched for suitable respondents in several locations, including Universiti Tunku Abdul Rahman (UTAR), Sunway Velocity Mall, Mytown Shopping Centre, various restaurants and so on. Besides, the questionnaire was created on Google form and distributed to the respondents. This method helps to decrease costs and save lot of time since online survey does not require presence of respondents. In order to collect data from 300 respondents as soon as possible, researchers make use of various platforms, such as Facebook,

Instagram and others. All the responses were collected in numerical data form and evaluated to support hypothesis testing.

### **3.2.2 Secondary Data**

Secondary data is information gathered from existing sources developed by other researchers in the past (Sekaran, 2003). Secondary data could be obtained through various journals and articles on internet as well as textbooks associated with the research topic (Hui et al., 2014). There are several advantages of using secondary data for researchers. Secondary data could be collected more easily, faster and inexpensive, as compared with primary data (Zikmund et al., 2010). However, there is also disadvantages of secondary data, such as inadequate, inaccurate and inconsistent data with the research, so it may affect research reliability (Zikmund et al., 2010). In this research, researchers make use of secondary data acquired from related past studies found in several sources. The sources include library database of University Tunku Abdul Rahman, Google Scholar and books. Besides, the researchers also found many related journals by searching on Google. Secondary data helps the researchers in understanding the constructs in this research and using as references to develop questionnaire.

### **3.3 Sampling Design**

#### **3.3.1 Target Population**

Target population refers to group of people who researchers intend to obtain information, evaluate and therefore, make analysis in their studies. In this research, the target population is those young women who aged 18-35 years old. This is due to young women are generally the most potential cosmetics purchasers and they frequently use cosmetics products to enhance their beauty. The respondents are ranged from different race, income level and educational level. A variety of demographics helps the researchers to collect different viewpoints and responses for this research.

#### **3.3.2 Sampling Frame and Sampling Location**

Sampling frame refers to target respondents who are qualified to be selected for the survey (Zikmund et al., 2010). This research focused on young women only. The questionnaire was distributed online and also in form of hardcopy. The researchers collected the questionnaires created through Google Form mostly from various online platforms, such as Facebook, Instagram, Whatsapp and so on while only a small quantity of questionnaires were collected through paper questionnaires. In addition, there is no specific sampling location in this research. The respondents were not limited to specific region, as long as the respondents is a Malaysian. However, the respondents of the survey are mostly from Kuala Lumpur and Sungai Long (Kajang) area.

### **3.3.3 Sampling Elements**

The survey respondents were Malaysian young women aged 18-35 years old, especially those who frequently use cosmetics products. For those young women who do not use cosmetics products, the researchers are also interested in surveying their preferences toward cosmetics brand they intend to buy in future. The sampling elements involved in the research are age, race, income level and education level.

### **3.3.4 Sampling Techniques**

In this research, non-probability sampling is used, in which the sample is chosen according to personal judgement and ease of obtaining. Under non-probability sampling technique, convenience sampling is adopted. Zikmund et al. (2010) explained convenience sampling as obtaining respondents that are most conveniently and easily available. It is suitable to be used when the researcher is familiar with the respondents. Hence, UTAR students were selected as one of the groups of respondents for this research because of the accessibility and familiarity to the researchers conducting this study. Besides, researchers also adopted purposive sampling categorized under non-probability sampling technique in this research. It is adopted to obtain data from certain subset of people. In this research, researchers aim to obtain data from young women aged 18-35. Hence, those people that do not meet this requirement are rejected to participate in the survey. For example, male respondent are totally rejected and those female respondents aged below 18 and above 35 are also rejected.

### **3.3.5 Sampling Size**

According to the rules of thumb, Comrey and Lee indicate the sample sizes of 100 as inadequate, 200 as reasonable, 300 as satisfactory, 500 as desirable and 1000 or more as superb (Williams et al., 2010). Roscoe (1975) also advised that a sample size within 30 to 500 respondents is appropriate for research. In consideration of time and costs, a total of 300 set questionnaires were distributed to target respondents through internet and face-to-face method.

## **3.4 Research Instrument**

The research instrument used in this research is questionnaire, which is a method of gathering data by asking respondents to answer same set of questions being created previously (Saunders et al., 2012). The researchers used self-administered questionnaire in this research. Respondents will read and answer the questionnaires by themselves. They answer the questionnaire according to their own viewpoints and interpretations. This method is adopted due to the reason that it is less costly and easier to obtain huge amount of respondents needed. Cargan (2007) has proven that the use of questionnaire provides many benefits, including saving time, costs and suitable for research with limited time.

### **3.4.1 Questionnaire Design**

The questions in the questionnaire were created by using various journals as references and English is used due to most people understand this language. Besides, most of the questions were designed in form of close-ended question. The researchers prepared a list of answer for respondents to choose. Therefore, respondents can answer the questions more easily and it requires less time for respondents to answer the questionnaire (Zikmund et al., 2010). Meanwhile, researchers also can compare the responses obtained from respondents easily.

This questionnaire consists of three sections. In Section A, the respondents were requested to provide their demographic information. Firstly, the general information of respondents were asked in this part, such as race, age, education level and income level. Besides, questions about the usage of cosmetics products, cosmetics brand used currently and preferred cosmetics brand were also included in Section A.

In Section B, the questionnaire was created according to independent variables of the research, which are the possible factors that influence consumer preferences toward cosmetics brand. This section was divided into several parts, including advertising, publicity, word of mouth, price, quality, country of origin, satisfaction, perceived risk and reference group. Section B also covered dependent variable, which is consumers' preferences toward cosmetics brand. In this section, respondents need to answer questions associated with each variable using 5-point Likert Scale ranging from "1=Strongly Disagree", to "5=Strongly Agree".

### **3.4.2 Pilot Study**

Pilot study refers to small scale of research test that gathers data from small number of respondents who have same attributes as those respondents in full research (Zikmund et al., 2013). Pilot study can be guideline for researchers in the full research later. After conducting pilot study, the researchers may have to modify the questionnaire.

According to Malhotra (2008), the appropriate sample size for pilot study is between 15 and 30 respondents. Therefore, the pilot test was conducted on 30 respondents before carrying out the actual survey of this research. The pilot study aims to make sure the questionnaire used in the research is reliable. The researchers created questionnaire in Google Form and shared the link to various platforms, such as Facebook, Instagram and Whatsapp, for 30 respondents to answer. The pilot study was scheduled to be completed within a week. Based on the result of the pilot study, it showed that the questionnaire is reliable and therefore, the researchers can proceed to the actual survey without modifying the questionnaire.



### 3.5 Constructs Measurement

#### 3.5.1 Origins of Construct

Table 3.1 shows the origin of constructs. The questions for independent variables and dependent variable were adapted from questionnaires used in past studies will be shown in Table 3.2 in Appendix A.

Table 3.1 Summary of Constructs and Sources

<b>Constructs</b>	<b>Sources</b>
Advertising	Chan (2004); Chaisitthiroj (2007); Ponbamrungwong & Chandsawang (2009); Goh, Tan, Tiyu & Lee (2013)
Publicity	Wong, Lee, Lin & Low (2012)
Word of Mouth	Chaisitthiroj (2007); Ponbamrungwong & Chandsawang (2009); Wong, Lee, Lin & Low (2012); (Afsar, 2014)
Price	Chaisitthiroj (2007); Ebrahim (2013); Goh, Tan, Tiyu & Lee (2013)
Quality	Ponbamrungwong & Chandsawang (2009); Goh, Tan, Tiyu & Lee (2013)
Country of Origin	Goh, Tan, Tiyu & Lee (2013)
Satisfaction	Goh, Tan, Tiyu & Lee (2013)
Perceived Risk	Maciejewski (2011); Goh, Tan, Tiyu & Lee (2013)
Reference Group	Ponbamrungwong & Chandsawang (2009); Wong, Lee, Lin & Low (2012); Ebrahim (2013); Mamat , Noor & Noor (2015)
Consumer's Brand Preference	Chaisitthiroj (2007); Goh, Tan, Tiyu & Lee (2013)

Source: Developed for the research

### 3.5.2 Scale of Measurement

The level of measurement scale is significant as it allows researchers to compare the variables and make evaluation more easily and conveniently (Zikmund et al., 2013). In the survey questionnaire, 2 types of scale are used, including nominal and interval scale.

#### 3.5.2.1 Nominal Scale

Nominal scale is the most fundamental level of measurement and it is used to assign items into groups or categories. By using nominal scale, each item are given a number as label and it serves the purpose of identifying and classifying items. Nonetheless, the number given to each item as a label do not represent any value, ranking or distance (Kumar et al., 2013). In Section A, most of the questions are designed by using nominal scale. For instance, the questions regarding race, education level, preferences of local and foreign cosmetics brands and so on are designed according to nominal scale.

Figure 3.1 Example of Nominal Scale

Q1. Race:  (        ) Chinese  (        ) Indian  (        ) Malay
--

Source: Developed for the research

### 3.5.2.2 Interval Scale

Interval scale also can be called as rating scale. Interval scale helps the researchers to identify and understand the degree of differences between ranks (Kumar, Talib & Ramayah, 2013, p.88). In Section B of questionnaire, all questions are designed by using Likert scale. The researchers used Likert scale to measure the factors that influence Malaysian young women preference of cosmetics brands. It was tested by 9 independent variables and a dependent variable. 5 point Likert scale ranged from 1-Strongly Disagree to 5-Strongly Agree was used. The respondents were required to circle the most suitable number to indicate their opinion.

Figure 3.2 Example of Interval Scale

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	2	3	4	5

<b>Advertising</b>					
I think the advertisements of the brand are attractive	1	2	3	4	5
I think the advertisements have impressed me.	1	2	3	4	5
The advertisement are able to give related information regarding the brand.	1	2	3	4	5
Advertisements of the brand increase my purchase intention.	1	2	3	4	5
I think the brand needs to have celebrity endorsement for quality.	1	2	3	4	5
I normally have preference over popular brand due to the advertisement with well-known celebrity and actress.	1	2	3	4	5
I would like to purchase frequently advertised cosmetics brand.	1	2	3	4	5

Source: Developed for the research

## **3.6 Data Processing**

Once the researchers have collected the data, the data needs to go through a series of steps before it can be further analysed (Hair et al., 2002). Data processing involves 5 steps, which are questionnaire checking, data editing, data coding, data transcribing and data cleaning. These processes help in reducing error, producing more accurate outcome and thus, the quality of findings will increase.

### **3.6.1 Questionnaire Checking**

The first step of data processing is questionnaire checking to make sure good quality of data. After carrying out pilot study, researchers did questionnaire checking to identify if there is any error, such as grammar mistakes, misunderstanding of respondents towards the instructions and questions in the questionnaire. If the researchers detect any mistake, they can make amendment before conducting the actual survey. By doing so, the researchers are able to review the quality of questionnaire and maintain the reliability of research. Besides, by getting some feedbacks and responses from respondents in the pilot study, the researchers can make improvement to the questionnaires before giving out too many sets of questionnaires to respondents. Malhotra et al. (2009) mentioned that researchers should take the corrective actions as early as possible before too many respondents answer the questionnaires.

### **3.6.2 Data Editing**

Data editing is defined as the process of assessing and scanning the questionnaires collected from respondents. According to Zikmund et al. (2010), data editing helps researchers to ensure the questionnaire is complete and useful, so that the data is readily available for coding. The researchers need to check if there is any unsatisfactory questionnaire. For instance, respondents may missed some questions in the questionnaire and did not fill in the answer. The unsatisfactory questionnaire will cause the inaccuracy of research result (Hair et al., 2009). Therefore, corrective action should be taken by the researchers when identifying problems in questionnaire. Normally, the unsatisfactory questionnaire will be removed to prevent its possibility to affect the overall result of research. The researchers also can insert the blank responses by referring to respondent's answer on other questions (Zikmund et al, 2013). Data editing is required before transforming data to information in order to ensure the data collected from respondents is valuable.

### **3.6.3 Data Coding**

Data coding refers to process of allocating code to option given for each question and the code can be in numeral form or other symbol. Data coding is important for researchers to transfer data from questionnaire to computer conveniently and easily. Besides, it also improves the accuracy of respondents' answers. In this research, researchers have coded all the options possibly chosen by the respondents. Researchers coded the options in numerical form instead of alphabetical order as it allows researchers to evaluate and transfer data more

easily. For example, in Section A of questionnaire, race of respondents can be assigned as “1” for Chinese, “2” for Indian and “3” for Malay. Meanwhile, in Section B, degrees of “strongly disagree”, “disagree”, “neutral”, “agree”, and “strongly agree” are coded by researchers accordingly from 1 to 5 to represent the opinion of respondents. By doing so, data entry become easier for researchers.

### **3.6.4 Data Transcribing**

Data transcribing refers to process of transferring data obtained from questionnaire and coded by researchers into computer (Maholtra, 2010). In this research, coded data was transcribed into SPSS software version 19 for data analysis.

### **3.6.5 Data Cleaning**

Lastly, the researchers will carry out data cleaning that can ensure the data and input from questionnaires are accurate. By using SPSS software, the reliability of data can be checked. In this research, the researchers used SPSS version 19 to identify if there is any unusable data.

## **3.6 Data Analysis**

Data analysis was carried out by the researchers in order to analyse data from 300 sets of questionnaires. In this research, the researchers made use of SPSS software version 19 to obtain statistical output of descriptive analysis, reliability analysis and inferential analysis that consists of Pearson correlation analysis and multiple regression analysis.

### **3.7.1 Descriptive Analysis**

Descriptive analysis is defined as analysis of data that assists researchers to transform raw data in an easily understandable way (Zikmund et al., 2010). Descriptive analysis is applied when researchers intend to gain insight of the main tendencies for the variables used in the study. Generally, the terms of mean, mode, standard deviation and range will be used in the descriptive analysis. Through descriptive analysis, researchers will be able to interpret and find out the common characteristics of target respondents. In this research, researchers made use of descriptive analysis to identify the frequency distribution of demographic and general information of 300 target respondents, who are Malaysian young women aged 18-35. For instance, under demographics part in section A of the questionnaire, researchers analysed respondents' race, age, current education level and income level. They will be presented in table form and also various chart forms, such as bar chart and pie chart. For each table and chart, percentage of each option will be shown and explanation will be provided by researchers. By doing so, researchers have analysed data in meaningful and straightforward way.

### **3.7.2 Scale Measurement**

The reliability of data can be tested and proven by using scale measurement. In this research, researchers applied reliability test in order to identify the relatedness and reliability of each variable and gain insight into the internal consistency.

#### **3.7.2.1 Reliability Analysis**

In general, researchers make use of reliability analysis in order to assess the stability and dependability of the variables. Reliability analysis helps researchers to prevent error in variables and hence, they are able to generate a stable and accurate result (Zikmund, 2003). In research, it is essential for researchers to carry out reliability analysis to detect possible problem in early stage of research. Saunders et al. (2009) found that reliability is regarded as the measurement of internal consistency. In this study, researchers used Cronbach's alpha to evaluate the internal consistency of the variables. Cronbach's alpha is ranged from 0 to 1. According to Malhotra (2007), when the value of Cronbach's alpha is higher, the level of reliability and internal consistency will also be higher. Based on the rule of thumb of Cronbach's Alpha Coefficient Size, the value of 0.6 or below means the internal consistency reliability is weaker and therefore, value of 0.7 and above is recommended. The rule of thumb also suggests that value of 0.9 refers to strong internal consistency reliability.



Table 3.3 Rules of Thumb of Cronbach's Alpha Coefficient Size

Alpha Coefficient Range	Strength of Association
< 0.6	Poor
0.6 – 0.7	Moderate
0.7 – 0.8	Good
0.8 – 0.9	Very Good
0.9	Excellent

Source: Hair, J. F. Jr., Babin, B., Money, A. H., & Samouel, P. (2003). *Essential of business research method*. New Jersey: John Wiley & Sons.

### 3.7.3 Inferential Analysis

According to Hair et al. (2007), inferential analysis allows researchers to utilize part of a population to generate a conclusion on the common features of entire population. In this research, SPSS software version 19 was used by the researchers to carry out two types of analysis, which are Pearson correlation analysis as well as multiple regression analysis.

#### 3.7.3.1 Pearson Correlation Analysis

In this research, Pearson correlation analysis was used to investigate the direction and strength between the variables. Researchers used it to measure the

correlation coefficient ( $r$ ) to find out the association between independent variables (advertising, publicity, word of mouth, price, quality, country of origin, satisfaction, perceived risk and reference group) and dependent variable (consumers' preferences of cosmetics brands). According to Zikmund (2003), correlation coefficient ( $r$ ) signifies the strength of relationship among the variables. The value of Pearson correlation is ranged between -1 and +1. Negative value of Pearson correlation refers to perfect negative relationship while positive value refers to perfect linear relationship. Saunders et al. (2009) mentioned when the value of Pearson correlation is greater, the relationship between the independent variables and dependent variable is also stronger. Based on rule of thumb of Pearson Correlation Analysis, value of 0 means that there is no relationship between two variables. Meanwhile, value ranged between 0.20 and 0.40 means weak relationship; value between 0.40 and 0.70 means moderate relationship; value above 0.7 means a stronger relationship.

Table 3.4 Rule of Thumb of Pearson Correlation Coefficient

<b>Pearson Coefficient Range</b>	<b>Strength of Association</b>
$\pm 0.91$ to $\pm 1.00$	Very Strong
$\pm 0.71$ to $\pm 0.90$	High
$\pm 0.41$ to $\pm 0.70$	Moderate
$\pm 0.21$ to $\pm 0.40$	Small but definite relationship
$\pm 0.00$ to $\pm 0.20$	Slight, almost negligible

Source: Hair, Jr., J. F., Money, A. H., Samouel, P., & Page, M. (2007). *Research methods for business*. Chichester, West Sussex: John Wiley & Sons Ltd.

### 3.7.3.2 Multiple Regression Analysis

Multiple regression analysis is regarded as adjustment and extension of simple linear regression analysis (Goh et al. 2014). In this research, multiple regression analysis is adopted to find out whether there is relationship between the independent variables and dependent variable. This analysis also assists the researchers to discover the most important factors influencing Malaysian young women's preferences toward cosmetic brands among all the independent variables mentioned above.

The multiple regression equation is as followed:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + \dots$$

Where Y = dependent variable

X = independent variables

a = constant value

b = unstandardized coefficient

Besides, values of R Square and Adjusted R Square are important. Value of Adjusted R Square indicates the degree of dependent variable that can be explained by independent variables. There is better explanatory power of independent variables towards dependent variable when the value of Adjusted R Square is greater. Furthermore, the significance value obtained from the table of ANOVA is also important as when the value is less than 0.05, it can be known that the model is significant and there is significant effect of independent variables on dependent variable. Therefore, researchers can carry out further analysis of the research result. Moreover, Beta coefficient is used to evaluate

the most influential independent variable that affects dependent variable in the research. When the beta coefficient is greater, the effect of independent variable on dependent variable is also greater. Lastly, P-value shows the relationship between independent and dependent variables. If the P-value does not exceed 0.05, it means that the independent variable is important in explaining the dependent variable.

### **3.7 Conclusion**

In this chapter, researchers have explained the research methodology, including research design, sampling design, research instrument and process of collecting data from 300 respondents. The data processing and methods of data collection by using SPSS software version 19 are also explained by researchers in this chapter as well. The next chapter will present and briefly explain the result of analysis.

## **CHAPTER 4: DATA ANALYSIS**

### **4.0 Introduction**

The researchers have collected data from 300 target respondents, who are Malaysian young women aged 18-35. 300 sets of questionnaires are analysed by using SPSS version 19. In this chapter, the results of the data will be presented after undergoing descriptive analysis, reliability analysis and inferential analysis.

### **4.1 Descriptive Analysis**

#### **4.1.1 Respondent Demographic Profile**

##### **4.1.1.1 Race**

Table 4.1: Race

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Chinese	252	84.0	84.0	84.0
Indian	16	5.3	5.3	89.3
Malay	32	10.7	10.7	100.0
Total	300	100.0	100.0	

Source: Developed for the research

According to Table 4.1 and Figure 4.1, it shows that Chinese occupies the largest proportion among the respondents in this survey, which is 84% or 252 out of 300 respondents. It is followed by Malay and Indian respondents that consist of 32 respondents (10.7%) and 16 respondents (5.3%).

#### 4.1.1.2 Age

Table 4.2: Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 18-20	22	7.3	7.3	7.3
21-25	234	78.0	78.0	85.3
26-30	34	11.3	11.3	96.6
31-34	10	3.4	3.4	100.0
Total	300	100.0	100.0	

Source: Developed for the research

There are four age groups shown in Table 4.2 and Figure 4.2. Majority of respondents is aged between 21 and 25, which contribute to 78% or 234 out of 300 respondents. The second and third highest age group are 26 to 30 years old (11.3% or 34 respondents) and 18 to 20 years old (7.3% or 22 respondents). The age group of 31 to 34 years old occupies only 3.3% or 10 respondents in this survey.

#### 4.1.1.3 Current Education Level

Table 4.3: Current Education Level

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Secondary School	28	9.3	9.3	9.3
Degree / Bachelor Holder	248	82.7	82.7	92.0
Post-Graduation	24	8.0	8.0	100.0
Total	300	100.0	100.0	

Source: Developed for the research

Based on Table 4.3 and Figure 4.3, most of the respondents in this survey are degree / bachelor holder and they occupy 82.7% or 248 out of 300 respondents. The current education level of the remaining respondents is secondary school (9.3% or 28 respondents) and post-graduation (8.0% or 24 respondents).

#### 4.1.1.4 Income Level

Table 4.4: Income Level

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid RM 1000 and below	213	71.0	71.0	71.0
RM 1001 – RM 2000	27	9.0	9.0	80.0
RM 2001 – RM 3000	38	12.7	12.7	92.7
RM 3001 – RM 5000	20	6.7	6.7	99.4
-	2	0.7	0.7	100.0
Total	300	100.0	100.0	

Source: Developed for the research

According to Table 4.4 and Figure 4.4, the income level of respondents is categorized into 4 groups. 213 respondents (71%) fall under income level of RM 1000 and below, followed by 38 respondents (12.7%) with income level of RM 2001 to RM 3000. Meanwhile, 27 respondents (9.0%) have income between RM 1001 to RM 2000 and 20 respondents (6.7%) have income between RM 3001 to RM 5000. The remaining 2 respondents (0.7%) refused to tell their income.



## 4.1.2 General Information

### 4.1.2.1 Usage of Cosmetic Products

Table 4.5: Usage of Cosmetic Products

**Do you use cosmetic products?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	260	86.7	86.7	86.7
	No	40	13.3	13.3	100.0
Total		300	100.0	100.0	

Source: Developed for the research

Based on Table 4.5 and Figure 4.5, most of our respondents are using cosmetics products currently, which contribute to 86.7% or 260 out of 300 respondents. Meanwhile, the rest of 40 respondents (13.3%) are not using cosmetic products.

#### 4.1.2.2 Usage of Cosmetic Brand

Table 4.6: Usage of Cosmetic Brand

**Which brand do you use frequently?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Local Brand Cosmetics	18	6.0	6.0	6.0
Foreign Brand Cosmetics	242	80.7	80.7	86.7
Not Using Any Brand	40	13.3	13.3	100.0
Total	300	100.0	100.0	

Source: Developed for the research

According to Table 4.6 and Figure 4.6, there are 242 respondents (80.7%) that use foreign brand cosmetics frequently while there are only 18 respondents (6.0%) that use local brand cosmetics frequently. 40 respondents (13.3%) are not using any brand of cosmetics because they do not wear makeup in their daily life and hence, they do not purchase any cosmetic products.

### 4.1.2.3 Preferences of Cosmetic Brands

Table 4.7: Preferences of Cosmetic Brands

**Would you prefer to buy local or foreign brand cosmetics?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Local Brand Cosmetics	12	4.0	4.0	4.0
Foreign Brand Cosmetics	288	96.0	96.0	100.0
Total	300	100.0	100.0	

Source: Developed for the research

According to Table 4.7 and Figure 4.7, most of the respondents prefer to use foreign brand cosmetics, which contribute to 96% or 288 out of 300 respondents. The remaining respondents prefer to use local brand cosmetics, which contribute to 4.0% or 12 respondents.

**4.1.2.4 Preferences of Country’s Cosmetic Brand**

Table 4.8: Preferences of Country’s Cosmetic Brand

**Which country’s cosmetics brand would you prefer to purchase?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Malaysia	12	4.0	4.0	4.0
Singapore	4	1.3	1.3	5.3
Thailand	4	1.3	1.3	6.7
Korea	168	56.0	56.0	62.7
Japan	43	14.3	14.3	77.0
United States	44	14.7	14.7	91.7
United Kingdom	10	3.3	3.3	95.0
France	9	3.0	3.0	98.0
Germany	6	2.0	2.0	100.0
Total	300	100.0	100.0	

Source: Developed for the research

According to Table 4.8 and Figure 4.8, out of 300 respondents, there are 56% or 168 respondents prefer to buy Korean brand cosmetics, which is the highest percentage or number of respondents among other countries’ brands. The second highest percentage or number of respondents that is 14.7% or 44 respondents, prefer cosmetics brands of United States and it is followed by Japan, in which 14.3% or 47 respondents prefer to buy Japanese cosmetics brands. The rest countries’ cosmetics brands only gain preferences of minority respondents. Malaysian brand cosmetics are preferred by 4.0% or 12 respondents. Meanwhile, cosmetics brands of United Kingdom are preferred by 3.3% or 10 respondents and cosmetics brands of France are preferred by 3%

or 9 respondents. Cosmetic brands of Germany only gain 2.0% or 6 respondents' preferences. Lastly, cosmetic brands of Thailand and Singapore have the least preference, which is 1.3% or 4 respondents for each country.

### 4.1.3 Central Tendencies Measurement of Constructs

Table 4.9: Central Tendencies Measurement of Constructs

#### Descriptive Statistics

	N	Mean	Ranking	Std. Deviation	Ranking
Advertising	300	3.7756	5	.74784	3
Publicity	300	3.7167	6	.74716	4
Word of Mouth	300	3.6444	7	.64562	7
Price	300	3.5704	8	.58168	9
Quality	300	3.8022	4	.54340	10
Country of Origin	300	3.9587	1	.74216	5
Satisfaction	300	3.9520	2	.69192	6
Perceived Risk	300	3.5681	9	.76523	2
Reference Group	300	3.3083	10	.80481	1
Consumer Brand Preference	300	3.9023	3	.58495	8

Source: Developed for the research

According to the descriptive statistics of variables, country of origin has the highest mean, which is 3.9587 while reference group has the lowest mean of 3.3083. However, reference group has the highest standard

deviation of 0.80481 while quality has the lowest standard deviation of 0.54340 among all the variables.

## 4.2 Scale Measurement

### 4.2.1 Reliability Test

Table 4.10 Summary of Reliability Test of DV and IVs

#### Reliability Statistics

Construct	Cronbach's Alpha	N of Items	Strength
Advertising	.889	6	Very Good
Publicity	.792	3	Good
Word of Mouth	.729	6	Good
Price	.767	9	Good
Quality	.821	9	Very Good
Country of Origin	.891	5	Very Good
Satisfaction	.925	5	Excellent
Perceived Risk	.917	9	Excellent
Reference Group	.909	8	Excellent
Consumers' Brand Preference	.871	10	Very Good

Source: Developed for the research

Table 4.10 has shown the result of reliability test of dependent and independent variables. According to Table 4.10, the strengths of association for satisfaction, perceived risk and reference group are excellent. Among all the variables, satisfaction has the highest alpha value, which is 0.925 and 5 items are used to measure it. Besides, the Cronbach's alpha coefficient for perceived risk is 0.917 and 9 items are used to measure it while the Cronbach's alpha coefficient for reference group is 0.909 and 8 items are used to measure it.

The ranking is followed by country of origin, advertising, consumers' brand preference and quality. All of them have the strengths of association that are very good. The alpha values for by country of origin, advertising, consumers' brand preference and quality are 0.891, 0.889 and 0.871 and 0.821. The variables are measured by different number of items, which are 5, 6, 10 and 9 items respectively.

On top of that, variables of publicity, price and word of mouth have lower Cronbach's alpha coefficient, as compared to other variables. However, they still have a good strength of association because according to the rule of thumb of Cronbach's alpha coefficient, the strength of association for variable with alpha value that exceeds 0.7 is good. As shown in Table 4.10, the Cronbach's alpha coefficient for publicity is 0.792 and 3 items are used to measure it while the Cronbach's alpha coefficient for price is 0.767 and 9 items are used to measure it. Lastly, the Cronbach's alpha coefficient for word of mouth is 0.729 and 6 items are used to measure it. To be concluded, all the independent variables have high level of internal consistency and they are reliable to be used to measure consumers' brand preference.

### 4.3 Inferential Analysis

#### 4.3.1 Pearson Correlation Analysis

Table 4.11: Pearson Correlation Analysis  
Correlations

		Advertising	Publicity	Word of Mouth	Price	Quality	Country of Origin	Satisfaction	Perceived Risk	Reference Group	Consumer Brand Preference
Advertising	Pearson Correlation	1	.394**	.527**	.556**	.589**	.449**	.515**	.263**	.213**	.548**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000	.000	.000	.000
	N	300	300	300	300	300	300	300	300	300	300
Publicity	Pearson Correlation	.394**	1	.440**	.260**	.438**	.263**	.229**	.035	.199**	.355**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000	.550	.001	.000
	N	300	300	300	300	300	300	300	300	300	300
Word of Mouth	Pearson Correlation	.527**	.440**	1	.409**	.520**	.391**	.448**	.332**	.431**	.512**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000	.000	.000	.000
	N	300	300	300	300	300	300	300	300	300	300
Price	Pearson Correlation	.556**	.260**	.409**	1	.586**	.464**	.469**	.235**	.253**	.485**
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000	.000	.000	.000
	N	300	300	300	300	300	300	300	300	300	300
Quality	Pearson Correlation	.589**	.438**	.520**	.586**	1	.454**	.526**	.203**	.215**	.558**
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000	.000	.000	.000
	N	300	300	300	300	300	300	300	300	300	300
Country of Origin	Pearson Correlation	.449**	.263**	.391**	.464**	.454**	1	.433**	.286**	.057	.475**
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000	.000	.325	.000
	N	300	300	300	300	300	300	300	300	300	300
Satisfaction	Pearson Correlation	.515**	.229**	.448**	.469**	.526**	.433**	1	.236**	.173**	.623**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000		.000	.003	.000
	N	300	300	300	300	300	300	300	300	300	300
Perceived Risk	Pearson Correlation	.263**	.035	.332**	.235**	.203**	.286**	.236**	1	.130*	.244**
	Sig. (2-tailed)	.000	.550	.000	.000	.000	.000	.000		.024	.000
	N	300	300	300	300	300	300	300	300	300	300
Reference Group	Pearson Correlation	.213**	.199**	.431**	.253**	.215**	.057	.173**	.130*	1	.222**
	Sig. (2-tailed)	.000	.001	.000	.000	.000	.325	.003	.024		.000
	N	300	300	300	300	300	300	300	300	300	300
Consumer Brand Preference	Pearson Correlation	.548**	.355**	.512**	.485**	.558**	.475**	.623**	.244**	.222**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	
	N	300	300	300	300	300	300	300	300	300	300

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

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

Source: Developed for the research



Table 4.11 shows that the correlation of all independent variables is significant at 0.05 level (2-tailed) towards the dependent variable. Besides, the result shows that there is positive association between all independent variables and dependent variable. Among all of the independent variables, the independent variable that has the strongest significant association with consumers' brand preference is satisfaction with  $r = 0.623$ , followed by quality ( $r = 0.558$ ), advertising ( $r = 0.548$ ), word of mouth ( $r = 0.512$ ), price ( $r = 0.485$ ), country of origin ( $r = 0.475$ ), publicity ( $r = 0.355$ ) and perceived risk ( $r = 0.244$ ). Lastly, the independent variable that has the weakest association with consumers' brand preference is reference group ( $r = 0.222$ ).

### 4.3.2 Multiple Regression Analysis

Table 4.12: Model Summary

#### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.724 <sup>a</sup>	.525	.510	.40951

a. Predictors: (Constant), Reference Group, Country of Origin, Perceived Risk, Publicity, Satisfaction, Price, Advertising, Word of Mouth, Quality

Source: Developed for the research

According to Table 4.12, the value of R Square is 0.525. This value indicates that 52.5% of the dependent variable (consumers' brand preference) is influenced by the independent variables (advertising, publicity, word of mouth, price, quality, country of origin, satisfaction,

perceived risk and reference group). Meanwhile, the remaining 47.5% of consumers' brand preference can be explained by other factors. Thus, more research should be carried out in future to identify other factors that influence Malaysian young women's cosmetics brand preference.

Table 4.13: ANOVA

**ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	53.677	9	5.964	35.565	.000 <sup>a</sup>
	Residual	48.632	290	.168		
	Total	102.308	299			

a. Predictors: (Constant), Reference Group, Country of Origin, Perceived Risk, Publicity, Satisfaction, Price, Advertising, Word of Mouth, Quality

b. Dependent Variable: Consumers' Brand Preference

Source: Developed for the research

Table 4.13 shows that F-value for 35.565 with significance level of 0.000, which is smaller than alpha value of 0.05. It can be concluded that the model is significant and it indicates that all independent variables have significant impact on consumers' cosmetics brand preference.

Table 4.14: Coefficients

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	.638	.209		3.048	.003
Advertising	.089	.045	.113	1.976	.049
Publicity	.059	.038	.075	1.559	.120
Word of Mouth	.105	.052	.116	2.003	.046
Price	.056	.056	.056	1.018	.310
Quality	.128	.064	.119	2.005	.046
Country of Origin	.097	.040	.123	2.455	.015
Satisfaction	.292	.044	.345	6.646	.000
Perceived Risk	.012	.034	.015	.341	.733
Reference Group	.018	.033	.025	.539	.591

a. Dependent Variable: Consumers' Brand Preference

Source: Developed for the research

According to Table 4.14, all independent variables of this research show positive relationship with dependent variable, which is consumers' brand preference. Besides, coefficients indicate the importance of each factor that influences Malaysian young women's cosmetic brand preference. The factor is more important when the beta value is higher. In this research, it shows that the most important factor is satisfaction with beta value of 0.345 and the second most important factor is country

of origin with beta value of 0.123. Subsequently, quality is the third most important factor with beta value of 0.119 while word of mouth is the fourth most important factor with beta value of 0.116. The ranking is followed by advertising (0.113), publicity (0.075), price (0.056), and reference group (0.025). Lastly, perceived risk is the most insignificant factor with beta value of 0.015.

The multiple regression equation can be formed as:

$$\text{Consumers' Brand Preference} = 0.638 + 0.089 (\text{Advertising}) + 0.059 (\text{Publicity}) + 0.105 (\text{Word of Mouth}) + 0.056 (\text{Price}) + 0.128 (\text{Quality}) + 0.097 (\text{Country of Origin}) + 0.292 (\text{Satisfaction}) + 0.012 (\text{Perceived Risk}) + 0.018 (\text{Reference Group})$$

### 4.3.3 Test of Significance

Table 4.15: Test of Significance

Construct	Significance Value
Advertising	.049
Publicity	.120
Word of Mouth	.046
Price	.310
Quality	.046
Country of Origin	.015
Satisfaction	.000
Perceived Risk	.733
Reference Group	.591

Source: Developed for the research

**Hypothesis 1**

H1: Advertising has significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands.

Based on Table 4.15, the significance value of advertising is 0.049, which is smaller than p-value of 0.05. Therefore, H1 is accepted, which indicates that advertising has a significant positive relationship with Malaysian young women preference of cosmetics brands.

**Hypothesis 2**

H2: Publicity has significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands.

Based on Table 4.15, the significance value of publicity is 0.120, which is larger than p-value of 0.05. Therefore, H2 is rejected, which indicates that publicity has no significant relationship with Malaysian young women preference of cosmetics brands.

**Hypothesis 3**

H3: Word of mouth has significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands.

Based on Table 4.15, the significance value for word of mouth is 0.046, which is smaller than p-value of 0.05. Therefore, H3 is accepted, which indicates that word of mouth has a significant positive relationship with Malaysian young women preference of cosmetics brands.

**Hypothesis 4**

H4: Price has significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands.

Based on Table 4.15, the significance value of price is 0.310, which is larger than p-value of 0.05. Therefore, H4 is rejected, which indicates that price has no significant relationship with Malaysian young women preference of cosmetics brands.

#### **Hypothesis 5**

H5: Quality has significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands.

Based on Table 4.15, the significance value of quality is 0.046, which is smaller than p-value of 0.05. Therefore, H5 is accepted, which indicates that quality has a significant positive relationship with Malaysian young women preference of cosmetics brands.

#### **Hypothesis 6**

H6: Country of origin has significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands.

Based on Table 4.15, the significance value for country of origin is 0.015, which is smaller than p-value of 0.05. Therefore, H6 is accepted, which indicates that country of origin has a significant positive relationship with Malaysian young women preference of cosmetics brands.

#### **Hypothesis 7**

H7: Satisfaction has significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands.

Based on Table 4.15, the significance value of satisfaction is 0.000, which is smaller than p-value of 0.05. Therefore, H7 is accepted, which indicates that satisfaction has a significant positive relationship with Malaysian young women preference of cosmetics brands.

### **Hypothesis 8**

H8: Perceived risk has significant negative relationship with Malaysian young women preference of local and foreign cosmetics brands.

Based on Table 4.15, the significance value of perceived risk is 0.733, which is larger than p-value of 0.05. Therefore, H8 is rejected, which indicates that perceived risk has no significant relationship with Malaysian young women preference of cosmetics brands.

### **Hypothesis 9**

H9: Reference group has significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands.

Based on Table 4.15, the significance value of reference group is 0.591, which is larger than p-value of 0.05. Therefore, H9 is rejected, which indicates that reference group has no significant relationship with Malaysian young women preference of cosmetics brands.

## 4.4 Conclusion

In this chapter, the researchers have summarized the data collected from respondents and also interpreted the outputs obtained from SPSS. To be concluded, female are the target respondents of researchers. Majority of the respondents are Chinese (84%) and those who aged between 21 and 25 (78%). Besides, researchers found that the respondents are mostly degree / bachelor holder (82.7%). Therefore, most of the respondents do not have their own income or have the income level of RM 1000 and below (71%) due to they are still studying.

According to research result, majority respondents are using cosmetics products (86.7%) and the brands used are mostly foreign cosmetics brands (80.7%), so most of the respondents show the preference to buy foreign cosmetics brands (96%), especially Korean cosmetics brands (56%), which has the highest percentage of respondents' preference.

In this research, the analysis was categorized into three sections, which are descriptive analysis, scale measurement and inferential analysis. After analysing all independent variables against dependent variable, the researchers realized that there are five factors significantly affect respondents' preferences toward cosmetics brands, including advertising, word of mouth, quality, country of origin and satisfaction. Among all the factors, satisfaction has shown to be the most important factor, followed by country of origin.

In the following chapter, researchers will make further discussion for the result of analysis and also explain the implications of overall study.



## **CHAPTER 5: DISCUSSION, CONCLUSION AND IMPLICATIONS**

### **5.0 Introduction**

This chapter begins with the summary of several statistical analyses, including descriptive analysis, reliability analysis and inferential analysis. It is followed by the discussions of major findings and implications of the study. Besides, limitations faced in the research also will be explained, along with the recommendations for future research.

### **5.1 Summary of Statistical Analyses**

#### **5.1.1 Descriptive Analysis**

There are 300 respondents who participated in the survey and filled in the information as requested. The information collected has been categorized into two sections: demographic profile and general information of respondents.

##### **5.1.1.1 Respondent Demographic Profile**

In this research, all respondents of the questionnaire are Malaysian female as the researchers intended to investigate the factors influencing Malaysian young women's cosmetics brand preference. The demographic information that has been asked in the questionnaire includes race, age, current education level as well as income level.

In the survey, race was divided into 3 major categories, including Chinese, Malay and Indian. Most of the respondents are Chinese, (84%), followed by Malay and Indian which made up of 10.7% and 5.3% respectively.

The age group was divided into 4 main groups, including 18 to 20 years old, 21 to 25 years old, 26 to 30 years old and 31 to 34 years old. Researchers found that most of the respondents are in age range of 21 to 25 years old, which occupied 78% of the total respondents. It is followed by 26 to 30 years old (11.3%) and 18 to 20 years old (7.3%). The age group of 31 to 34 years old occupies only 3.3% in the research.

Besides, the respondents were divided based on 3 education levels. Most of the respondents in this survey are degree / bachelor holder (82.7%). Meanwhile, the remaining respondents have the education level of secondary school (9.3%) and post-graduation (8.0%).

Lastly, the income level of respondents was categorized into 4 groups in this research. 71% of respondents fall under income level of RM 1000 and below, followed by 12.7% of respondents who have income level of RM 2001 to RM 3000. Meanwhile, 9.0% of respondents have income level of RM 1001 to RM 2000 and 6.7% of them have income level of RM 3001 to RM 5000. The income level of the remaining 0.7% of respondents are unknown due to they refused to tell their income.

#### **5.1.1.2 General Information**

Under section of general information, researchers realized that 86.7% of respondents are currently using cosmetics products in their daily life while only 13.3% of respondents do not have the habit of using cosmetics products. Among

the respondents that have the habit of using cosmetics products, 80.7% of them are using foreign brand cosmetics and only 6% of them are using local brand cosmetics. Furthermore, from all of the respondents, including those who are using cosmetics products and those who are not using cosmetics products, 96% of them have preferences over foreign brand cosmetics while there is only 4% of them have preferences over Malaysian brand cosmetics.

The researchers also intended to know among all of the respondents that prefer foreign cosmetics brand, which country's cosmetics brand they prefer the most. The results show that 56% of them prefer cosmetics brands of Korea (56%), followed by United States (14.7%), Japan (14.3%), United Kingdom (3.3%), France (3%) and Germany (2%). Cosmetics brands of Thailand and Singapore gained the least preference (1.3%). Among all countries listed, the preference towards Malaysian cosmetics brands is higher than those brands from United Kingdom, France, Germany, Thailand and Singapore because the analysis shows that Malaysian cosmetics brands gained 4% of respondents' preferences.

### **5.1.2 Scale Measurement**

The internal consistency of the nine constructs with 70 items has been measured with Cronbach's alpha reliability test. According to the result of reliability test, the variable with the highest Cronbach's alpha value is satisfaction (0.925), followed by perceived risk (0.917), reference group (0.909), country of origin (0.891), advertising (0.889), consumers' brand preference (0.871), quality (0.821), publicity (0.792), price (0.767) and word of mouth (0.729). Among the nine constructs, the strengths of association for satisfaction, perceived risk and reference group are excellent (more than 0.9). Meanwhile, country of origin, advertising and consumers' brand preference have very good strength of association (0.8 to less than 0.9) whereas publicity, price and word of mouth

also have good strength of association (0.7 to less than 0.8). It can be concluded all constructs are reliable to be used as Cronbach's alpha values generated have achieved an acceptable level, which is above 0.7.

### **5.1.3 Inferential Analysis**

#### **5.1.3.1 Pearson Correlation Analysis**

The associations between all variables have been evaluated by using Pearson correlation analysis. All independent variables are significantly associated with consumers' brand preferences as p-value is smaller than 0.05. The value of Pearson correlation showed that there is positive relationship between each independent variable and dependent variable. Satisfaction has the strongest association with consumers' brand preference ( $r = 0.623$ ), followed by quality ( $r = 0.558$ ), advertising ( $r = 0.548$ ), word of mouth ( $r = 0.512$ ), price ( $r = 0.485$ ), country of origin ( $r = 0.475$ ), publicity ( $r = 0.355$ ) and perceived risk ( $r = 0.244$ ). Lastly, reference group has the weakest association with consumers' brand preference ( $r = 0.222$ ).

#### **5.1.3.2 Multiple Regression Analysis**

Multiple regression analysis is adopted to test the direction of association, degree of influence and level of significance of independent variables against dependent variable. The results showed that value of R square is 0.525, indicating that 52.5% of variation of consumers' brand preference is influenced by the independent variables. The results of ANOVA Table also showed that independent variables have significant impact on consumers' brand preference as significance level is 0.000.

A multiple regression equation is formed as below:

$$\begin{aligned} \text{Consumers' Brand Preference} = & 0.638 + 0.089 (\text{Advertising}) + 0.059 \\ & (\text{Publicity}) + 0.105 (\text{Word of Mouth}) + 0.056 (\text{Price}) + 0.128 (\text{Quality}) + \\ & 0.097 (\text{Country of Origin}) + 0.292 (\text{Satisfaction}) + 0.012 (\text{Perceived Risk}) + \\ & 0.018 (\text{Reference Group}) \end{aligned}$$

According to multiple regression analysis, the independent variable that has the strongest impact on consumers' brand preference is satisfaction with beta value of 0.345, followed by country of origin (0.123), quality (0.119), word of mouth (0.116), advertising (0.113), publicity (0.075), price (0.056), reference group (0.025). Lastly, perceived risk with beta value of 0.015 has the weakest impact on consumers' brand preference.

## 5.2 Discussions of Major Findings

Table 5.1: Summary Result of Research Hypothesis

Hypothesis	Result		Decision
	$\beta$ -value	p-value	
H1: Advertising has a significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands.	0.113	0.049 ( $p < 0.05$ )	Supported
H2: Publicity has a significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands.	0.075	0.120 ( $p > 0.05$ )	Not Supported
H3: Word of mouth has a significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands.	0.116	0.046 ( $p < 0.05$ )	Supported
H4: Price has a significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands.	0.056	0.310 ( $p > 0.05$ )	Not Supported
H5: Quality has a significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands.	0.119	0.046 ( $p < 0.05$ )	Supported
H6: Country of origin has a significant positive relationship with Malaysian	0.123	0.015	Supported

young women preference of local and foreign cosmetics brands.		( $p < 0.05$ )	
H7: Satisfaction has a significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands.	0.345	0.000 ( $p < 0.05$ )	Supported
H8: Perceived risk has a significant negative relationship with Malaysian young women preference of local and foreign cosmetics brands.	0.015	0.733 ( $p > 0.05$ )	Not Supported
H9: Reference group has a significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands.	0.025	0.591 ( $p > 0.05$ )	Not Supported

### 5.2.1 Advertising

H1: Advertising has significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands.

According to Table 5.1, the significance value of advertising is 0.049, which is smaller than alpha value of 0.05. This indicates that advertising significantly affects Malaysian young women preference of local and foreign cosmetics brands. The beta value of advertising is 0.113, which indicates advertising has positive association with Malaysian young women preference of local and foreign cosmetics brands. From the result shown, advertising has proven to have a significant positive relationship with Malaysian young women preference of cosmetics brands. Therefore, H1 is accepted.

Current findings of the researchers are aligned with the results of previous studies of Alamro and Rowley (2011), which showed that advertising fosters brand awareness and builds consumers' brand preference. This is also supported by Chakravarti and Janiszewski (2005) and also Dr. Lekshmi Bhai, Nayana and Asha (2017), stating that advertising plays significant role in increasing consumers' brand preferences. Besides, Imam (2013) mentioned that advertising tend to have strong influence on women. In other words, when the companies put more effort to advertise the cosmetics brand and products, it is likely to increase the preferences of women toward particular brand and products.

Hassali (2015) had done a research on the current and future prospect of Malaysian cosmetic market. The author found that Malaysia has imported considerable amount of cosmetics from three countries, including United States, Japan as well as Thailand, and Malaysian customers tend to be influenced by heavy advertising carried out by the cosmetics companies. The research also shown that Malaysian customers are increasingly interested in premium foreign brands because of advertising. The advertisements of cosmetics brands through Malaysian local magazines and international magazines are the most effective way of advertising towards Malaysian customers (Hassali, 2015).

To be concluded, advertising is one of the important factors that increase Malaysian young women's cosmetics brand preferences. When the cosmetics brand is heavily advertised, the consumers tend to have preferences over the brand. It is proven that there is a significant positive relationship between advertising and Malaysian young women preference of local and foreign cosmetics brands.



### **5.2.2 Publicity**

H2: Publicity has significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands.

Referring to Table 5.1, variable of publicity has  $\beta$ -value of 0.075, indicating publicity has positive correlation with Malaysian young women preference of local and foreign cosmetics brands. However, H2 is rejected in this study. With p-value of 0.120, which is more than alpha value of 0.05, publicity has been proven to bring no impact on Malaysian young women preference of cosmetics brands.

The current findings are somewhat in conflict with previous study from Grace and O’Cass (2005), mentioning that publicity is significant in affecting consumers’ brand preferences. Bansal & Voyer (2000) and Swanson & Kelley (2001) suggested that unpaid publicity is more reliable from consumers’ perspective and hence, it helps to build brand preferences effectively. One possible explanation for the context of current study is that consumers nowadays pay less attention to publicity, such as news stories and similar reports generated in the media. They have less interested in information reported through this kind of medium. Instead of news, reports, and press release, they rely more on recommendation from people around them and also pay more attention to attractive brand advertisement. At this point, publicity is less likely to influence Malaysian young women preference of local and foreign cosmetics brands. They will look for information from other platform when they intend to purchase cosmetics.

### **5.2.3 Word of Mouth**

H3: Word of mouth has significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands.

According to Table 5.1, the significance value of word of mouth is 0.046, which is smaller than alpha value of 0.05. This indicates that word of mouth significantly affects Malaysian young women preference of local and foreign cosmetics brands. The beta value of word of mouth is 0.116, which indicates advertising has positive association with Malaysian young women preference of local and foreign cosmetics brands. From the result shown, word of mouth has proven to have a significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands. Therefore, H3 is accepted.

The current findings are in line with the theoretical framework of Alamro and Rowley (2011) that has included word of mouth as a significant antecedent of consumers' brand preferences. The authors proposed word of mouth as a subset of brand awareness that increases consumers' brand preferences. This is supported by Mangold et al. (1999), Bansal and Voyer (2000), Swanson and Kelley (2001), Grace and O'Cass (2005) as well as Sweeney et al. (2008). These authors highlighted that consumers think word of mouth is reliable and it can increase consumers' brand preference. The result of current research is consistent with the past research by Ennew et al. (2000), stating that word of mouth is more influential than advertising as the current research also found that word of mouth is the fourth most important factor while advertising is the fifth most important factor. Therefore, it could be concluded that word of mouth is a more important factor that influences Malaysian young women preference of cosmetics brands than advertising.

Word of mouth can be carried out through various means. Gilliland (2017) proposed that 92% of consumers will listen to recommendations of friends and family members while eMarketer (2008) proposed that 80% of consumers will refer to other consumers' reviews online. Electronic word of mouth is found to be important for 61% of consumers (eMarketer, 2008). This is due to most of the people heavily rely on smartphone and internet for everything nowadays. Hence, word of mouth is one of the important factors that increase Malaysian young women's cosmetics brand preferences. When the cosmetics brand is recommended by friends, family, other people around them or other consumers via internet, the consumers tend to increase their preferences toward the brand. According to the results above, the relationship between word of mouth and Malaysian young women preference of local and foreign cosmetics brands is supported and positively correlated.

### **5.2.4 Price**

H4: Price has a significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands.

Based on Table 5.1, variable of price has  $\beta$ -value of 0.056, which implies price has positive relationship with Malaysian young women preference of local and foreign cosmetics brands. However, the p-value of price is 0.310 that is larger than alpha value of 0.05 and therefore, H4 is rejected. Price does not significantly affect Malaysian young women preference of local and foreign cosmetics brands

The current findings contradict with the previous studies by Alamro and Rowley (2011) and Me'ndez, Oubin~a and Rubio (2011) that supported significant relationship between price and consumers' brand preferences. Yet, it is consistent with the previous study conducted by Kocak and Ruzgar (2017). According to their

research results, price does not influence the brand preferences. This is due to people nowadays increasingly put their emphasis on quality and function, rather than price. This situation can be clearly observed on young adults as they are willing to buy high quality cosmetics brand, regardless of the higher price (Latha, 2017). In Malaysia, local customers are found to be ready to pay premium prices for high quality cosmetics brands for better functions (Hassali, 2011). The results imply that Malaysian consumers focus on brand quality and the benefits brought to them, instead of the price of brand. Price is not the significant factor that influence them when choosing and buying cosmetics brand. Therefore, it can be concluded that price is less likely to influence Malaysian young women preference of local and foreign cosmetics brands.

### **5.2.5 Quality**

H5: Quality has a significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands.

Based on Table 5.1, the significance value of quality is 0.046, which is smaller than alpha value of 0.05. This indicates that quality significantly affects Malaysian young women preference of local and foreign cosmetics brands. The beta value of quality is 0.119, which indicates quality has positive association with Malaysian young women preference of local and foreign cosmetics brands. From the result shown, quality has proven to have a significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands. Therefore, H5 is accepted.

The current findings are consistent with the previous study of Alamro and Rowley (2011) and Afsar (2014), stating that if the customers think that the brand and products have premium quality, they will have preferences over the brand. Besides,

past studies found that female customers prefer high quality brand (Priyanga & Krishnaveni, 2016) while young adults also prefer to high quality cosmetics brand, even though they have to pay high price for that (Latha, 2017). Several researches have been carried out in Malaysia. Hassali (2011) has carried out a research in Malaysia targeted Malaysian cosmetic market and according to the author, Malaysian customers are found to be ready to pay premium prices for high quality cosmetics brands for better functions. Gharleghi (2013) also carried out a research regarding Malaysian young consumer preferences in choosing international fashion brand and the author found that there is huge demand for international brand and high preference toward famous brand because of the high perceived quality.

Therefore, quality is important for Malaysian young women to form brand preferences. When they think the cosmetics brand have high quality, they would like to purchase the brand, regardless of the price. They are willing to pay higher prices for higher quality. In nutshell, high quality leads to higher brand preferences, so it can be concluded that the relationship between quality and Malaysian young women preference of local and foreign cosmetics brands is accepted and positively correlated.

### **5.2.6 Country of Origin**

H6: Country of origin has a significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands.

Based on Table 5.1, the significance value of country of origin is 0.015, which is smaller than alpha value of 0.05. This indicates that country of origin significantly affects Malaysian young women preference of local and foreign cosmetics brands. The beta value of country of origin is 0.123, which indicates country of origin has

positive association with Malaysian young women preference of local and foreign cosmetics brands. From the result shown, country of origin has proven to have a significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands. Therefore, H6 is accepted.

The results of current research are consistent with the findings of Chapter 2 that have included a lot of evidence provided by other researchers in their past studies. Researchers such as Han (1990), Lim & O’Cass (2001), Yasin et al. (2007), Alamro and Rowley (2011) have proven that country of origin is important for customers to form preference toward a brand. Aaker (2011) is well known in conducting thorough study regarding how country of origin affects consumers’ brand preferences. The author found that country of origin will determine brand image and reliability, so it will also decide consumers’ preference toward a brand. Alamro and Rowley also proposed that country of origin is a subset of brand image and consumers tend to judge a brand based on the country where the brand is founded. When the consumers look favourably toward particular country, they also tend to look favourably toward the brands from that country. This proved that country of origin will affect consumers’ brand preferences positively.

Nowadays, K-pop exerts strong influences over the world and this trend leads to the consequence, whereby the customers tend to have preferences toward Korean brand. Whenever the customers see the brands and products that are made in Korea, they will choose and buy those from Korea, instead of brands from other countries. On the other hand, Xie et al. (2015) and Dimofte et al. (2008) found that some consumers tend to support and prefer local brands while Kinra (2006) as well as Marjanlou and Sehhat (2017) found that some consumers have preferences over foreign brands due to higher social status and quality provided by foreign brands. Based on the study of Gharleghi (2013) in Malaysia, country of origin has strong influence in young consumers’ preferences of international fashion brand. In short,

all the circumstances mentioned above can prove that country of origin can significantly influence consumers to form preferences over a brand.

### **5.2.7 Satisfaction**

H7: Satisfaction has a significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands.

According to Table 5.1, the significance value of satisfaction is 0.000, which is smaller than alpha value of 0.05. This indicates that satisfaction significantly affects Malaysian young women preference of local and foreign cosmetics brands. The beta value of word of mouth is 0.345, which indicates satisfaction has positive association with Malaysian young women preference of local and foreign cosmetics brands. From the result shown, satisfaction has proven to have a significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands. Therefore, H7 is accepted.

The current findings show consistency with the results of previous studies by Alamro and Rowley (2011), which demonstrated satisfaction is able to affect consumers' brand preferences directly. The importance of satisfaction can be clearly seen as if the consumers are satisfied with the brand and products, they are likely to consume them continuously. For instance, when consumers are satisfied with the cosmetics products of particular brand, they tend to prefer and choose the brand whenever they think of buying cosmetics products. This is supported by Hellier et al (2003), highlighting that satisfaction is caused by brand experience and it leads to consumers' brand preferences. If the consumers are satisfied with the brand experience, they will repurchase the brand. On the other hand, Chen and Chang (2008) stated that unsatisfied customers are likely to switch to other brands. All the situations above proved that satisfaction and Malaysian young women

preference of local and foreign cosmetics brands have positive and significant relationship. When satisfaction increases, brand preference increases and vice versa.

### **5.2.8 Perceived Risk**

H8: Perceived risk has a significant negative relationship with Malaysian young women preference of local and foreign cosmetics brands.

Referring to Table 5.1, variable of perceived risk has  $\beta$ -value of 0.015, which indicates that perceived risk has positive correlation with Malaysian young women preference of local and foreign cosmetics brands. However, H8 is rejected in this research due to p-value of perceived risk is greater than 0.05. Perceived risk has the highest p-value, which is 0.733, among all the independent variables. Therefore, it can be said that in this study, perceived risk is the most insignificant factor on Malaysian young women preference of local and foreign cosmetics brands.

The researchers obtained the results that are different from the previous studies of several researchers, such as Alamro and Rowley (2011) that proposed perceived risk has a significant negative relationship with consumers' brand preferences. Dunn et al. (1986) and Mieres et al. (2006) also found that when there is greater risk associated with choosing a brand, consumers will have lower brand preferences. It implies there is a negative relationship between perceived risk and consumers' brand preference. The circumstances of difference between contexts of current and previous findings can possibly be explained by the discrepancy in culture and shopping behaviour of Malaysian shoppers and shoppers from other countries.



Referring to Hofstede Cultural Index Score, Malaysia scores low to moderate on uncertainty avoidance, which is 36 out of 100 (Belkhamza & Wafa, 2014). The authors also mentioned that Malaysian characterized by low uncertainty avoidance are comfortable in accepting uncertain and ambiguous circumstances. Therefore, Malaysian are more willing to try new brand and new products, regardless of the risk involved. Besides, a lot of studies proved that consumers have the tendency to switch brand because they have the desire to try new brand (Sahay & Sharma, 2010). This indicates that people are increasingly willing to take risks of using new brand. In short, according to the current findings, perceived risk does not affect Malaysian young women preference of local and foreign cosmetics brands significantly as their preferences may be caused by intrinsic motives, such as desire to try new brand. The results also showed that perceived risk and Malaysian young women preference of local and foreign cosmetics brands have positive relationship, which means that when the perceived risk is greater, they have more desire to give the brand a try.

### **5.2.9 Reference Group**

H9: Reference group has a significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands.

According to Table 5.1, it has shown that variable of reference group with  $\beta$ -value of 0.025 has positive relationship with Malaysian young women preference of local and foreign cosmetics brands. Nonetheless, reference group that has p-value of 0.591, which is greater than 0.05, does not influence Malaysian young women preference of local and foreign cosmetics brands significantly. Therefore, H9 is rejected in this research.

The current findings are inconsistent with the previous studies included in Chapter 2. Researchers, such as Alamro and Rowley (2011) suggested that reference group affects consumers' brand preferences significantly. Kukkonen (2011) also suggested that people tend to change their behaviour according to their reference group and hence, they will be accepted by other people. Based on the current research, the target respondents did not pay too much attention on the opinion of other parties, such as their family, friends and society, when choosing cosmetics brand. They have no intention to choose cosmetics brand that will get favourable response and judgement from others. Instead, they considerate on other factors for choice of cosmetics brand. Besides, Kapferer (1997) and Kinra (2006) found that consumers prefer foreign brands because of higher prestige and status associated with the brands is likely to gain favourability in society. Although the results of current study also showed that almost all of the target respondents, who are Malaysian young women, prefer foreign cosmetics brands, the preferences are not caused by others' opinions. The preferences may be caused by their good brand experience, higher quality of brand, personal liking, habit and so on.

## **5.3 Implications of the Study**

### **5.3.1 Managerial Implications**

From practical standpoint, this research helps cosmetics firms to further understand the factors influence consumers' cosmetics brand preferences. According to this research, advertising (H1), word of mouth (H3), quality (H5), country of origin (H6) and satisfaction (H7) significantly influence Malaysian young women preference of local and foreign cosmetics brands. Young women is the largest potential buyers of cosmetics. Hence, cosmetics firms can take

note of these factors when making business planning to attract customers to repurchase the brand.

In this research, satisfaction is the most important factor in influencing Malaysian young women preference of cosmetics brands. Most of the respondents depend on their satisfaction resulted from brand experience, either satisfied or unsatisfied, to decide whether they will prefer to buy the cosmetics brand in future. The results showed that there is significant positive relationship between satisfaction and Malaysian young women preference of cosmetics brands. When the consumers have higher satisfaction towards cosmetics brand, they will have higher brand preferences. Therefore, cosmetics firms should look into the factors that will increase customer satisfaction. Cosmetics firms can do a survey to ask for customers' opinions. For instance, if the survey showed that customers will be satisfied when the staff of cosmetics firms provide good service quality, companies can design training program carefully and provide training to the staff. If the customers showed satisfaction when the product packaging is good, companies can focus their effort in making product packaging. Besides, companies can give some gifts and discounts for loyal customers to increase their satisfaction and build brand preferences.

The second most important factor is country of origin. There is significant positive relationship between country of origin and Malaysian young women preference of cosmetics brands. Customers will form brand image based on country of origin. If the customers have good image towards particular country, they will also have good image towards brands from that country and form preferences toward the brands. This implies that good image is important in building brand preferences. Therefore, cosmetics firms should put in effort to build good and reliable brand image. Good brand image can be generated through various ways, such as providing good quality products consistently,

unique design, building well-designed stores, involving in corporate social responsibility (CSR) and so on.

In addition, quality and word of mouth are the third and fourth most important factors. These factors have positive relationship with Malaysian young women preference of cosmetics brands. When the cosmetics brand has high quality and positive word of mouth, consumers will prefer the brand, as compared to other brand. Hence, the cosmetics companies are recommended to improve their quality continuously to meet customers' needs and wants. Companies should invest in research and development (R&D) to investigate better functions and technologies. Besides, cosmetics firms also can create a platform for consumers to provide feedback regarding brand and products offered. After obtaining the feedbacks and complaints, firms can take into consideration when designing new products. As a result, the overall quality of brand will increase and they will gain preferences from consumers. Besides, companies also should put in effort to generate positive word of mouth. Improving quality continuously is also one of the ways to generate positive word of mouth. Moreover, companies can invite some influencers and loyal consumers to spread positive word of mouth online as people increasingly rely on online reviews to make brand choice.

The fifth most important factor is advertising. The research found that there is significant positive relationship between advertising and Malaysian young women preference of cosmetics brands. When the cosmetics brand is heavily advertised, consumers will aware of it and tend to have preferences toward the brand. Therefore, cosmetics companies should focus on creating creative advertisement. The advertisement can be shown to customers through various effective platforms, such as billboards and online website, including Facebook, Instagram, Youtube and so on. Digital marketing strategies are effective as

people rely on their smartphone and social media for almost everything. For instance, printed media, such as newspaper, has been replaced by electronic media and people read news through internet. By seeing and noticing the cosmetics advertisement on these platforms, consumers will be attracted and have the preferences over the cosmetics brand whenever they want to buy cosmetics.

Last but not least, although current findings reflected that publicity, price, perceived risk and reference group have no significant impact on Malaysian young women's cosmetics brand preference, this does not mean that the companies can ignore these factors. Sometimes, bad publicity, unreasonable price, high perceived risk as well as bad comments from reference group may damage brand image and therefore, the cosmetics companies should aware of and monitor these four aspects as well.

### **5.3.2 Theoretical Implications**

This research found that advertising, word of mouth, quality, satisfaction and country of origin have significant impact on Malaysian young women preference of local and foreign cosmetics brands. This implies that advertising, word of mouth, quality, satisfaction and country of origin have contributed 52.5% to the explanation of consumers' brand preferences. However, the remaining 47.5% of consumers' brand preferences will be caused by other factors that are not included in this research. It is advised that future researchers should include more variables for thorough explanation of consumers' brand preferences. Due to there are only few past studies conducted to investigate consumers' cosmetics brand preferences in Malaysia context, this research will contribute to some

theoretical understanding of consumers' brand preferences in cosmetics industry for other researchers.

## **5.4 Limitations of the Study**

During the progress of study, several limitations have been identified. Firstly, this research has limited geographic coverage. The questionnaires were mostly distributed within Klang Valley. Only a small number of questionnaires was answered by respondents from Johor Bahru and Penang. Hence, the research was geographically limited and unable to represent all the young women in Malaysia.

Additionally, another limitation of this research is the demographics of respondents were unequally distributed in the research. The respondents of the questionnaire were mostly Chinese (84.10%) while there are only small number of Malay (10.60%) and Indian (5.30%) respondents who participated in the survey. Malaysia is a multicultural country comprised of various ethnic groups and different ethnic group has different values, beliefs, opinions as well as preferences toward cosmetics brands. The result showed by this research may only represent the opinions and preferences of Chinese young women. Besides, 78.1% of the respondents fall under 21 – 25 years old and therefore, this research is considered less accurate to represent all Malaysian young women.

On top of that, one of the limitations is limited resources available for this research. Due to a lot of journals and articles need considerable amount of payment, the researchers are unable to obtain some of the information necessary for the research. Meanwhile, the researchers also found that there is limited local study associated with this research and therefore, researchers have to use more studies related to foreign

countries as references. There are more studies related to cosmetic brand preference from overseas, as compared with that from Malaysia.

Lastly, some target respondents are not willing to answer the questionnaire. This is due to the reason that they are not interested in the research topic and they regarded it as wasting their time to answer the questionnaire. Some of the respondents also gave the researchers feedback that the questionnaire is too lengthy and there are too many questions. It requires some time for them to complete the survey. Moreover, researchers found that some respondents do not want to answer certain questions, such as income level. This may be due to the reason that they are not willing to let others know their income. As a result, the completion of research is delayed.

## **5.5 Recommendations of the Study**

Recommendations are provided to overcome some limitations and also to improve quality of future research. Firstly, future research could involve bigger sample size and researchers are recommended to cover more geographical areas to better represent the target population of the research. In future research, the sample location should cover other areas in Malaysia, instead of focusing in Klang Valley only. It is suggested to include major cities, such as Ipoh, Malacca, Seremban and Sarawak. This is because people from different regions may have different opinions toward local and foreign cosmetics brands. Target respondents from Klang Valley are unable to represent all Malaysian young women. Therefore, researchers should include more respondents from different geographical areas so the research would be more reliable.

In future, researchers are also advised to allocate more time to distribute questionnaires so researchers would get more appropriate and qualified respondents for the survey. In

order to generate accurate result, researchers should distribute questionnaires equally among all races and age groups. For instance, questionnaires should be distributed equally among Chinese, Malay and Indian for research conducted in Malaysia as they are the major races. The researchers need to be aware of the types of respondents involved in survey continuously. They should find different group of respondents they lack of, rather than keep finding same group of respondents to participate in survey. By doing so, imbalance in respondents' demographic profile could be avoided.

In addition, the researchers can carry out study with more available relevant sources to support it. The researchers can focus in Asian country instead of just focusing in Malaysia context as there will be more supportive journals and studies done by other Asian researchers available. In current research, the researchers focused only on young women aged 18-35. In future, the researchers can do more research on other groups of people. They can carry out research on younger and older female as well as male due to these groups of people also use cosmetics frequently. This will help firms to understand the factors that truly influence consumers' cosmetics brand preferences and therefore, they are able to increase sales performance among all types of consumers.

Furthermore, researchers could take several steps to increase respondents' willingness to take part in the survey. The researchers are encouraged to translate the questionnaire into multiple languages instead of using English only. Questionnaire in different languages, such as Mandarin, Bahasa Melayu and Tamil, can be prepared. If the respondents do not understand the questions asked in English, they can always refer to other languages that they familiar with. By doing so, respondents will have better understanding of the questions asked and the research results will be more accurate and reliable. Lastly, length questionnaire will reduce respondents' willingness to fill in, but sometimes it cannot be avoided to achieve research objectives. Hence, the researchers could give some rewards to respondents, such as stationary and snack, to make them participate in the survey willingly.



## **5.6 Conclusion**

In conclusion, the researchers have successfully fulfilled the objectives of this research, which is to examine the factors that influence Malaysian young women preference of cosmetics brands and to examine the relationship between the influence factors and Malaysian young women preference of cosmetics brands. The researchers found that there are only five independent variables that are significant on Malaysian young women's cosmetics brand preferences, including advertising, word of mouth, quality, country of origin and satisfaction. Based on the results, satisfaction has shown the strongest influence on consumers' brand preferences among all variables proposed by the researchers. This research provides insight to cosmetics firms regarding consumers' brand preferences. The firms must considerate all the significant factors in order to gain consumers' preferences toward their brand. This research also can serve as a reference of future improvement for firms.

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**APPENDICES**

Appendix A: Tables

Table 3.1 Summary of Constructs and Sources

<b>Constructs</b>	<b>Sources</b>
Advertising	Chan (2004); Chaisitthiroj (2007); Ponbamrungwong & Chandsawang (2009); Goh, Tan, Tiyu & Lee (2013)
Publicity	Wong, Lee, Lin & Low (2012)
Word of Mouth	Chaisitthiroj (2007); Ponbamrungwong & Chandsawang (2009); Wong, Lee, Lin & Low (2012); (Afsar, 2014)
Price	Chaisitthiroj (2007); Ebrahim (2013); Goh, Tan, Tiyu & Lee (2013)
Quality	Ponbamrungwong & Chandsawang (2009); Goh, Tan, Tiyu & Lee (2013)
Country of Origin	Goh, Tan, Tiyu & Lee (2013)
Satisfaction	Goh, Tan, Tiyu & Lee (2013)
Perceived Risk	Maciejewski (2011); Goh, Tan, Tiyu & Lee (2013)
Reference Group	Ponbamrungwong & Chandsawang (2009); Wong, Lee, Lin & Low (2012); Ebrahim (2013); Mamat , Noor & Noor (2015)
Consumer's Brand Preference	Chaisitthiroj (2007); Goh, Tan, Tiyu & Lee (2013)

Source: Developed for the research

Table 3.2 Summary of Constructs and Measurement Items

Constructs	Measurement Items
Advertising	<ol style="list-style-type: none"> <li>1. I think the advertisements of the brand are attractive.</li> <li>2. I think the advertisements have impressed me.</li> <li>3. The advertisement is able to give related information regarding the brand.</li> <li>4. Advertisements of the brand increase my purchase intention.</li> <li>5. I normally have preference over popular brand due to the advertisement with well-known celebrity and actress.</li> <li>6. I would like to purchase frequently advertised cosmetics brand.</li> </ol>
Publicity	<ol style="list-style-type: none"> <li>1. I have seen news mentioned that it is good to buy the brand.</li> <li>2. The famous press presents a favourable view towards the use of brand.</li> <li>3. Mass media reports have affected me to buy the brand.</li> </ol>
Word of Mouth	<ol style="list-style-type: none"> <li>1. I ask for recommendations of my family and friends when purchasing cosmetics.</li> <li>2. Recommendation from people who affect my behavior will encourage me to buy the brand.</li> <li>3. Recommendation from people who are significant to me will encourage me to buy the brand.</li> <li>4. I would not change my brand preference even if my friends recommend other brands.</li> <li>5. It is hard to change my opinion regarding particular brand.</li> <li>6. Various information that I obtained on different cosmetic brands make me confused.</li> </ol>
Price	<ol style="list-style-type: none"> <li>1. I think the brand offers reasonable price.</li> <li>2. I prefer to buy cosmetic brand with lower price.</li> <li>3. I prefer to buy cosmetics at discounted price.</li> </ol>

	<ol style="list-style-type: none"> <li>4. I would switch to other brand that is offering discount instead of favorable brand.</li> <li>5. I tend to buy cosmetic brand with higher price.</li> <li>6. I think price is a signal of quality.</li> <li>7. I think higher price indicates higher quality.</li> <li>8. I think high priced cosmetics usually have long-lasting effect.</li> <li>9. I think the brand provides value for price paid.</li> </ol>
Quality	<ol style="list-style-type: none"> <li>1. I think the brand has good quality.</li> <li>2. I could have high performance expectation from the brand.</li> <li>3. I think the brand is trustable.</li> <li>4. I think the brand is better than other brand(s) of the product in term of the functions/ packaging.</li> <li>5. I often feel cosmetic products of popular brand would have long-lasting effect.</li> <li>6. I think the packaging of popular brand is often more fashionable and durable than small brand.</li> <li>7. I think the brand must provide quality assurance.</li> <li>8. I think the brand with halal certification has good quality.</li> <li>9. I think the quality of brand is guaranteed if having approval by relevant health organization.</li> </ol>
Country of Origin	<ol style="list-style-type: none"> <li>1. I think country of origin indicates brand quality.</li> <li>2. I prefer to buy brand from country with better company's reputation.</li> <li>3. I think technology sophistication of brand will be decided by country of origin when buying brand.</li> <li>4. I think country of origin will suggest a great value of brand.</li> <li>5. I think country of origin will indicate the brand as a famous brand.</li> </ol>
Satisfaction	<ol style="list-style-type: none"> <li>1. When using this brand, I believe that I did the correct thing.</li> <li>2. I think that using this brand normally provides me extremely</li> </ol>

	<p>satisfying experience.</p> <ol style="list-style-type: none"> <li>3. I feel satisfied with my choice of buying this brand.</li> <li>4. I feel my decision of buying this brand has been a smart one.</li> <li>5. This brand did well in satisfying my needs and wants.</li> </ol>
Perceived Risk	<ol style="list-style-type: none"> <li>1. There is a risk that the product of this brand may turn out to be bad.</li> <li>2. There is a risk that this brand may not worth its price.</li> <li>3. There is a risk that this brand may be a threat to health.</li> <li>4. There is a risk that the product of this brand may be useless.</li> <li>5. There is a risk of spending unnecessary money to purchase this brand.</li> <li>6. There is a risk of overpaying for the purchase of this brand.</li> <li>7. There is a risk that the purchase of the brand may be a poor decision and do not meet my expectation.</li> <li>8. There is a risk that the product of this brand may evoke allergy.</li> <li>9. I will ensure there is no dangerous ingredients when buying the brand.</li> </ol>
Reference Group	<ol style="list-style-type: none"> <li>1. My family thinks that I should buy this brand.</li> <li>2. My friends think that I should buy this brand.</li> <li>3. The perception of others toward people that are using certain brand is important for purchase decision.</li> <li>4. I would like to know the brand that will increase others favourability.</li> <li>5. It is important to purchase the brand that others will like.</li> <li>6. I think other people judge me through the brand used.</li> <li>7. The brand helps in building relationship with others.</li> <li>8. I get involved in the society through the use of the brand.</li> </ol>
Consumer's Brand	<ol style="list-style-type: none"> <li>1. I have my own regular cosmetic brand.</li> <li>2. I prefer to stick to the current brand I used.</li> </ol>

Preference	<ol style="list-style-type: none"><li>3. I prefer to buy this brand than any other brands.</li><li>4. I purchase various cosmetic brand for more variety.</li><li>5. This brand has better performance than other brands.</li><li>6. This brand fulfils my needs and wants.</li><li>7. It is convenient to purchase this brand everywhere.</li><li>8. I prefer the brands that educate me on how to use their products.</li><li>9. I prefer popular foreign brands.</li><li>10. I prefer best-selling brands.</li></ol>
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Source: Developed for the research

Table 3.3 Rules of Thumb of Cronbach's Alpha Coefficient Size

<b>Alpha Coefficient Range</b>	<b>Strength of Association</b>
< 0.6	Poor
0.6 – 0.7	Moderate
0.7 – 0.8	Good
0.8 – 0.9	Very Good
0.9	Excellent

Source: Hair, J. F. Jr., Babin, B., Money, A. H., & Samouel, P. (2003). *Essential of business research method*. New Jersey: John Wiley & Sons.

Table 3.4 Rule of Thumb of Pearson Correlation Coefficient

<b>Pearson Coefficient Range</b>	<b>Strength of Association</b>
±0.91 to ±1.00	Very Strong
±0.71 to ±0.90	High
±0.41 to ±0.70	Moderate
±0.21 to ±0.40	Small but definite relationship
±0.00 to ±0.20	Slight, almost negligible

Source: Hair, Jr., J. F., Money, A. H., Samouel, P., & Page, M. (2007). *Research methods for business*. Chichester, West Sussex: John Wiley & Sons Ltd.

Table 4.1: Race

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Chinese	252	84.0	84.0	84.0
Indian	16	5.3	5.3	89.3
Malay	32	10.7	10.7	100.0
Total	300	100.0	100.0	

Source: Developed for the research



Table 4.2: Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 18-20	22	7.3	7.3	7.3
21-25	234	78.0	78.0	85.3
26-30	34	11.3	11.3	96.6
31-34	10	3.4	3.4	100.0
Total	300	100.0	100.0	

Source: Developed for the research

Table 4.3: Current Education Level

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Secondary School	28	9.3	9.3	9.3
Degree / Bachelor Holder	248	82.7	82.7	92.0
Post-Graduation	24	8.0	8.0	100.0
Total	300	100.0	100.0	

Source: Developed for the research

Table 4.4: Income Level

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid RM 1000 and below	213	71.0	71.0	71.0
RM 1001 – RM 2000	27	9.0	9.0	80.0
RM 2001 – RM 3000	38	12.7	12.7	92.7
RM 3001 – RM 5000	20	6.7	6.7	99.4
-	2	0.7	0.7	100.0
Total	300	100.0	100.0	

Source: Developed for the research

Table 4.5: Usage of Cosmetic Products

**Do you use cosmetic products?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	260	86.7	86.7	86.7
No	40	13.3	13.3	100.0
Total	300	100.0	100.0	

Source: Developed for the research

Table 4.6: Usage of Cosmetic Brand

**Which brand do you use frequently?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Local Brand Cosmetics	18	6.0	6.0	6.0
Foreign Brand Cosmetics	242	80.7	80.7	86.7
Not Using Any Brand	40	13.3	13.3	100.0
Total	300	100.0	100.0	

Source: Developed for the research

Table 4.7: Preferences of Cosmetic Brands

**Would you prefer to buy local or foreign brand cosmetics?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Local Brand Cosmetics	12	4.0	4.0	4.0
Foreign Brand Cosmetics	288	96.0	96.0	100.0
Total	300	100.0	100.0	

Source: Developed for the research

Table 4.8: Preferences of Country's Cosmetic Brand

**Which country's cosmetics brand would you prefer to purchase?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Malaysia	12	4.0	4.0	4.0
Singapore	4	1.3	1.3	5.3
Thailand	4	1.3	1.3	6.7
Korea	168	56.0	56.0	62.7
Japan	43	14.3	14.3	77.0
United States	44	14.7	14.7	91.7
United Kingdom	10	3.3	3.3	95.0
France	9	3.0	3.0	98.0
Germany	6	2.0	2.0	100.0
Total	300	100.0	100.0	

Source: Developed for the research

Table 4.9: Central Tendencies Measurement of Constructs

**Descriptive Statistics**

	N	Mean	Ranking	Std. Deviation	Ranking
Advertising	300	3.7756	5	.74784	3
Publicity	300	3.7167	6	.74716	4
Word of Mouth	300	3.6444	7	.64562	7
Price	300	3.5704	8	.58168	9
Quality	300	3.8022	4	.54340	10
Country of Origin	300	3.9587	1	.74216	5
Satisfaction	300	3.9520	2	.69192	6
Perceived Risk	300	3.5681	9	.76523	2
Reference Group	300	3.3083	10	.80481	1
Consumer Brand Preference	300	3.9023	3	.58495	8

Source: Developed for the research

Table 4.10 Summary of Reliability Test of DV and IVs

**Reliability Statistics**

Construct	Cronbach's Alpha	N of Items	Strength
Advertising	.889	6	Very Good
Publicity	.792	3	Good
Word of Mouth	.729	6	Good
Price	.767	9	Good
Quality	.821	9	Very Good
Country of Origin	.891	5	Very Good
Satisfaction	.925	5	Excellent
Perceived Risk	.917	9	Excellent
Reference Group	.909	8	Excellent
Consumers' Brand Preference	.871	10	Very Good

Source: Developed for the research

Table 4.11: Pearson Correlation Analysis

**Correlations**

	Advertising	Publicity	Word of Mouth	Price	Quality	Country of Origin	Satisfaction	Perceived Risk	Reference Group	Consumer Brand Preference
Advertising	1	.394**	.527**	.556**	.589**	.449**	.515**	.263**	.213**	.548**
Pearson Correlation										
Sig. (2-tailed)		.000	.000	.000	.000	.000	.000	.000	.000	.000
N	300	300	300	300	300	300	300	300	300	300
Publicity	.394**	1	.440**	.260**	.438**	.263**	.229**	.035	.199**	.355**
Pearson Correlation										
Sig. (2-tailed)	.000		.000	.000	.000	.000	.000	.550	.001	.000
N	300	300	300	300	300	300	300	300	300	300
Word of Mouth	.527**	.440**	1	.409**	.520**	.391**	.448**	.332**	.431**	.512**
Pearson Correlation										
Sig. (2-tailed)	.000	.000		.000	.000	.000	.000	.000	.000	.000
N	300	300	300	300	300	300	300	300	300	300
Price	.556**	.260**	.409**	1	.586**	.464**	.469**	.235**	.253**	.485**
Pearson Correlation										
Sig. (2-tailed)	.000	.000	.000		.000	.000	.000	.000	.000	.000
N	300	300	300	300	300	300	300	300	300	300
Quality	.589**	.438**	.520**	.586**	1	.454**	.526**	.203**	.215**	.558**
Pearson Correlation										
Sig. (2-tailed)	.000	.000	.000	.000		.000	.000	.000	.000	.000
N	300	300	300	300	300	300	300	300	300	300
Country of Origin	.449**	.263**	.391**	.464**	.454**	1	.433**	.286**	.057	.475**
Pearson Correlation										
Sig. (2-tailed)	.000	.000	.000	.000	.000		.000	.000	.325	.000
N	300	300	300	300	300	300	300	300	300	300
Satisfaction	.515**	.229**	.448**	.469**	.526**	.433**	1	.236**	.173**	.623**
Pearson Correlation										
Sig. (2-tailed)	.000	.000	.000	.000	.000	.000		.000	.003	.000
N	300	300	300	300	300	300	300	300	300	300
Perceived Risk	.263**	.035	.332**	.235**	.203**	.286**	.236**	1	.130*	.244**
Pearson Correlation										
Sig. (2-tailed)	.000	.550	.000	.000	.000	.000	.000		.024	.000
N	300	300	300	300	300	300	300	300	300	300
Reference Group	.213**	.199**	.431**	.253**	.215**	.057	.173**	.130*	1	.222**
Pearson Correlation										
Sig. (2-tailed)	.000	.001	.000	.000	.000	.325	.003	.024		.000
N	300	300	300	300	300	300	300	300	300	300
Consumer Brand Preference	.548**	.355**	.512**	.485**	.558**	.475**	.623**	.244**	.222**	1
Pearson Correlation										
Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	
N	300	300	300	300	300	300	300	300	300	300

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

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

Source: Developed for the research

Table 4.12: Model Summary

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.724 <sup>a</sup>	.525	.510	.40951

a. Predictors: (Constant), Reference Group, Country of Origin, Perceived Risk, Publicity, Satisfaction, Price, Advertising, Word of Mouth, Quality

Source: Developed for the research

Table 4.13: ANOVA

**ANOVA<sup>b</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	53.677	9	5.964	35.565	.000 <sup>a</sup>
Residual	48.632	290	.168		
Total	102.308	299			

a. Predictors: (Constant), Reference Group, Country of Origin, Perceived Risk, Publicity, Satisfaction, Price, Advertising, Word of Mouth, Quality

b. Dependent Variable: Consumers' Brand Preference

Source: Developed for the research



Table 4.14: Coefficients

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	.638	.209		3.048	.003
Advertising	.089	.045	.113	1.976	.049
Publicity	.059	.038	.075	1.559	.120
Word of Mouth	.105	.052	.116	2.003	.046
Price	.056	.056	.056	1.018	.310
Quality	.128	.064	.119	2.005	.046
Country of Origin	.097	.040	.123	2.455	.015
Satisfaction	.292	.044	.345	6.646	.000
Perceived Risk	.012	.034	.015	.341	.733
Reference Group	.018	.033	.025	.539	.591

a. Dependent Variable: Consumers' Brand Preference

Source: Developed for the research

Table 4.15: Test of Significance

Construct	Significance Value
Advertising	.049
Publicity	.120
Word of Mouth	.046
Price	.310
Quality	.046
Country of Origin	.015
Satisfaction	.000
Perceived Risk	.733
Reference Group	.591

Source: Developed for the research

Table 5.1: Summary Result of Research Hypothesis

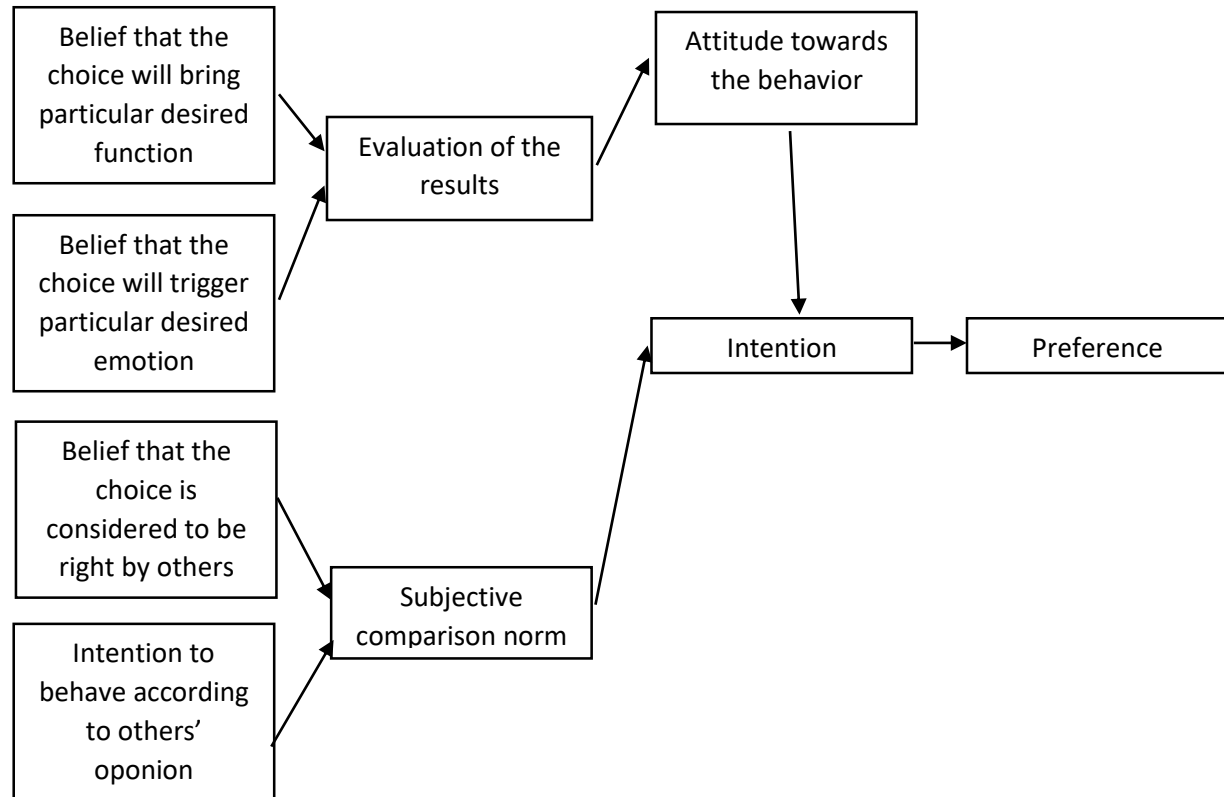
Hypothesis	Result		Decision
	$\beta$ -value	p-value	
H1: Advertising has a significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands.	0.113	0.049 ( $p < 0.05$ )	Supported
H2: Publicity has a significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands.	0.075	0.120 ( $p > 0.05$ )	Not Supported
H3: Word of mouth has a significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands.	0.116	0.046 ( $p < 0.05$ )	Supported

H4: Price has a significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands.	0.056	0.310 (p > 0.05)	Not Supported
H5: Quality has a significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands.	0.119	0.046 (p < 0.05)	Supported
H6: Country of origin has a significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands.	0.123	0.015 (p < 0.05)	Supported
H7: Satisfaction has a significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands.	0.345	0.000 (p < 0.05)	Supported
H8: Perceived risk has a significant negative relationship with Malaysian young women preference of local and foreign cosmetics brands.	0.015	0.733 (p > 0.05)	Not Supported
H9: Reference group has a significant positive relationship with Malaysian young women preference of local and foreign cosmetics brands.	0.025	0.591 (p > 0.05)	Not Supported

Source: Developed for the research

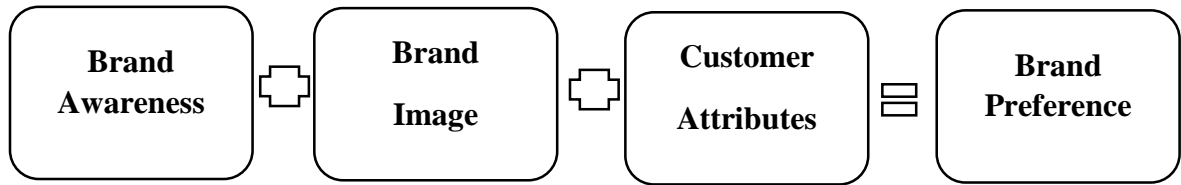
Appendix B: Figures

Figure 2.1: Model of Consumer Preference Formation



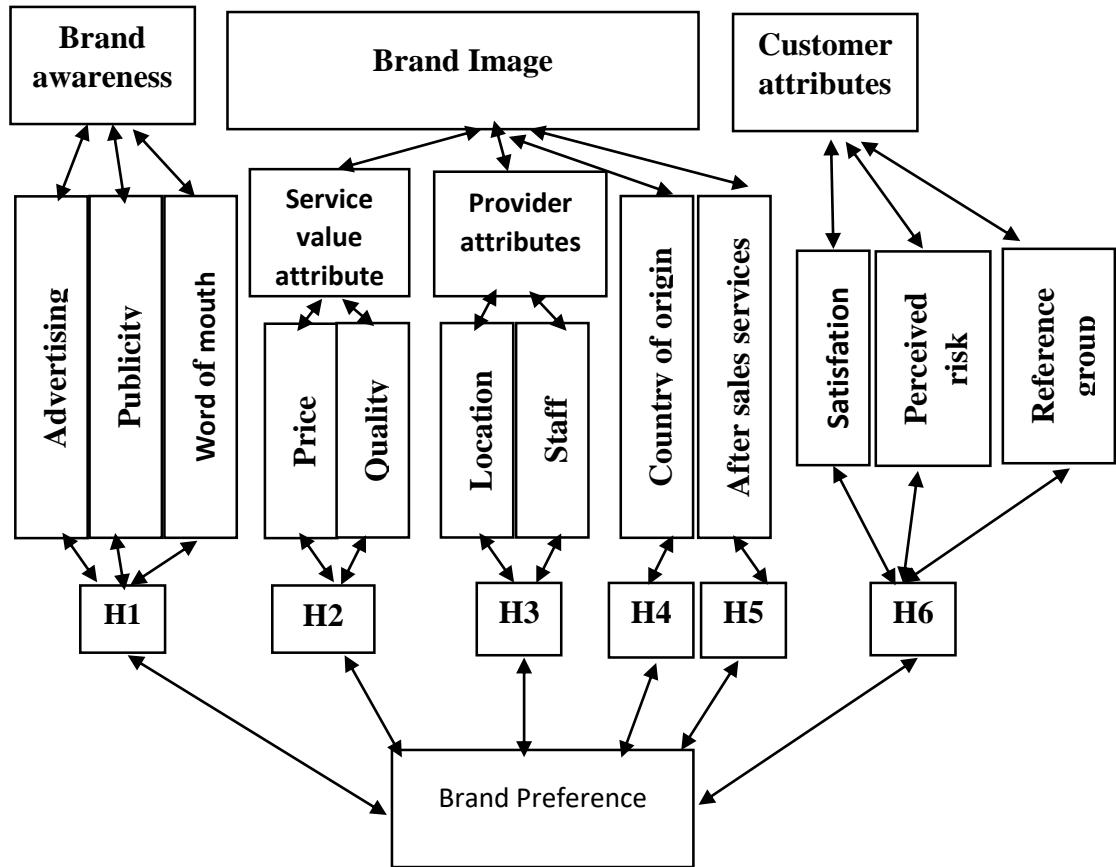
Source: Schiffman, L., Kanuk, L. (n.d.). *Developing customer insight: The determination of customer preference*, International Communication Research. <https://www.slideshare.net/MuthuShree/customer-preference-formation-1205>

Figure 2.2: Basic Model by Alamro and Rowley (2011)



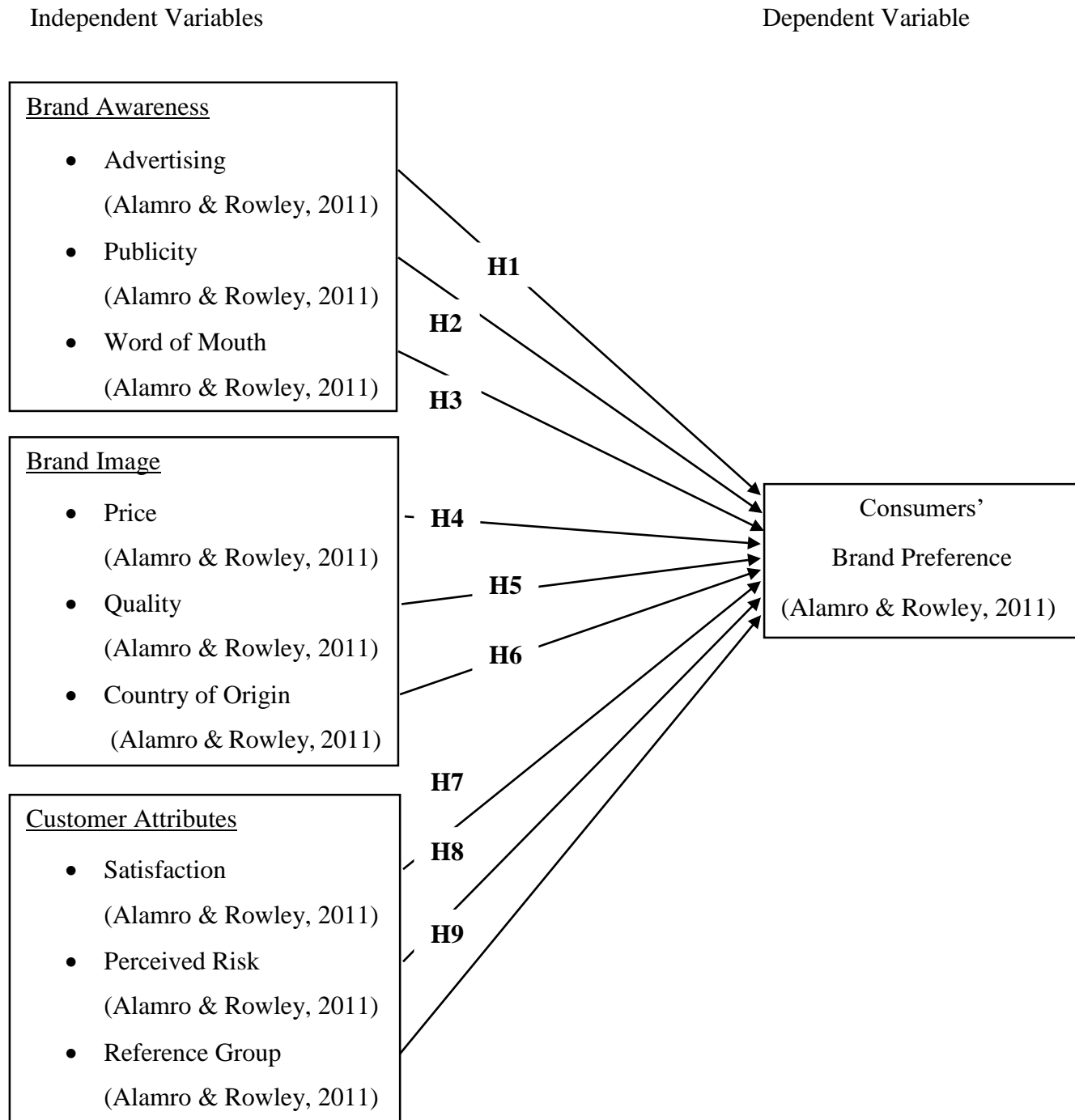
Source: Alamro, A., Rowley, J. (2011). Antecedents of Brand Preference for Mobile Telecommunications Services. *Journal of Product & Brand Management*, Vol. 20 No. 6, pp. 475-486. <https://www.emeraldinsight.com/doi/abs/10.1108/10610421111166621>

Figure 2.3: Theoretical Framework by Alamro and Rowley (2011)



Source: Alamro, A., Rowley, J. (2011). Antecedents of Brand Preference for Mobile Telecommunications Services. *Journal of Product & Brand Management*, Vol. 20 No. 6, pp. 475-486. <https://www.emeraldinsight.com/doi/abs/10.1108/10610421111166621>

Figure 2.4: Proposed Theoretical / Conceptual Framework



Source: Developed for the research

Figure 3.1 Example of Nominal Scale

<p>Q1. Race:</p> <p>(        ) Chinese</p> <p>(        ) Indian</p> <p>(        ) Malay</p>
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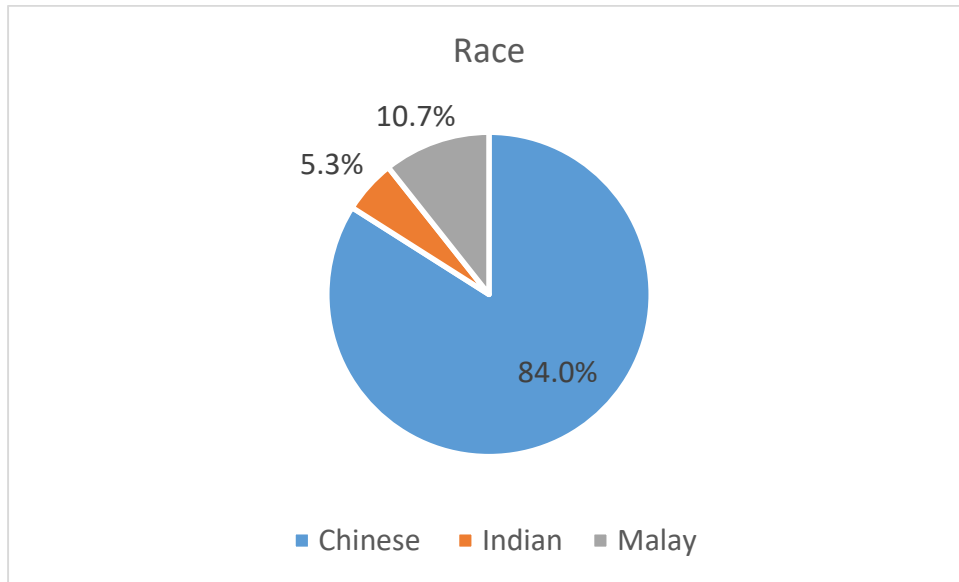
Figure 3.2 Example of Interval Scale

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	2	3	4	5

<b>Advertising</b>					
I think the advertisements of the brand are attractive	1	2	3	4	5
I think the advertisements have impressed me.	1	2	3	4	5
The advertisement are able to give related information regarding the brand.	1	2	3	4	5
Advertisements of the brand increase my purchase intention.	1	2	3	4	5
I think the brand needs to have celebrity endorsement for quality.	1	2	3	4	5
I normally have preference over popular brand due to the advertisement with well-known celebrity and actress.	1	2	3	4	5
I would like to purchase frequently advertised cosmetics brand.	1	2	3	4	5

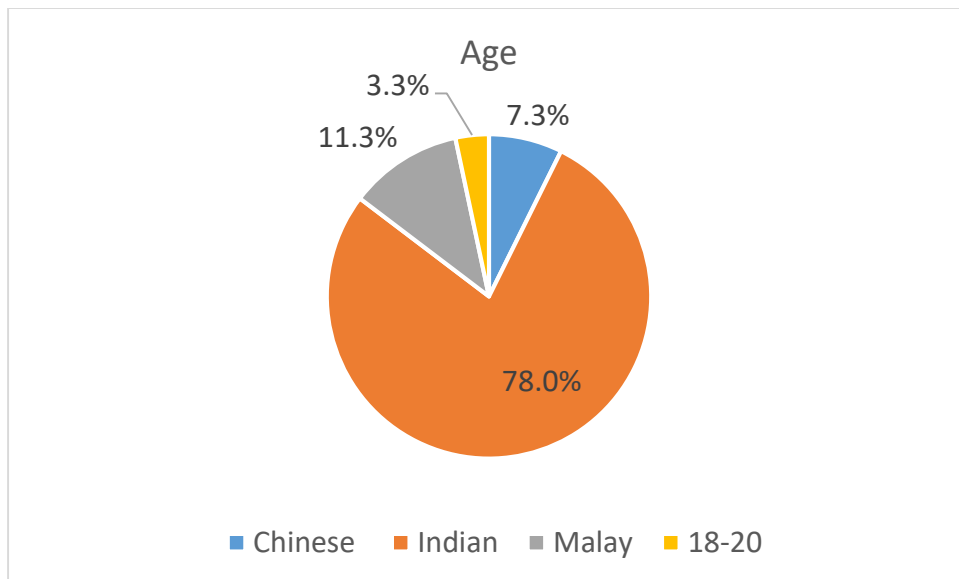


Figure 4.1: Race



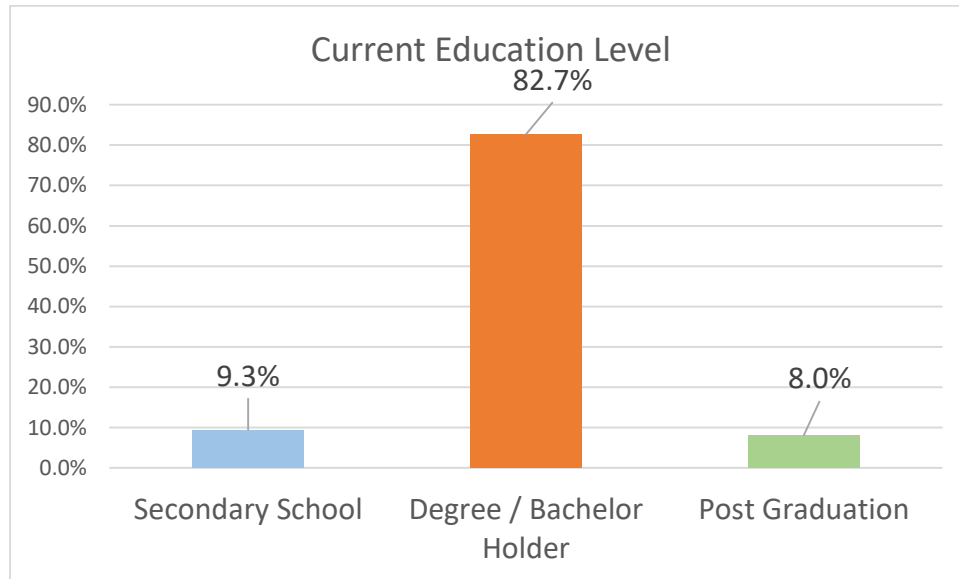
Source: Developed for the research

Figure 4.2: Age



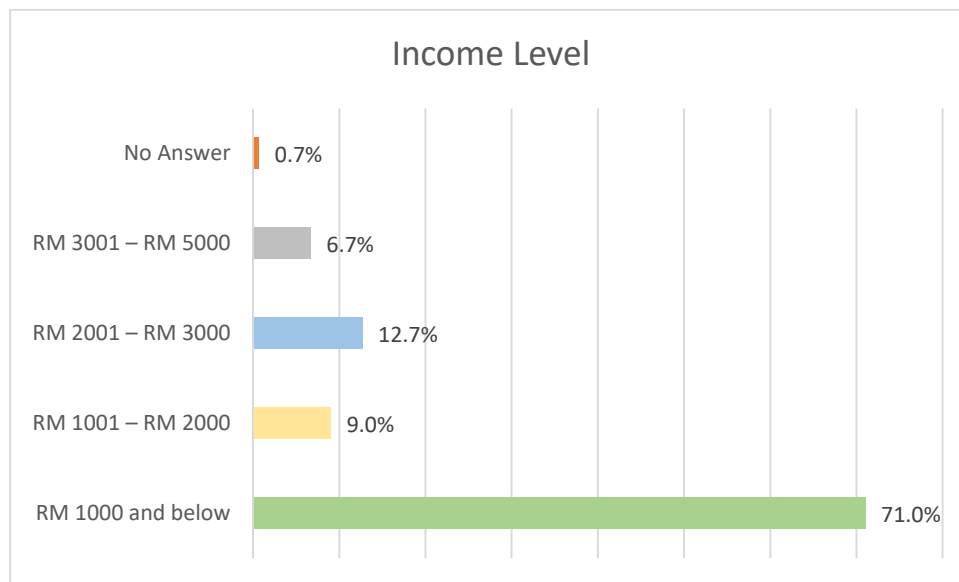
Source: Developed for the research

Figure 4.3: Current Education Level



Source: Developed for the research

Figure 4.4: Income Level



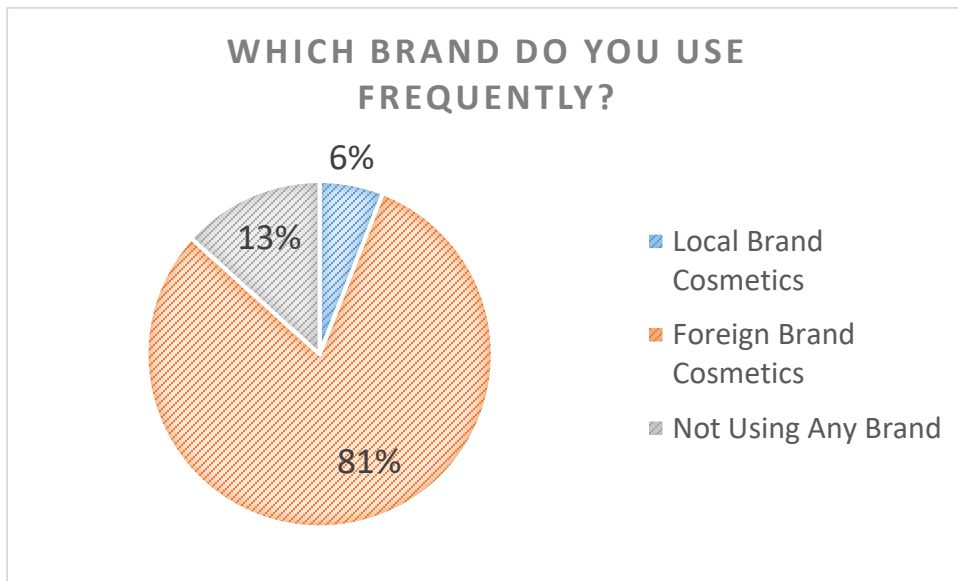
Source: Developed for the research

Figure 4.5: Usage of Cosmetic Products



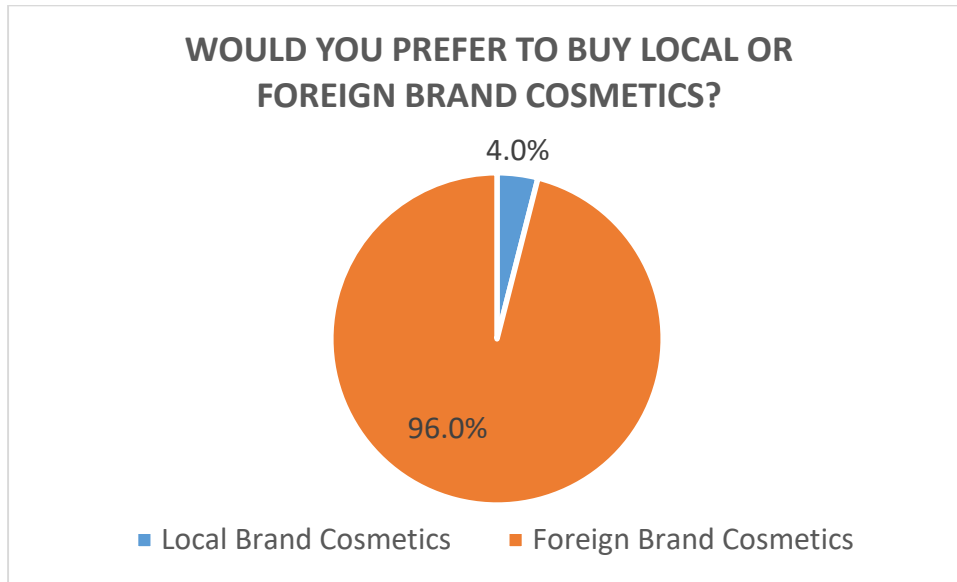
Source: Developed for the research

Figure 4.6: Usage of Cosmetic Brand



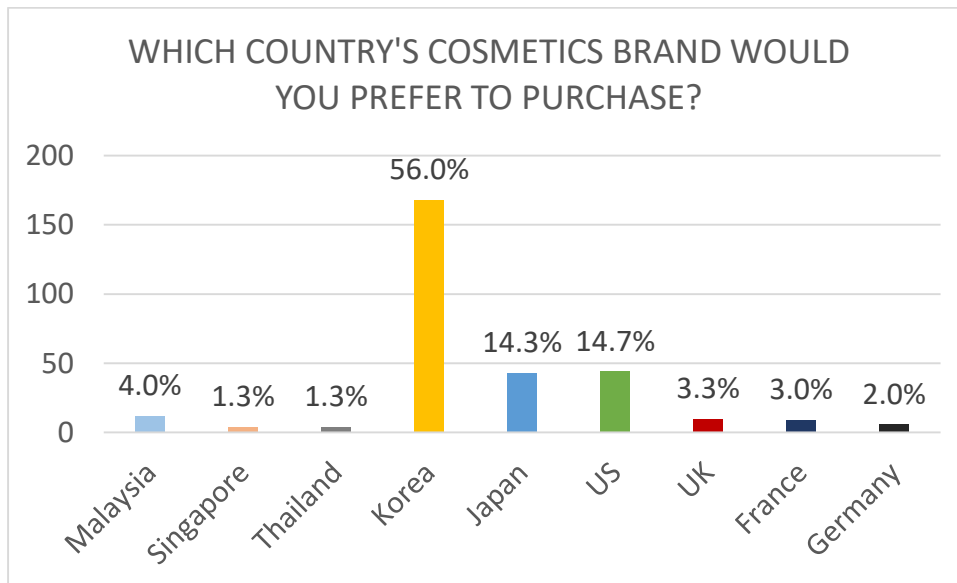
Source: Developed for the research

Figure 4.7: Preference of Cosmetic Brands



Source: Developed for the research

Figure 4.8: Preferences of Country's Cosmetic Brand



Source: Developed for the research

Appendix C: Questionnaire



**Universiti Tunku Abdul Rahman**

**Faculty of Accountancy and Management (FAM)**

**Bachelor of International Business (HONS)**

**Malaysian Young Women Preference of Local and Foreign  
Cosmetic Brands**

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Dear respondents,

We are students of Bachelor of International Business (Hons) under Faculty of Accountancy and Management (FAM) at Universiti Tunku Abdul Rahman (UTAR). We are currently carrying out a research on the topic, Malaysian young women preference of local and foreign brands.

There are THREE (3) sections in the questionnaire. Please read the instructions and questions carefully when answering this questionnaire. Please answer ALL questions provided in the questionnaire. The questionnaire would take you about 10 minutes to fill in. The information obtained from the questionnaire would be used for academic purposes only. We would like to promise you to keep your information from other parties.

*Thank you for your participation and cooperation.*

Section A: Demographic Profile

Please tick (✓) your answer in the box provided or fill in the blank for each of the following items.

Q1. Race:

- (      ) Chinese  
(      ) Indian  
(      ) Malay  
(      ) Other: \_\_\_\_\_ (Please Specify)

Q2. Age: \_\_\_\_\_ years old

Q3. What is your current education level?

- (      ) Primary School  
(      ) Secondary School  
(      ) Degree/ Bachelor Holder  
(      ) Post graduation

Q4. Income per month: RM \_\_\_\_\_

Q5. Do you use cosmetic products?

- (      ) Yes [Go to Q6]  
(      ) No [Go to Q7]

Q6. Which brand do you use frequently?

- (      ) Local brand cosmetics [Go to Q7]  
(      ) Foreign brand cosmetics [Go to Q7]

Q7. Would you prefer to buy local or foreign brand cosmetics?

- (        ) Local brand cosmetics
- (        ) Foreign brand cosmetics

Q8. Based on the list of the following countries, which country's brand would you prefer to purchase your cosmetic products from?

- (        ) Malaysia
- (        ) Singapore
- (        ) Thailand
- (        ) Korea
- (        ) Japan
- (        ) United States
- (        ) United Kingdom
- (        ) France
- (        ) Germany

**Section B: Constructs Measurement**

Please circle only ONE option for each statement. You are given 5 options of answers ranging from (1) strongly disagree to (5) strongly agree, which it indicates as follows:

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	2	3	4	5

<b>Advertising</b>					
I think the advertisements of the brand are attractive.	1	2	3	4	5
I think the advertisements have impressed me.	1	2	3	4	5
The advertisement are able to give related information regarding the brand.	1	2	3	4	5
Advertisements of the brand increase my purchase intention.	1	2	3	4	5
I normally have preference over popular brand due to the advertisement with well-known celebrity and actress.	1	2	3	4	5
I would like to purchase frequently advertised cosmetics brand.	1	2	3	4	5

<b>Publicity</b>					
I have seen news mentioned that it is good to buy the brand.	1	2	3	4	5
The famous press presents a favourable view towards the use of brand.	1	2	3	4	5
Mass media reports have affected me to buy the brand.	1	2	3	4	5



<b>Worth of Mouth</b>					
I ask for recommendations of my family and friends when purchasing cosmetics.	1	2	3	4	5
Recommendation from people who affect my behaviour will encourage me to buy the brand.	1	2	3	4	5
Recommendation from people who are significant to me will encourage me to buy the brand.	1	2	3	4	5
I would not change my brand preference even if my friends recommend other brands.	1	2	3	4	5
It is hard to change my opinion regarding particular brand.	1	2	3	4	5
Various information that I obtained on different cosmetic brands make me confused.	1	2	3	4	5

<b>Price</b>					
I think the brand offers reasonable price.	1	2	3	4	5
I prefer to buy cosmetic brand with lower price.	1	2	3	4	5
I prefer to buy cosmetics at discounted price.	1	2	3	4	5
I would switch to other brand that is offering discount instead of favourable brand.	1	2	3	4	5
I tend to buy cosmetic brand with higher price.	1	2	3	4	5
I think price is a signal of quality.	1	2	3	4	5
I think higher price indicates higher quality.	1	2	3	4	5
I think high priced cosmetics usually have long-lasting effect.	1	2	3	4	5
I think the brand provides value for price paid.	1	2	3	4	5

<b>Quality</b>					
(Q1) I think the brand has good quality.	1	2	3	4	5
(Q2) I could have high performance expectation from the brand.	1	2	3	4	5
(Q3) I think the brand is trustable.	1	2	3	4	5
(Q4) I think the brand is better than other brand(s) of the product in term of the functions/ packaging.	1	2	3	4	5
(Q5) I often feel cosmetic products of popular brand would have long-lasting effect.	1	2	3	4	5
(Q6) I think the packaging of popular brand is often more fashionable and durable than small brand.	1	2	3	4	5
(Q7) I think the brand must provide quality assurance.	1	2	3	4	5
(Q8) I think the brand with halal certification has good quality.	1	2	3	4	5
(Q9) I think the quality of brand is guaranteed if having approval by relevant health organization.	1	2	3	4	5

<b>Country of Origin</b>					
(CO1) I think country of origin indicates brand quality.	1	2	3	4	5
(CO2) I prefer to buy brand from country with better company's reputation.	1	2	3	4	5
(CO3) I think technology sophistication of brand will be decided by country of origin when buying brand.	1	2	3	4	5
(CO4) I think country of origin will suggest a great value of brand.	1	2	3	4	5
(CO5) I think country of origin will indicate the brand as a famous brand.	1	2	3	4	5

<b>Satisfaction</b>					
(S1) When using this brand, I believe that I did the correct thing.	1	2	3	4	5
(S2) I think that using this brand normally provides me extremely satisfying experience.	1	2	3	4	5
(S3) I feel satisfied with my choice of buying this brand.	1	2	3	4	5
(S4) I feel my decision of buying this brand has been a smart one.	1	2	3	4	5
(S5) This brand did well in satisfying my needs and wants.	1	2	3	4	5

<b>Perceived Risk</b>					
(PR1) There is a risk that the product of this brand may turn out to be bad.	1	2	3	4	5
(PR2) There is a risk that this brand may not worth its price.	1	2	3	4	5
(PR3) There is a risk that this brand may be a threat to health.	1	2	3	4	5
(PR4) There is a risk that the product of this brand may be useless.	1	2	3	4	5
(PR5) There is a risk of spending unnecessary money to purchase this brand.	1	2	3	4	5
(PR6) There is a risk of overpaying for the purchase of this brand.	1	2	3	4	5
(PR7) There is a risk that the purchase of the brand may be a poor decision and do not meet my expectation.	1	2	3	4	5
(PR8) There is a risk that the product of this brand may evoke allergy.	1	2	3	4	5
(PR9) I will ensure there is no dangerous ingredients when buying the brand.	1	2	3	4	5

<b>Reference Group</b>					
(RG1) My family thinks that I should buy this brand.	1	2	3	4	5
(RG2) My friends think that I should buy this brand.	1	2	3	4	5
(RG3) The perception of others toward people that are using certain brand is important for purchase decision.	1	2	3	4	5
(RG4) I would like to know the brand that will increase others favour-ability.	1	2	3	4	5
(RG5) It is important to purchase the brand that others will like.	1	2	3	4	5
(RG6) I think other people judge me through the brand used.	1	2	3	4	5
(RG7) The brand helps in building relationship with others.	1	2	3	4	5
(RG8) I get involved int he society through the use of the brand.	1	2	3	4	5

<b>Consumer's Brand Preference</b>					
(CBP1) I have my own regular cosmetic brand.	1	2	3	4	5
(CBP2) I prefer to stick to the current brand I used.	1	2	3	4	5
(CBP3) I prefer to buy this brand than any other brands.	1	2	3	4	5
(CBP4) I purchase various cosmetic brand for more variety.	1	2	3	4	5
(CBP5) This brand has better performance than other brands.	1	2	3	4	5
(CBP6) This brand fulfils my needs and wants.	1	2	3	4	5
(CBP7) It is convenient to purchase this brand everywhere.	1	2	3	4	5
(CBP8) I prefer the brands that educate me on how to use their products.	1	2	3	4	5
(CBP9) I prefer popular foreign brands.	1	2	3	4	5
(CBP10) I prefer best-selling brands.	1	2	3	4	5